

Comments on Discussion Draft of Rulemaking to Implement Greenhouse Gases
Emissions Performance Standard – RCW 80.80.060, Docket UE-080111
NW Energy Coalition

March 25, 2008

The NW Energy Coalition (NW Energy) respectfully submits these comments to WA Utilities Transportation Commission on Discussion Draft—Docket UE-080111 (February 8, 2008).

We are pleased to see that the rules are very straightforward and neatly follow Engrossed Senate Substitute bill 6001, Chapter 307, Laws of 2007, with the title Climate Change - Mitigating Impact that became effective July 22, 2007.

Below we will present one comment we have on the draft.

Sincerely,

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**Discussion Draft—Docket UE-080111
February 8, 2008**

NEW SECTION

WAC 480-100-XXX Electric generation resource compliance with the greenhouse gas emission performance standard. (1) No electrical company may enter into a long-term financial commitment after June 30, 2008, for the supply of baseload generation unless such generation complies with the greenhouse gases emissions performance standard. The following definitions apply for purposes of this section and WAC 480-100-YYY:

(a) “Baseload electric generation” means electric generation from a power plant that is designed and intended to provide electricity at an annualized plant capacity factor of at least sixty percent.

(b) “Greenhouse gases emission performance standard” means the standard established in RCW 80.80.040 and the calculation methods contained in WAC 173-407.

(c) “Long-term financial commitment” means either a new ownership interest in baseload electric generation or an upgrade to a baseload electric generation facility; or a new or renewed contract for baseload electric generation with a term of five or more years for provision of retail power or wholesale power to end-use customers in this state.

(d) “Plant capacity factor” means the ratio of the electricity produced during a given time period, measured in kilowatt hours, to the electricity the unit could have produced if it had been operated at its rated capacity during that period, expressed in kilowatt hours.

(e) “Power plant” means a facility for the generation of electricity that is permitted as a single plant by the energy facility site evaluation council or a local jurisdiction.

(2) An electrical company may apply for determination by the commission of whether an electric generation resource it proposes to acquire as a long-term financial commitment complies with the greenhouse gases emissions performance standard, including whether the resource is baseload electric generation, whether the company has a need for the resource, and whether the proposed resource is appropriate to meet that need. Such an application must include the following information:

Comment [CD1]: The NW Energy Coalition recommends that "may" be changed to "will", to ensure obligation of the rule.

(a) the electrical company's most recent integrated resource plan filed under WAC 480-100-238 and a description of how the proposed electric generation resource meets the resource need, resource investment strategies and other factors identified in the integrated resource plan.

(b) if the proposed electric generation resource is a specific power plant:

(i) the plant technology, design, fuel and fuel consumption;

(ii) any site certificate or other permits necessary for operation of the plant;

(iii) such other information as is available concerning the exhaust emissions characteristics of the plant; and

(iv) the expected cost of the power generation to be acquired from the plant.

(c) if the proposed electric generation resource is a power purchase contract:

(i) the proposed contract;

(ii) the technology, location, design, fuel and fuel consumption of the power plant, or plants, identified in the contract as the source of the contracted power deliveries, including such information as is knowable regarding the proportionate share each power source, or type of plant, will contribute to deliveries, on an annual basis;

(iii) such other information as is available concerning the exhaust emissions characteristics of the plant(s); and

(iv) the contract term and expected cost of the generation to be acquired through the power purchase agreement.

(3) The commission will consider the application pursuant to chapter 34.05 (Part IV) RCW following the procedures established in WAC 480-07. The schedule for a proceeding under this subsection will take into account both (a) the needs of the parties to the proposed resource acquisition or power purchase agreement for timely decisions that allow transactions to be completed; and (b) the procedural rights to be provided to parties in chapter 34.05 RCW (part IV), including intervention, discovery, briefing, and hearing.

(4) The commission will not decide in a proceeding under RCW 80.80.60 issues involving the actual costs to construct and operate the selected resource, cost recovery, or other issues reserved by the commission for decision in a general rate case or other proceeding for recovery of the resource or contract costs.

NEW SECTION

WAC 480-100-YYY Electrical company applications for exemption from the greenhouse gas emissions performance standard. (1) An electrical company may apply to the commission for a case-by-case exemption from the greenhouse gases emissions performance standard to address:

- (a) unanticipated electric system reliability needs; or
- (b) catastrophic events or threat of significant financial harm that may arise from unforeseen circumstances.

(2) A company's application under (1)(a) of this section must include:

(a) a description of the electric system reliability needs including an explanation of why these needs were not anticipated, and why they cannot be addressed with other baseload electric generation that complies with the greenhouse gases performance standard.

(b) the estimated duration of the exemption necessary to address the reliability need.

(c) a description of any long-term financial commitment the company proposes to enter into to address the reliability need including all of the information specified in WAC 480-100-XXX.

(3) Company application's under (1)(b) of this section must include:

(a) a description of the catastrophic event or threat of significant financial harm and an explanation of why the circumstances from which the event or harm arose were not foreseen including:

(i) an explanation of why the circumstances cannot be addressed with baseload generation that complies with the greenhouse gases performance standard;

(ii) what the anticipated negative financial impact would be to the company if such exemption were denied;

(b) the estimated duration of the exemption necessary to address the catastrophic event or threat of significant financial harm.

(c) a description of any long-term financial commitment the company proposes to enter into to address the catastrophic event or threat of significant financial harm including all of the information specified in WAC 480-100-XXX.