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U-240281

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***Via Electronic Filing***

Jeff Killip  
Executive Director and Secretary  
Washington Utilities & Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

Re: **Docket U-240281** - Rulemaking required to implement ESHB 1589 –  
AWEC Comments for October 25, 2024 Rulemaking Workshop

Dear Executive Director Killip:

The Alliance of Western Energy Consumers (“AWEC”) appreciates the opportunity to submit comments in response to the draft Integrated System Plan rules prior to the October 25, 2024 workshop in accordance with the Commission’s September 20<sup>th</sup> Notice of Opportunity to File Written Comments (“Notice to Comment”). AWEC has provided responses to the Commission’s questions, below, that reflect its current position on these questions and issues. However, we urge the Commission to allow for additional comments following the October 25<sup>th</sup> workshop given some uncertainties that persist in the questions below and the draft rules. It is also valuable to hear other participants’ perspectives, which may influence AWEC’s positions on the questions raised by the Commission.

**Responses to Questions**

**2. Content of an ISP, long-term and implementation sections:**

- a. WAC-480-95-030: Please identify any issues with the draft rule language and provide recommendations to address those concerns through comments or redline edits.**

Please see comments in the attached.

- b. WAC-480-95-040: Please identify any issues with the draft rule language and provide recommendations to address those concerns through comments or redline edits.**

Please see comments in the attached.

**3. Compliance timeline:**

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- a. **Could a 5-year compliance timeline period be used for an integrated system plan and still meet the “statutorily required content” of a CEIP (RCW 19.405.060)? If yes, please explain.**

No.

- b. **In the alternative, if a 4-year compliance period were used, how would that impact the ability of the Commission and interested parties to assess a large combination utility’s potential claim that a given level of conservation or demand response was “neither technically nor commercially feasible during the applicable emissions reduction period” [RCW 80.86.020(e) and (g)]? Please explain.**

Additional clarification on the Commission’s understanding of how RCW 80.86.020(e) and (g) are intended to function within the Integrated System Plan is necessary to further answer this question. Specifically, it is unclear whether the draft rules contemplate this standard as applying on an actual basis (i.e. compliance is determined after the fact), or on a planning basis by being included in PSE’s preferred ISP portfolio based on information that is known at the time the ISP is developed.

**4. Definition of “commercially feasible” (RCW 80.86.020(4)(e) and (g):**

AWEC agrees with Staff that the term “commercially feasible” is distinct from the term “cost-effective” given the Legislature’s choice to use that term instead of cost-effective, which appears elsewhere in RCW 80.86.020(4)(e) and (g). AWEC also notes that “cost-effective” is a defined term in ESHB 1589. Staff asserts that it “believes the definition of ‘commercially feasible’ may be an eventual compliance question regarding conservation achievement.” AWEC is unclear on why the definition of “commercially feasible” should be an eventual compliance question regarding conservation achievement, and thus requests that the Commission address this issue at the upcoming October 25<sup>th</sup> workshop.

- a. **Should there be a definition of “commercially feasible”? If yes, please provide proposed definition.**

As described in response to the comments set forth in Question 4, clarification is needed on how the Commission intends to implement the requirements in RCW 80.86.020(4)(e) and (g).

**5. Definitions – general: Are there other definitions within the proposed rules that are missing or need to be changed? If yes, please explain.**

Please see comments in attached.

**8. Plan development and timing: RCW 80.86.020 requires the Commission to approve, reject or approve with conditions an ISP within 12 months of filing.**

**a. Please describe the filing and review process that you envision for an ISP?**

AWEC would benefit from understanding other parties' perspectives prior to making a final recommendation on this issue. Based on the current draft rule language, AWEC is concerned that the draft rules do not contain a requirement that the filing include "projected rate impacts of specific actions, programs and investments on customers," which is necessary for the Commission to consider when reviewing an ISP pursuant to RCW 80.86.020(12)(g)(iv). AWEC would like to better understand the decision to omit this requirement from the draft rules.

**b. How does that differ from the current draft rules?**

The draft rules do not contain a requirement that PSE include projected rate impacts of specific actions, programs and investments on customers. Without this information provided by PSE, how can the Commission meet its obligations under RCW 80.86.020(12)(g)(iv)? This omission is extremely concerning. Additionally, the filing should include discussion of the cost test and how it was applied.

**c. Further, should it resemble the existing IRP or CEIP process more?**

AWEC would benefit from understanding other parties' perspectives prior to making a final recommendation on this issue.

**9. ISP midway progress report: In the draft rules, the Commission proposes an ISP midway progress report that would update major long term planning assumptions, necessary implementation details, and significant changes in law or economic conditions.**

**a. Should the information provided in this document allow a utility to request changes to previously approved targets? If yes, what standards should be met for the Commission to change targets?**

AWEC notes that a midway progress report is not required by ESHB 1589 and would benefit from further discussion of how this report would be used, particularly given AWEC's outstanding questions on the intent behind the ISP implementation section. However, AWEC is inclined to support use of this document, if ultimately included in the rules, as a venue for a utility to request changes in previously approved targets. This could be an efficient process to facilitate a request that the utility has an otherwise independent ability to make. Regardless of whether the Commission determines that requests are appropriately included in a midway progress report or a

different filing, the Commission should consider whether to change targets on a case-by-case basis, rather than establishing a standard, at least at this time.

**b. If so, please describe what an appropriate process would be for review of this document. Should this process be subject to an adjudication or not?**

If the Commission determines to move forward with the midway progress report, the process for review should be the same as the process for review of a Clean Energy Implementation Plan Biennial Update, and an adjudication should be considered on a case-by-case basis when such a request is made to the Commission. However, additional clarity on how the Commission intends to use the midway progress report may cause AWEC to reconsider this response.

**11. Public participation: Are there missing elements, or areas that need to be changed, in WAC 480-100-655 that should be included in a public participation plan for an ISP? If yes, please explain.**

AWEC has raised procedural concerns in a number of forums with the amount of decision-making authority provided to advisory groups. Participation in each of the utility's advisory groups is a resource intensive enterprise and the benefits of doing so do not always outweigh the resources expended for all potential participants, particularly when the advisory group is focused on areas that are outside of the priorities of a participant. However, there have been circumstances where proposals that affect rates have been vetted through the advisory group process only to be brought before the Commission with the expectation that the proposed actions will be approved at an open meeting. For issues that directly impact customers rates, the utility should be required to notify interested parties, including AWEC, and hold an informal discussion outside of the advisory group process, and before making a filing at the Commission. This would allow other stakeholders to participate and, hopefully, avoid the frustrations of the current process.

**13. Enforcement: What enforcement mechanism should the Commission consider with the emissions reduction targets and other aspects of the ISP? For example, should the Commission add language in a new enforcement section language modeled after WAC 480-100-665?**

AWEC requests more clarity on what is meant by an enforcement mechanism for emissions reduction targets. If the intent is to have an enforcement mechanism tied to particular emissions reduction outcomes, AWEC would like to better understand the Commission's authority for such a mechanism.

**14. Amendment to definition of IRP in WAC 480-107, Electric Companies – Purchases of Resources: Is there a nexus between acquisition rules and filings made in accordance with WAC 480-95-030, the new ISP? If yes, what additional revisions are**

**needed beyond connecting the IRP and ISP requirements with acquisition processes? If no, please explain.**

AWEC agrees that PSE should follow the same acquisition rules and requirements that apply to Integrated Resource Plans.

Dated this 21st day of October 2024.

Respectfully submitted,

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/s/ Sommer J. Moser

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