INTEGRATED SYSTEM PLAN RULES (Chapter 480-95 WAC)

WAC 480-95-010 – Staff drafting approach:

Staff primarily adapted the Purpose from WAC 480-100-600.

WAC 480-95-010 Purpose.

The purpose of these rules is to ensure that a large combination utility meets the clean energy transformation standards outlined in WAC 480-100-610 and the requirements of Chapter 80.86 RCW in a timely manner and at the lowest reasonable cost. Pursuant to RCW 80.86.020(2)(a), the commission consolidates the planning requirements of electric integrated resource plans, gas integrated resource plans, electrification of transportation plans, and clean energy implementation plans into an integrated system plan. The statutorily required contents of any plan consolidated into an integrated system plan must be met by the integrated system plan. An ISP must include all statutorily required contents of all plans consolidated into the ISP.

WAC 480-95-020 – Staff drafting approach:

Staff used WAC 480-100-605 as a starting point for this section. Staff then added or adapted definitions to align with those in RCW 80.86.010. Staff included a placeholder for a definition of "commercially feasible," which will be a topic for discussion during the draft rules workshop.

WAC 480-95-020 Definitions.

The definitions below apply to all of Chapter 480-95 WAC.

(1) "Alternative lowest reasonable cost and reasonably available portfolio" means, for purposes of calculating the incremental cost of compliance in RCW 19.405.060(3), the portfolio of investments the large combination utility would have made and the expenses the large combination utility would have incurred if not for the requirement to comply with RCW 19.405.040 and 19.405.050. The alternative lowest reasonable cost and reasonably available portfolio must include the social cost of greenhouse gases in the resource acquisition decision in accordance with RCW 19.280.030 (3)(a).
(2) "Carbon dioxide equivalent" or "CO2e" means a metric measure used to compare the emissions from various greenhouse gases based upon their global warming potential.
(3) "Clean Energy Action Plan" or "CEAP" means the plan identified in RCW 19.280.030.
(4) "Clean Energy Implementation Plan" or "CEIP" means the plan identified in RCW 19.405.060.
(5) "Commercially feasible" means [placeholder, RCW 80.86.020(4)(e) and (g)]
(6) "Commission" means the Washington utilities and transportation commission.

Commented [Author1]: May be appropriate to include a definition of cost test (tbd based on ongoing discussions in the Technical Workshops).

Commented [Author2]: Per AWEC's written comments, AWEC would like to understand more about Staff's interpretation of the requirements set forth in RCW 80.26.020(4)(e) and (g).

(7) "Conservation and efficiency resources" means any reduction in electric or natural gas consumption that results from increases in the efficiency of energy use, production, transmission, transportation, or distribution.

(8) "Cost-effective" means that a project or resource is, or is forecast to: (a) Be reliable and available within the time it is needed; and (b) reduce greenhouse gas emissions and meet or reduce the energy demand or supply an equivalent level of energy service to the intended customers at an estimated long-term incremental system cost no greater than that of the least-cost similarly reliable and available alternative project or resource, or any combination thereof, including the cost of compliance with chapter 70A.65 RCW, based on the forward allowance ceiling price of allowances approved by the department of ecology under RCW 70A.65.160.

(9) “Costs of greenhouse gas emissions” means the costs of greenhouse gas emissions established in RCW 80.28.395 and 80.28.405.

(10) "Customer benefit indicator" means an attribute, either quantitative or qualitative, of resources or related distribution investments associated with customer benefits described in RCW 19.405.040(8).

(11) "Demand response" means changes in electric usage by demand-side resources from their normal consumption patterns in response to changes in the price of electricity, or to incentive payments designed to induce lower electricity use, at times of high wholesale market prices or when system reliability is jeopardized. Demand response may include measures to increase or decrease electricity production on the customer's side of the meter in response to incentive payments.

(12) “Delivery system” includes any power line, pipe, equipment, apparatus, mechanism, machinery, instrument, or ancillary facility used by a large combination utility to delivery electricity or gas for ultimate consumption by a customer of the large combination utility.

(13) “Demand flexibility” means the capacity of demand-side loads to change their consumption patterns hourly or on another timescale.

(14) "Distributed energy resource" means a nonemitting electric generation or renewable resource or program that reduces electric demand, manages the level or timing of electricity consumption, or provides storage, electric energy, capacity, or ancillary services to a large combination utility and that is located on the distribution system, any sub-system of the distribution system, or behind the customer meter, including conservation and energy efficiency.

(15) “Electrical company” has the same meaning as provided in RCW 80.04.010.

(16)

1) “Electrification” means the installation of energy efficient electric end-use equipment.
2) Electrification programs may include weatherization and conservation and efficiency measures.

(17) “Electrification readiness” means the upgrades or changes required before the installation of energy efficient electric end-use equipment to prevent heat loss from homes including, but not limited to: Structural repairs, such as roof repairs, preweatherization, weatherization, and electrical panel and wiring upgrades.

(18) “Emissions baseline” means the actual cumulative greenhouse gas emissions of a large combination utility, calculated pursuant to chapter 70A.65 RCW, for the five-year period beginning January 1, 2015, and ending December 31, 2019.

(19) “Emissions reduction period” means one of five periods of five calendar years each, with the five periods beginning on January 1st of calendar years 2030, 2035, 2040, 2045, and 2050, respectively.

(20) “Emissions reduction target” means a targeted reduction of projected cumulative greenhouse gas emissions of a large combination utility approved by the commission for an emissions reduction period that is at least as stringent as the limits established in RCW 70A.45.020.

