

**CR-102 DRAFT RULES - COMMENTS SUMMARY**  
**From January 28, 2010 Comments**  
**PURPA Rulemaking on Energy Independence and Security Act of 2007 (EISA)**  
**Docket U-090222**

**State Consideration of Smart Grid**

*Part A*

(18) CONSIDERATION OF SMART GRID INVESTMENTS—

(A) IN GENERAL.—Each State shall consider requiring that, prior to undertaking investments in nonadvanced grid technologies, an electric utility of the State demonstrate to the State that the electric utility considered an investment in a qualified smart grid system based on appropriate factors, including—

- (i) total costs;
- (ii) cost-effectiveness;
- (iii) improved reliability;
- (iv) security;
- (v) system performance; and
- (vi) societal benefit.

**COMMENTS**

The Commission received written comments from Avista Utilities (Avista) and Puget Sound Energy (PSE) on its CR-102 Draft Rule.

Avista suggests that it is important to consider the activities under the Smart Grid Demonstration Projects (SGDG) and Smart Grid Investment Grant Program (SGIG). Avista states that smart grid is a strategy to incorporate into the planning process rather than a technology. Avista also restates its interest in seeing the reporting rules serve an educational role.

PSE also believes it is important to consider the SGDG and SGIG activities and lists some of the smart grid developments on the national level.

	<b>WAC 480-100-505 (2)(a) COMMENTS</b>
	<p>Avista reiterates that it considers smart grid a “system of systems” rather than a separate definable “function.” PSE states that the smart grid definition in the rule still does not align entirely with the federal definition in EISA 2007. PSE proposes specific language for part (2)(a)(vi),(vii) and (viii). PSE is also concerned that some smart grid functions in the rule may already be covered under the definition of conservation.</p>
	<b>WAC 480-100-505 (2)(b) COMMENTS</b>
	<p>Avista does not support the need to single out pilot activities. It asserts that pilot projects would function as a testing of new technologies for the purpose of lowering the future cost of implementing the smart grid technologies. Avista proposes some language for (2)(b) defining smart grid pilot.</p> <p>PSE suggests that the rules recognize that smart grid pilots will not be cost effective in-and-of themselves but lead to lower cost implementation of smart grid. PSE proposes a definition of smart grid pilot that reflects this concept.</p>
	<b>WAC 480-100-505 (2)(c) COMMENTS</b>
	<p>PSE states that the definition in the proposed rule may not include enabling customer products and programs behind the meter or enabling distributed generation and suggests language that explicitly includes it.</p>
	<b>WAC 480-100-505 (2)(d) COMMENTS</b>
	<p>PSE states that it interprets the language to mean that the utility is only required to submit a report describing smart grid technologies that it has both implementation plans for and an evaluation of.</p>
	<b>WAC 480-100-505 (3) COMMENTS</b>
	<p>In light of the SGIG and SGDg projects, Avista suggests that it would be premature to have the first report due in 2010 and suggests the first report not be due until September 1, 2011 and that the subsequent reports be in 2014 and 2017 at which time the reporting rule would sunset.</p>

	<b>WAC 480-100-505 (4)(a) COMMENTS</b>
	<p>Avista suggests that Smart grid technologies the utility has considered should be in the context of its intended use to improve the real-time grid operations that meet smart grid concepts for the “modern grid.” Avista states that it will use its road map to provide a vision for smart grid improvements.</p> <p>PSE suggests the inclusion of “commercially available” helps refine the focus of the report. PSE states that it interprets the language in (4)(a) as only requiring it to submit a report describing smart grid technologies that it has both implementation plans for and an evaluation of. PSE also reads section (4)(a)(i)-(x) to require only the reporting of details that the utility has both considered and evaluated.</p>
	<b>WAC 480-100-505 (4)(b) COMMENTS</b>
	<p>Avista reiterates its cautionary statement that regulatory mandates, such as security, may require expenditures related to smart grid that are not cost effective.</p> <p>PSE suggests the inclusion of “commercially available” to refine the focus of the report on mature technologies that will be able to deliver value and is more closely aligned to existing integrated resource planning rules.</p>
	<b>WAC 480-100-505 (4)(c) COMMENTS</b>
	<p>PSE restates its concern that a utilities timelines and plans should not proscribe the actions during that planning horizon or that the lack of plans should limit the utilities actions.</p>

	<b>WAC 480-100-505 (4)(d) COMMENTS</b>
	PSE believes the language should not preclude the implementation of technologies not initially mentioned in previous reports.
	<b>WAC 480-100-505 (8) (as proposed by commenters) COMMENTS</b>
	Avista and PSE repeat their need to have RCW 42.56.420 available for use to request an exemption from disclosure.
	<b>WAC 480-100-505 (9) (as proposed by commenters) COMMENTS</b>
	PSE and Avista suggests rule language that a utility shall not be subjected to “any penalties” for failing to implement smart grid technologies that it said it would in previous reports.
	<b>WAC 480-100-505 (10) (proposed by commenters) COMMENTS</b>
	Avista suggests that the Commission should explain what actions it will take with the report after the compliance filing is made.