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Forecasting/Resource Planning Process Legal Framework,

**Per Chapter 4935
Ohio Revised Code (ORC)
PUCO Staff**



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Section 4935.01: Forecasting energy needs

Section 4935.02: Collection, verification, and analysis of energy data, statistics, and information

Section 4935.03: Rules for energy emergencies

Section 4935.04: Energy information and reports



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4935.01 ORC

(A) The commission shall:

- (1) **Estimate statewide and regional needs for energy for the forthcoming five- and ten-year periods** which, in the opinion of the commission, will reasonably balance requirements of state and regional development, protection of public health and safety, preservation of environmental quality, maintenance of a sound economy, and conservation of energy and material resources. Other factors and trends which will significantly affect energy consumption such as the effects of conservation measures shall also be included;*
- (2) **Estimate statewide and regional demands within the state for energy for twenty years ahead**, to be used in formulation of long-range policies and proposals for reduction of demand, conservation of energy, development of potential sources of energy, and action to affect the rate of growth in demand for energy;*



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4935.02 ORC

*The public utilities commission shall **develop and maintain an effective program for the collection, verification, and analysis of energy data, statistics, and information.** The program shall be developed and implemented so as to be coordinated and consistent with other governmental data collection and record keeping programs. Internal validation procedures shall be established to ensure to the extent practicable the accuracy of information received. The commission shall utilize to the fullest extent possible any existing energy information already prepared for state or federal agencies. **Every state, county, township, and municipal agency shall cooperate with the commission and shall submit any information on energy to it upon request.***



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4935.03 ORC

*(A) The public utilities commission shall adopt, and may amend or rescind, rules in accordance with section [111.15](#) of the Revised Code, with the approval of the governor, **defining various foreseen types and levels of energy emergency conditions for critical shortages or interruptions in the supply of electric power, natural gas, coal, or individual petroleum fuels and specifying appropriate measures to be taken at each level or for each type of energy emergency as necessary to protect the public health or safety or prevent unnecessary or avoidable damage to property.** The rules may prescribe different measures for each different type or level of declared energy emergency, and for any type or level shall empower the governor to:*

- (1) Restrict the energy consumption of state and local government offices and industrial and commercial establishments;*
- (2) Restrict or curtail public or private transportation or require or encourage the use of car pools or mass transit systems;*



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4935.04 ORC

*(C) Each person **owning or operating a major utility facility** within this state, or furnishing gas, natural gas, or electricity directly **to more than fifteen thousand customers** within this state shall furnish a report to the commission for its review. The report shall be furnished annually, except that for a gas or natural gas company the report shall be furnished every three years. The report shall be termed the long-term forecast report and shall contain:*

- (1) **A year-by-year, ten-year forecast of annual energy demand, peak load, reserves, and a general description of the resource plan to meet demand;***
- (2) **A range of projected loads during the period;***
- (3) **A description of major utility facilities planned to be added or taken out of service in the next ten years,** including, to the extent the information is available, prospective sites for transmission line locations;*



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4935.04 ORC (Continued)

(D) The commission shall:

- (1) **Review and comment on the reports filed under division** (C) of this section, and make the information contained in the reports readily available to the public and other interested government agencies;*
- (2) **Compile and publish each year the general locations of proposed and existing transmission line routes within its jurisdiction as identified in the reports filed under division** (C) of this section, identifying the general location of such sites and routes and the approximate year when construction is expected to commence, and to make such information readily available to the public, to each newspaper of daily or weekly circulation within the area affected by the proposed site and route, and to interested federal, state, and local agencies;*
- (3) **Hold a public hearing***



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Forecasting/Resource Planning Process Administrative Framework, Per Chapter 4901:5 Ohio Administrative Code (OAC)



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Filing Process of the Long-Term Forecast Report (LTFR)

- Number of copies
- Format
- Attestation of truth by an officer
- Publication announcements
- Filings at public libraries



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LTFR Due Dates

- The LTFR must be filed annually on or before **April fifteenth**
- For years in which the forecast does not show a **substantial change**, the electric transmission owner or the electric utility may file only the forms specified

“Substantial change” includes, but is not limited to:

*(1) A change in forecasted peak loads or energy consumption over the forecast period of greater **than an average of one-half of one per cent per year** as calculated in rule 4901:5-3-03 of the Administrative Code.*

*(2) **Demonstration of good cause** to the commission by an interested party.*



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LTFR Fees

- Fees for electric transmission owners or electric utilities shall be submitted annually to the commission by on or before May first.
- The commission shall annually determine the fee each utility must pay, and shall notify each utility as to that amount at least thirty days prior to the date payment is due.
- Fees for electric transmission owners or electric utilities will be based on:
 - For electric transmission owners, the fee shall be two and one-half mills per megawatt hour delivery based upon the most recently filed form FE-T1 column twelve.
 - For electric utilities, the fee shall be two and one-half mills per megawatt-hour delivery based upon the most recently filed form FE-D1 column eight.



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The Content of the LTFR

- Summary: planning objectives, growth rates, key assumptions
- Special subject areas: coordination with affiliates, power pools, regional transmission providers, topics requested by the commission to be addressed, energy efficiency & demand response, and the energy-price relationship
- Forecast documentation: methodological framework, equations and historical data used, size of the standard error
- Databases used: internal and external data sources



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The Required Forms in the LTFR

- Forms for Electric Transmission Owners: [FE-T](#)
- Forms for Electric Distribution Utilities: [FE-D](#)
- Forms for Resource Plans: [FE-R](#)



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The LTFR Hearing Process – Triggers

- A hearing is conducted at least once in **every five years** on the latest LTFR filed
- The latest LTFR contains a **substantial change**, or
- A demonstration of **good cause** by an interested party (including PUCO staff)



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The LTFR Hearing Process – Scope

- A review of the forecasted load and energy requirements for each year,
- A review of the estimated capacity and supplies to meet the forecasted load,
- A review of the demand reductions due to energy conservation by all end users



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The LTFR Hearing Process – Scope (Continued)

- The reasonableness of the forecasted load and resources in relation to exogenous factors; such as population/economic growth
- The adequacy of the forecasting methodology used to develop the forecasts and the underlying assumptions
- The accuracy of the data sources used



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LTFR Resource Plans – Assessment of Need

To the extent an electric distribution utility is **requesting cost recovery under ORC 4928.143(B)(2)(b) and (c)**, a set of information (in addition to the FE-R forms) would have to be included in the LTFR Resource Plans section:

- Major factors; such as system load profile, maintenance requirements of existing and planned units, resource options uncertainty in terms of cost, availability, performance, lead times for construction, consideration of the ability to buy and sell power with other electric systems



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LTFR Resource Plans – Assessment of Need (Continued)

- Federal and State Regulatory Climate
- A discussion of the reliability criteria, engineering analysis performed, economic analysis performed,
- A discussion of the projected resource adequacy of the electric system in the short- and long-term
- A discussion of the future adequacy of fuel supplies in the short- and long-term
- A demonstration of the cost effectiveness of the chosen resource plan as compared to alternative plans evaluated in terms of net present value of revenue requirements, rate impacts, and the consideration of risk.