(21) "Energy assistance" means a program undertaken by a large combination utility to reduce the household energy burden of its customers.

1) Energy assistance includes, but is not limited to, weatherization, conservation and efficiency services, and monetary assistance, such as a grant program or discounts for lower income households, intended to lower a household's energy burden.
2) Energy assistance may include direct customer ownership in distributed energy resources or other strategies if such strategies achieve a reduction in energy burden for the customer above other available conservation and demand-side measures.

(22) "Energy assistance need" means the amount of assistance necessary to achieve an energy burden equal to six percent for large combination utility customers.

(23) "Energy burden" means the share of annual household income used to pay annual home energy bills.

(24) "Equitable distribution" means a fair and just, but not necessarily equal, allocation of benefits and burdens from the large combination utility's transition to clean energy. Equitable distribution is based on disparities in current conditions. Current conditions are informed by, among other things, the assessment described in RCW 19.280.030 (1)(k) from the most recent integrated resource plan.

(25) “Gas company” has the same meaning as provided in RCW 80.04.010.

(26) “Geographically targeted electrification” means the geographically targeted transition of a portion of gas customers of the large combination utility with an intent to electrify loads of such customers and, in conjunction, to reduce capital and operational costs of gas operations of the large combination utility serving such customers.

(27) "Greenhouse gas" has the same meaning as provided in RCW 70A.45.010.

(28) "Highly impacted community" has the same meaning as provided in RCW 19.405.020.

(29) "Integrated resource plan" or "IRP" means an analysis describing the mix of generating resources, conservation, methods, technologies, and resources to integrate renewable resources and, where applicable, address overgeneration events, and efficiency resources that will meet current and projected needs at the lowest reasonable cost to the utility and its ratepayers and that complies with the requirements specified in RCW 19.280.030(1).

(30) “Integrated system plan” or “ISP” means a plan that the commission may approve, reject, or approve with conditions pursuant to RCW 80.86.020.

(31) "Implementation period" means the five years after the filing of each integrated system plan. The first implementation period will be January 1, 2027, through December 31, 2029.

Commented [Author3]: AWEC would like to better understand the intention behind the implementation period for purposes of the ISP.

(32) “Large combination utility” means a public service company that is both an electrical company and a gas company that serves more than 800,000 retail electric customers and 500,000 retail gas customers in the state of Washington as of June 30, 2024.

(33) “Low-income” has the same meaning as provided in WAC 480-109-060(22).

(34) "Lowest reasonable cost" means the lowest cost mix of demand-side and supply side resources and decarbonization measures determined through a detailed and consistent analysis of a wide range of commercially available resources and measures. At a minimum, this analysis must consider long-term costs and benefits, market-volatility risks, resource uncertainties, resource dispatchability, resource effect on system operation, the risks imposed on the large combination utility and its

ratepayers, public policies regarding resource preference adopted by Washington state or the federal government, the cost of risks associated with environmental effects including potential spills and emissions of carbon dioxide, and the need for security of supply. The analysis of the lowest reasonable cost must describe the large combination utility's combination of planned resources and related delivery system infrastructure in compliance with chapters 19.280, 19.285, and 19.405 RCW.

(35) “Multiyear rate plan” means a multiyear rate plan of a large combination utility filed with the commission pursuant to RCW 80.28.425.

(36) "Natural gas" has the same meaning as provided in RCW 19.405.020.

(37) "Nonemitting electric generation" has the same meaning as provided in RCW 19.405.020.

(38)“Nonpipeline alternative” means activities or investments that delay, reduce, or avoid the need to build, upgrade, or repair gas plant, such as pipelines or service lines.

(39) "Nonpower attributes" means all environmentally related characteristics, exclusive of energy, capacity reliability, and other electrical power service attributes, that are associated with the generation of electricity including, but not limited to, the facility's fuel type, geographic location, vintage, qualification as a renewable resource, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of carbon dioxide and other greenhouse gases. Nonpower attributes does not include any aspects, claims, characteristics, and benefits associated with the on-site capture and destruction of methane or other greenhouse gases at a facility through a digester system, landfill gas collection system, or other mechanism, which may be separately marketable as greenhouse gas emission reduction credits, offsets, or similar tradable commodities. However, these separate avoided emissions may not result in or otherwise have the effect of attributing greenhouse gas emissions to the electricity.

(40) “Overburdened community” has the same meaning as provided in RCW 70A.65.010.

(41)“Overgeneration event” has the same meaning as provided in RCW 19.280.020.

(42) "Renewable energy credit" or "REC" means a tradable certificate of proof of one megawatt-hour of a renewable resource. The certificate includes all of the nonpower attributes associated with that one megawatt-hour of electricity and the certificate is verified by a renewable energy credit tracking system selected by the department of commerce.

(43) "Renewable resource" has the same meaning as provided in RCW 19.405.020.

(44) "Resource" includes, but is not limited to, generation, conservation, distributed generation, demand response, efficiency, and storage.

(45) "Resource need" means any current or projected deficit to reliably meet electricity demands created by changes in demand, changes to system resources, or their operation to comply with state or federal requirements. Such demands or requirements may include, but are not limited to, capacity and associated energy, capacity needed to meet peak demand in any season, fossil-fuel generation retirements, equitable distribution of benefits or reduction of burdens, cost-effective conservation and efficiency resources, demand response, and renewable and nonemitting resources.

(46)(a) "Retail electric load" means the amount of megawatt-hours of electricity delivered in a given calendar year by an electric large combination utility to its Washington retail electric customers.

(b)"Retail electric load" does not include:

1) Megawatt-hours delivered from qualifying facilities under the federal Public Utility Regulatory Policies Act of 1978, P.L. 95-617, in operation prior to May 7, 2019, provided that no entity other than the electric large combination utility can make a claim on delivery of the megawatt-hours from those resources; or

2) Megawatt-hours delivered to an electric large combination utility's system from a renewable resource through a voluntary renewable energy purchase by a retail electric customer of the large combination utility in which the renewable energy credits associated with the megawatt-hours delivered are retired on behalf of the retail electric customer.

(47) "Social cost of greenhouse gas emissions" or "SCGHG" is the inflation-adjusted costs of greenhouse gas emissions resulting from the generation of electricity, as required by RCW 80.28.405, the updated calculation of which is published on the commission's website.

(48) "Supply side resource" means, as applicable:

1) Any resource that can provide capacity, electricity, or ancillary services to the large combination utility's electric delivery system; or
2) Any resource that can provide conventional or nonconventional gas supplies to the large combination utility's gas delivery system.

(49) "System cost" means actual direct costs or an estimate of all direct costs of a project or resource over its effective life including, if applicable: The costs of transmission and distribution to the customers; waste disposal costs; permitting, siting, mitigation, and end-of-cycle decommissioning and remediation costs; fuel costs, including projected increases; resource integration and balancing costs; and such quantifiable environmental costs and benefits and other energy and nonenergy benefits as are directly attributable to the project or resource, including flexibility, resilience, reliability, greenhouse gas emissions reductions, and air quality.

(50) "Unbundled renewable energy credit" or "unbundled REC" means a renewable energy credit that is sold, delivered, or purchased separately from the underlying electricity. All thermal renewable energy credits are considered unbundled renewable energy credits.

(51) "Vulnerable populations" has the same meaning as provided in RCW 19.405.020.

WAC 480-95-030 – Staff drafting approach:

Staff used the Electric Integrated Resource Plan rules (WAC 480-100-620) as a starting point for this section. Requirements were cross-checked with those from the Gas IRP rules (WAC 480-90-238). Then Staff added new requirements from 80.86 RCW that were relevant for the long-term planning in an IRP.

WAC 480-95-030 Content of an integrated system plan. - Long term section

(1) **Purpose.** Consistent with chapters 80.86, 80.28, 19.280, and 19.405 RCW, each large combination utility has the responsibility to identify and meet its resource needs with the lowest reasonable cost mix of conservation and efficiency, generation, distributed energy resources, and delivery system investments to ensure the utility provides energy to its customers that is clean, affordable, reliable, and equitably distributed. In addition, chapter 80.86 RCW requires a large combination utility to achieve a minimum amount of conservation and energy efficiency to meet annual electric load, and achieve a minimum amount of demand response and demand flexibility to meet winter and summer peak electric demand, unless the Commission determines these minimum amounts are neither technically nor commercially feasible during the emissions reduction period. At a minimum,

Commented [Author4]: RCW 80.86.020(4) sets forth the requirements of what must be included in an ISP (i.e. incorporated on a planning basis). This language can be read as establishing an independent requirement to actually achieve the conservation, EE and demand response requirements. AWEC would like to better understand the inclusion of an operational component within the context of a planning component.

integrated system plans must include the components listed in this rule. Unless otherwise stated, the assessments, evaluations, and forecasts should be over an appropriate planning horizon of at least 20 years.

(2) **Load forecast.** The integrated system plan must include a range of forecasts, for at least the next 20 years, of projected customer demand that takes into account econometric data and addresses changes in the number, type, and efficiency of customer usage.

(3) Distributed energy resources.

(a) The integrated system plan must include assessments of a variety of distributed energy resources. These assessments must incorporate nonenergy costs and benefits not fully valued elsewhere within the integrated system plan model. Utilities must assess the effect of distributed energy resources on the large combination utility's load and operations under RCW 19.280.030 (1)(h). These assessments must meet the requirements of RCW 19.280.100.

Commented [Author5]: Does Staff view this requirement as additional to meeting the requirements of RCW 19.280.100. If so, how?

(b) The required distributed energy resource assessments must include the following:

(i) Conservation and demand response potential assessments – The integrated system plan must include an assessment of the commercially available conservation and efficiency resources, including demand response and load management, to achieve the conservation and energy efficiency requirements in RCW 80.86.020(4)(e) and demand response requirements of RCW 80.86.020(4)(g), as informed by the assessment for conservation potential under RCW 19.285.040 for the planning horizon consistent with subsection (2) of this section. Such an assessment may include, as appropriate, opportunities for the development of combined heat and power as an energy and capacity resource, currently employed and potential demand response and load management policies and programs, and currently employed and new policies and programs needed to obtain the conservation and efficiency resources. The value of recoverable waste heat resulting from combined heat and power must be reflected in analyses of cost effectiveness under this subsection. The results of this assessment must include the ten-year conservation potential used in calculating a biennial conservation target under chapter 480-109 WAC;

(ii) Electrification potential assessment – The integrated system plan must include an assessment of cost-effective electrification that encompasses the potential for geographically targeted electrification including, but not limited to, in overburdened communities, on gas plant that is fully depreciated or gas plant that requires accelerating depreciation pursuant to RCW 80.86.060(1) for the gas plant subject to such electrification proposal;

(iii) Energy assistance potential assessment – The integrated system plan must include distributed energy programs and mechanisms identified pursuant to RCW 19.405.120, which pertains to energy assistance and progress toward meeting energy assistance need; and

(iv) Other distributed energy resource potential assessments – The integrated system plan must assess other distributed energy resources that may be installed by the large combination utility or its customers including, but not limited to, energy storage, electric vehicles, and photovoltaics. Any such assessment must include the effect of distributed energy resources on the large combination utility's load and operations.

(4) **Supply-side resources.** The integrated system plan must provide an assessment and 20-year forecast of the availability of and requirements for regional supply side resources to provide electricity and gas to the large combination utility’s customers and to meet, as applicable, the

requirements of chapter 19.405 RCW and the state's greenhouse gas emissions reduction limits in RCW 70A.45.020.

(a) The regional supply side resource assessment and forecast must:
   (i) include a wide range of commercially available generating and nonconventional resources, including ancillary service technologies, and
   (ii) assess commercially available supply side resources, including a comparison of the benefits and risks of purchasing electricity or gas or building new resources.

(5) **Delivery System assessment.** The integrated system plan must provide an assessment and 20-year forecast of the availability of and requirements for regional delivery system capacity to provide and deliver electricity and gas to the large combination utility's customers and to meet, as applicable, the requirements of chapter 19.405 RCW and the state's greenhouse gas emissions reduction limits in RCW 70A.45.020.

(a) The delivery system assessment must
   (i) identify the large combination utility's expected needs to acquire new long-term firm rights, develop new, or expand or upgrade existing, delivery system facilities consistent with the requirements of RCW 80.60.020 and reliability standards,
   (ii) take into account opportunities to make more effective use of existing delivery facility capacity through improved delivery system operating practices, conservation and efficiency resources, distributed energy resources, demand response, grid modernization, nonwires solutions and nonpipeline alternatives, and other programs if applicable,
   (iii) include the large combination utility's existing transmission capabilities, and future resource needs during the planning horizon, including identification of facilities necessary to meet future transmission needs, and
   (iv) identify the general location and extent of transfer capability limitations on its transmission network that may affect the future siting of resources.

(b) **Nonpipeline alternatives.** The integrated system plan must assess nonpipeline alternatives, including geographically targeted electrification and demand response, as an alternative to replacing aging gas infrastructure or expanded gas capacity. Assessments must involve, at a minimum,
   (i) Identifying all known and planned gas infrastructure projects, including those without a fully defined scope or cost estimate, for at least the 20 years following the filing;
   (ii) Estimating programmatic expenses of maintaining that portion of the gas system for at least the 10 years following the filing; and
   (iii) Ranking all gas pipeline segments for their suitability for nonpipeline alternatives.

(6) **Renewable resource integration.** An assessment of methods, commercially available technologies, or facilities for integrating renewable resources including, but not limited to, battery storage and pumped storage, and addressing overgeneration events, if applicable to the large combination utility's resource portfolio. The assessment may address ancillary services.

(7) **Resource evaluation.** The integrated system plan must include a comparative evaluation of all identified resources and potential changes to existing resources for achieving the clean energy transformation standards in WAC 480-100-610 at the lowest reasonable cost.

(8) **Resource adequacy.** The integrated system plan must include an assessment and determination of resource adequacy metrics. It must also identify an appropriate resource adequacy requirement and measurement metrics consistent with RCW 19.405.030 through 19.405.050.

(9) **Economic, health, and environmental burdens and benefits.** The integrated system plan must include an assessment of energy and nonenergy benefits and reductions of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits, costs, and risks; and energy security risk. The assessment should be informed by the cumulative impact analysis conducted by the department of health.

(10) **Scenarios and sensitivities.** The integrated system plan long term section must include a range of possible future scenarios and input sensitivities for the purpose of testing the robustness of the large combination utility's resource portfolio under various parameters. The ISP must also provide a narrative description of scenarios and sensitivities the large combination utility used, including those informed by the advisory group process.

- (a) At least one scenario must describe the alternative lowest reasonable cost and reasonably available portfolio that the large combination utility would have implemented if not for the requirement to comply with RCW 19.405.040 and 19.405.050, as described in WAC 480-100-660(1). This scenario's conditions and inputs should be the same as the preferred portfolio except for those conditions and inputs that must change to account for the impact of RCW 19.405.040 and 19.405.050.
- (b) All scenarios must incorporate the best science available to analyze impacts resulting from climate change including, but not limited to, changes in snowpack, streamflow, rainfall, heating and cooling degree days, and load changes.
- (c) At least one sensitivity must be a maximum customer benefit scenario. This sensitivity should model the maximum amount of customer benefits described in RCW 19.405.040(8) prior to balancing against other goals.
- (d) The large combination utility must include scenarios that achieve emissions reductions for both gas and electric operations equal to at least their proportional share of emissions reductions required under RCW 70A.45.020.
- (e) The large combination utility must include scenarios with emissions reductions targets for both gas and electric operations for each emissions reduction period that account for the interactions between gas and electric systems.

(11) **Portfolio analysis and preferred portfolio.** The large combination utility must integrate the demand forecasts, resource evaluations, and delivery system assessment into a long-range integrated system plan solution describing the mix of resources that meet current and projected resource needs. Each large combination utility must provide a narrative explanation of the decisions it has made, including how the large combination utility's long-range integrated system plan expects to:

- (a) Achieve the clean energy transformation standards in WAC 480-100-610 (1) through (3) at the lowest reasonable cost;
- (b) Serve large combination utility load, based on hourly data, with the output of the large combination utility's owned resources, market purchases, and power purchase agreements, net of any off-system sales of such resources;
- (c) Achieve two percent of electric load annually with conservation and energy efficiency resources, or provide an analysis that demonstrates that this is neither technically nor commercially feasible during the applicable emissions reduction period;
- (d) Achieve annual demand response and demand flexibility equal to or greater than ten percent of winter and summer peak electric demand, or provide an analysis that demonstrates that this is neither technically nor commercially feasible during the applicable emissions reduction period;

Commented [Author6]: Additional scenarios and sensitivities may be appropriate to incorporate the cost test. See AWEC's comments filed in response to Technical Workshop #1 on October 18, 2024.

Commented [Author7]: Customer rate impacts should also be included in the discussion, as well as how the utility has met the cost test requirements. AWEC would also like to understand how this rule contemplates, if at all, CETA's 2% cost cap.

(e) Include all cost-effective, reliable, and feasible conservation and efficiency resources, using the methodology established in RCW 19.285.040, and demand response;

(f) Achieve all cost-effective electrification of end uses currently served by natural gas identified through an assessment of alternatives to known and planned gas infrastructure projects, including non-pipeline alternatives, rebates and incentives, and geographically targeted electrification;
(g) Consider acquisition of existing renewable resources;
(h) In the acquisition of new resources constructed after May 7, 2019, rely on renewable resources and energy storage, insofar as doing so is at the lowest reasonable cost;
(i) Maintain and protect the safety, reliable operation, and balancing of the large combination utility's energy system, including mitigating over-generation events and achieving the identified resource adequacy requirement;
(j) Achieve the requirements in WAC 480-100-610 (4)(c); the description should include, but is not limited to:
  (i) The long-term strategy and interim steps the large combination utility will take to equitably distribute benefits and reduce burdens for highly impacted communities and vulnerable populations; and
  (ii) The estimated degree to which benefits will be equitably distributed and burdens reduced over the planning horizon.
(k) Assess the environmental health impacts to highly impacted communities;
(l) Analyze and consider combinations of distributed energy resource costs, benefits, and operational characteristics including ancillary services, to meet system needs; and
(m) Incorporate the social cost of greenhouse gas emissions as a cost adder as specified in RCW 19.280.030(3) and RCW 80.28.395.

(12) **Clean energy action plan (CEAP).** The large combination utility must develop a ten-year clean energy action plan for implementing RCW 19.405.030 through 19.405.050. The CEAP must:
(a) Be at the lowest reasonable cost;
(b) Identify and be informed by the large combination utility's ten-year cost-effective conservation potential assessment as determined under RCW 19.285.040, if applicable;
(c) Identify potential programs to achieve the requirements of RCW 80.86.020(4)(e);
(d) Identify how the large combination utility will meet the requirements in WAC 480-100-610 (4)(c) including, but not limited to:
  (i) Describing the specific actions the large combination utility will take to equitably distribute benefits and reduce burdens for highly impacted communities and vulnerable populations;
  (ii) Estimating the degree to which such benefits will be equitably distributed and burdens reduced over the CEAP's ten-year horizon; and
  (iii) Describing how the specific actions are consistent with the long-term strategy described in WAC 480-95-030 (12)(j).
(e) Establish a resource adequacy requirement;
(f) Identify the potential cost-effective demand response and load management programs that may be acquired

Commented [Author8]: Same comment as above.

(g) Identify the potential demand response programs to achieve the requirements of RCW 80.86.020(4)(g);
(h) Identify the potential cost-effective electrification programs that may be implemented to achieve the requirements of RCW 80.86.020(4)(h);
(i) Identify renewable resources, nonemitting electric generation, and distributed energy resources that may be acquired and evaluate how each identified resource may be expected to contribute to meeting the large combination utility's resource adequacy requirement;
(j) Identify any need to develop new, or to expand or upgrade existing, bulk transmission and distribution facilities and document existing and planned efforts by the large combination utility to make more effective use of existing transmission capacity and secure additional transmission capacity consistent with the requirements of subsection (5) of this section;
(k) Identify the nature and possible extent to which the large combination utility may need to rely on alternative compliance options under RCW 19.405.040 (1)(b), if appropriate; and
(l) Incorporate the social cost of greenhouse gas emissions as a cost adder as specified in RCW 19.280.030(3) and RCW 80.28.395.

(13) **Avoided cost and nonenergy impacts.** The integrated system plan must include an analysis and summary of the long-term avoided cost estimate for energy, capacity, transmission, distribution, and greenhouse gas emissions costs. The large combination utility must list nonenergy costs and benefits addressed in the integrated system plan and should specify if they accrue to the large combination utility, customers, participants, vulnerable populations, highly impacted communities, or the general public. The large combination utility may provide this content as an appendix.

(14) **Data disclosure.** The large combination utility must include the data input files made available to the commission in native format per RCW 19.280.030 (10)(a) and (b) and in an easily accessible format as an appendix to the integrated system plan. For filing confidential information, the large combination utility may designate information within the data input files as confidential, provided that the information and designation meet the requirements of WAC 480-07-160.

(15) **Information relating to purchases of electricity from qualifying facilities**. Each large combination utility must provide information and analysis that it will use to inform its annual filings required under chapter 480-106 WAC. The detailed analysis must include, but is not limited to, the following components:
(a) A description of the methodology used to calculate estimates of the avoided cost of energy, capacity, transmission, distribution and emissions averaged across the large combination utility; and
(b) Resource assumptions and market forecasts used in the large combination utility's schedule of estimated avoided cost required in WAC 480-106-040 including, but not limited to, cost assumptions, production estimates, peak capacity contribution estimates and annual capacity factor estimates.

(16) **Report of substantive changes.** Each ISP must include a summary of substantive changes to modeling methodologies or inputs that result in changes to the large combination utility's resource need, as compared to the large combination utility's previous plans. For the purposes of a large combination utility' first ISP, this requirement applies to substantive changes to modeling methodologies or inputs when comparing a large combination utility's first integrated system plan to its last filed plans under WAC 480-95-010.

(17) **Report of progress**. The integrated system plan must include a report on the large combination utility's progress towards implementing the recommendations contained in its previously filed integrated system plan. For a large combination utility's first integrated system plan, this report should include progress towards implementing the recommendations contained in the previously filed plans that are now consolidated into its integrated system plan.

(18) **Summary of public comments.** A large combination utility must provide a summary of public comments received during the development of its integrated system plan and the large combination utility's responses, including whether issues raised in the comments were addressed and incorporated into the final integrated system plan as well as documentation of the reasons for rejecting any public input. The large combination utility may include the summary as an appendix to the final integrated system plan. Comments with similar content or input may be consolidated with a single large combination utility response.

WAC 480-95-040 – Staff drafting approach:

Staff used the Clean Energy Implementation Plan rules (WAC 480-100-640) as a starting point for this section. Staff added new requirements from 80.86 RCW that were relevant to the implementation phase of the planning process.

WAC 480-95-040 Content of an Integrated system plan – implementation section.

(1) **Purpose**. The integrated system plan implementation section describes the large combination utility's plan for making progress toward meeting the clean energy transformation standards and state decarbonization goals and is informed by the large combination utility's clean energy action plan. The information and documents described in each subsection below must be included in each integrated system plan implementation section.

(2) Interim Targets.

(a) Each utility must propose a series of interim targets that:

(i) Demonstrate how the utility will make reasonable progress toward meeting the standards identified in WAC 480-100-610 (2) and (3); and

(ii) Are consistent with WAC 480-100-610(4).

(b) Each utility must propose interim targets in the form of the percent of forecasted retail sales of electricity supplied by nonemitting and renewable resources prior to 2030 and from 2030 through 2045.

(c) Each interim target must be informed by the utility's historic performance under median water conditions.

(3) **Specific targets**.

(a) Each large combination utility must propose specific targets for energy efficiency, demand response, renewable energy, electrification, and emissions reduction.

Commented [Author9]: In order to provide more substantive comments, AWEC needs to understand this section better. AWEC would like to understand how this interacts with WAC 480-100-640. Will PSE no longer be required to comply with that rule?

Is the draft language in this section intended to apply to CETA requirements only, or do these draft rules impose additional implementation requirements beyond those included in CETA? If yes, what sections of 80.86 did Staff rely on in drafting this section?

(i) The large combination utility's energy efficiency target must represent achieving two percent of electric load annually with conservation and energy efficiency resources, unless the commission finds that a higher target is cost effective. The energy efficiency target must encompass all other energy efficiency and conservation targets and goals the commission requires the utility to meet. The specific energy efficiency target must be described in the utility's biennial conservation plan required in chapter 480-109 WAC. The utility must provide forecasted distribution of energy and nonenergy costs and benefits.

(ii) The large combination utility's demand response target must represent annual demand response and demand flexibility achieving at least 10 percent of winter and summer peak electric demand, unless the commission finds that a higher target is cost effective. The large combination utility must provide proposed program details, program budgets, measurement and verification protocols, target calculations, and forecasted distribution of energy and nonenergy costs and benefits for the utility's demand response target.

(iii) The large combination utility must propose the renewable energy target as the percent of retail sales of electricity supplied by renewable resources and must provide details of renewable energy projects or programs, program budgets as applicable, and forecasted distribution of energy and nonenergy costs and benefits.

(iv) The large combination utility's electrification target must represent achieving all cost-effective electrification of end uses currently served by natural gas identified through an assessment of alternatives to known and planned gas infrastructure projects, including nonpipeline alternatives, rebates and incentives, and geographically targeted electrification.

(v) The large combination utility's emissions reduction target must represent emissions reductions for the emissions reduction period that are at least as stringent as the limits established in RCW 70A.45.020.

(b) The large combination utility must provide a description of the technologies, data collection, processes, procedures, and assumptions the utility used to develop the targets in this subsection. The utility must make data input files that are used to determine relevant targets available in native format and in an easily accessible format as an appendix.

(4) **Electrification of Transportation Plan**. Each large combination utility must incorporate the requirements of RCW 80.28.365 into the integrated system plan implementation section.

(5) **Customer benefit data**. Each integrated system plan implementation section must:

(a) Identify highly impacted communities using the cumulative impact analysis pursuant to RCW 19.405.140 combined with census tracts at least partially in Indian Country;

(b) Identify vulnerable populations based on adverse socioeconomic factors and sensitivity factors developed through the advisory group process and public participation plan described in WAC 480-100-655, describing and explaining any changes from the utility's most recently approved CEIP or integrated system plan as applicable; and

(c) Include proposed or updated customer benefit indicators and associated weighting factors related to WAC 480-100-610(4)(c) including, at a minimum, one or more customer benefit indicators associated with energy benefits, nonenergy benefits, reduction of burdens, public health, environment, reduction in cost, reduction in risk, energy security, and resiliency. Customer benefit indicators and weighting factors must be developed consistent with the advisory group process and public participation plan described in WAC 480-100-655. The utility

should describe and explain any changes in customer benefit indicators or weighting factors from its most recently approved CEIP.

(d) Include an assessment, informed by the cumulative impact analysis conducted under RCW 19.405.140, of: Energy and nonenergy benefits and the avoidance and reductions of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits, costs, and risks; and energy security and risk.

(6) **Specific actions**. Each integrated system plan implementation section must include the specific actions the utility will take over the implementation period. The specific actions must meet and be consistent with the clean energy transformation standards and be based on the utility's clean energy action plan and interim and specific targets. Each integrated system plan` implementation section must present the specific actions in a tabular format that provides the following information for each specific action:

(a) The general location, if applicable, proposed timing, and estimated cost of each specific action or remaining resource need, including whether the resource will be located in highly impacted communities, will be governed by, serve, or otherwise benefit highly impacted communities or vulnerable populations in part or in whole;

(b) Metrics related to resource adequacy including contributions to capacity or energy needs; and

(c) Customer benefit indicator values, or a designation as nonapplicable, for every customer benefit indicator described in subsection (4)(c) of this section.

(7) **Narrative description of specific actions**. Each integrated system plan implementation section must describe how the specific actions:

(a) Demonstrate progress toward meeting the standards identified in WAC 480-100-610(2) and (3).

(b) Demonstrate consistency with the standards identified in WAC 480-100-610(4) including, but not limited to:

(i) An assessment of current benefits and burdens on customers, by location and population, and the projected impact of specific actions on the distribution of customer benefits and burdens during the implementation period.

(ii) A description of how the specific actions in the ISP implementation section mitigate risks to highly impacted communities and vulnerable populations and are consistent with the longer-term strategies and actions described in the utility's most recently filed IRP or ISP long term section and CEAP as required by either WAC 480-100-620(11)(g) and (12)(c) or WAC 480-95-030(12)(j) and (13)(d).

(c) Are consistent with the proposed interim and specific targets.

(d) Are consistent with RCW 80.86.020(4)(i) and (j).

(e) Are consistent with the utility's resource adequacy requirements, including a narrative description of how the resources identified in the most recent resource adequacy assessment conducted or adopted by the utility demonstrates that the utility will meet its resource adequacy standard.

(f) Demonstrate how the utility is planning to meet the clean energy transformation standards at the lowest reasonable cost including, but not limited to:

(i) A description of the utility's approach to identifying the lowest reasonable cost portfolio of specific actions that meet the requirements of (a) through (e) of this subsection, including a description of its methodology for weighing considerations in WAC 480-100-610(4);

(ii) A description of the utility's methodology for selecting the investments and expenses it plans to make over the next four years that are directly related to the utility's compliance with the clean energy transformation standards consistent with RCW 19.405.050(3)(a), and a demonstration that its planned investments represent a portfolio approach to investment plan optimization; and

(iii) Supporting documentation justifying each specific action identified in the integrated system plan implementation section.

(8) **Projected incremental cost**. Each integrated system plan implementation section must include a projected incremental cost as outlined in WAC 480-100-660(4).

(9) **Public participation**. Each integrated system plan implementation section must detail the extent of advisory group and other public participation in the development of the CEIP as described in WAC 480-100-655(1)(i).

(10) **Report of progress**. Each integrated system plan implementation section must include a report on the large combination utility's progress towards implementing the recommendations contained in its previously filed integrated system plan. For a large combination utility's first integrated system plan, this requirement may be met by reporting on the utility's progress towards implementing the recommendations contained in its most recently filed CEAP and, if applicable, its work plan filed pursuant to RCW 80.86.020(3).

(11) **Alternative compliance**. The large combination utility must describe any plans it has to rely on alternative compliance mechanisms as described in RCW 19.405.040(1)(b).

WAC 480-95-050 – Staff drafting approach:

Staff included three items in this section:

1. In response to discussion in the first rulemaking workshop, Staff included a requirement that large combination utilities include key information from pipeline safety plans in integrated system plan.
2. Staff included a requirement to report on the work the large combination utility has done pursuant to RCW 80.86.030.
3. Staff included the requirements of RCW 80.86.080(1).

WAC 480-95-050 Pipeline Replacement Plan Data – Outreach to Consumer-owned Utilities

(1) A large combination utility must include in its integrated system plan the location and costs of planned pipeline replacements and repairs in its assessment and treatment of geographically targeted electrification. These costs must be presented with sufficient information about their timing, location, and impetus for the commission and interested parties to understand how they fit into the larger context of the integrated system plan and its proposed resource and delivery system investments.

(2) When an integrated system plan of a large combination utility proposes geographically targeted electrification of all or a portion of a service area in which the large combination utility provides gas

service to such a service area and one or more consumer-owned utilities provide electric service to such a service area, the integrated system plan of the large combination utility must include a process for outreach by the large combination utility to all consumer-owned utilities providing electric service to such a service area. The large combination utility shall provide gas delivery data of sufficient granularity for the consumer-owned electric company to assess the sufficiency of the capacity of the electric distribution system to accommodate the additional load from electrification at the circuit level. This data must be provided at least one plan cycle prior to electrification actions by the large combination utility to allow affected consumer-owned electric companies sufficient time to upgrade electrical distribution equipment and materials as needed to preserve system reliability.

(3) When a large combination utility proposes geographically targeted electrification in an integrated system plan, it has the burden of clearly demonstrating that it treated the electrification of gas customers that are within the large combination utility's combined electric and gas service territory and the customers in its gas only service territory impartially. Geographically targeted electrification proposals that target areas where the large combination utility's gas and electric service territories overlap will be rejected unless:
   (a) the utility provides evidence that the costs and benefits of electrification in the proposed area are materially different than the costs and benefits of geographically targeted electrification in the large combination utility's gas only service territory, or;
   (b) the large combination utility proposes geographically targeted electrification of areas in its gas only service territory that is approximately the same magnitude as the Geographically Targeted Electrification proposed in its combination service territory within the same integrated system plan.

WAC 480-95-060 – Staff drafting approach:

Staff based this section largely on WAC 480-100-625. The "timing" section required significant changes to merge IRP and CEIP timelines and to sync the timeline with emissions reduction periods starting in the second ISP filing.

WAC 480-95-060 Integrated system plan development and timing.

(1) Timing.
   (a) A large combination utility must file its first integrated system plan or ISP with the commission on the following timeline:
      (i) A draft ISP by October 1, 2026;
      (ii) A final ISP by January 1, 2027;
   (b) A large combination utility must file subsequent ISPs and ISP midway progress reports with the commission on the following timeline, and every five years thereafter, unless otherwise ordered by the commission:
      (i) A draft ISP by July 1, 2029;
      (ii) The final ISP by October 1, 2029;

(iii) An ISP midway progress report by July 1, 2032.

(2) ISP work plan. No later than 20 months prior to the due date of its final ISP, the large combination utility must file a work plan that includes advisory group input and outlines the content of the ISP and expectations for the subsequent midway progress report. The large combination utility must include the following in its work plan:
   (a) The methods for assessing potential resources;
   (b) A proposed schedule of meetings for the large combination utility's resource planning advisory group and equity advisory group, as established in WAC 480-100-655 (1)(b), for the ISP;
   (c) A list of significant topics, consistent with WAC 480-100-620, that will be discussed at each advisory group meeting for the ISP;
   (d) The date the draft ISP will be filed with the commission;
   (e) The date the final ISP will be filed;
   (f) A link to the large combination utility's website, updated in a timely manner, to which the large combination utility posts and makes publicly available information related to the ISP, including information outlined in subsection (5) of this section;
   (g) If the large combination utility anticipates significant changes in the work-plan, it must file an updated workplan.

(3) Draft ISP. At minimum, the draft ISP must include the preferred portfolio, CEAP, specific targets, interim targets, and supporting analysis, and to the extent practicable all scenarios, sensitivities, appendices, and attachments.
   (a) The commission will hear public comment on the draft ISP at an open meeting scheduled after the utility files its draft ISP. The commission will accept public comments electronically and in any other available formats, as outlined in the commission's notice for the open public meeting and opportunity to comment.
   (b) The large combination utility must file with the commission completed presentation materials concerning the draft ISP at least five business days prior to the open meeting.

(4) Final ISP Approval process. The utility's ISP and midway progress report filing will be set for an open public meeting. On the commission's own motion or at the request of any person who has a substantial interest in the subject matter of the filing, the commission will initiate an adjudication, or if appropriate a brief adjudicative proceeding, to consider the filing. The commission will enter an order approving, rejecting, or approving with conditions the utility's ISP or midway progress report at the conclusion of its review. The commission may, in its order, recommend or require more stringent targets than those the utility proposes.
   (a) The commission may adjust or expedite interim and specific target timelines when issuing a decision on an ISP or midway progress report.
   (b) Any party requesting the commission make existing targets more stringent or adjust existing timelines has the burden of demonstrating the utility can achieve the targets or timelines in a manner consistent with the requirements of RCW 19.405.060 (1)(c)(i) through (iv).

(5) ISP midway progress report. At the half-way point of each ISP compliance period starting on January 1, 2029, or later, a large combination utility must file a midway progress report. The first midway progress report will be due by July 1, 2032.
   (a) In this report, the large combination utility must update at least the following elements of its ISP long term section:
      (i) Load forecast;

(ii) Demand-side resource assessment, including a new conservation potential assessment;
(iii) Resource costs; and
(iv) The portfolio analysis and preferred portfolio.

(b) In this report, the large combination utility must provide an update to its ISP implementation section. This update may be limited to the biennial conservation plan requirements under chapter 480-109 WAC and must also include an explanation of how the update will modify targets in its ISP implementation section, if applicable. The utility may file in the midway progress report other proposed changes to the ISP implementation section resulting from updates to the ISP long term section of the midway progress report.

(c) The midway progress report must include other updates that are necessary due to changing state or federal requirements, or significant changes to economic or market forces.

(6) Publicly available information. The large combination utility must make the following information publicly available on its website:

(a) Meeting summaries and materials for advisory group meetings, including materials for future meetings;

(b) A current schedule of advisory group meetings and significant topics to be covered, actively updated by the company and changes highlighted;

(c) Information on how members of the public may participate in advisory group meetings; and

(d) Advisory group comments about the ISP and its development received to date, including responses communicating how the subject of the input was considered or used. Comments with similar content or input may be consolidated with a single large combination utility response.

WAC 480-95-070 – Staff drafting approach:

Staff took a referential approach to this section, primarily relying on the annual and compliance reporting requirements in WAC 480-100-650. Staff then added requirements necessary to report on new elements like electrification and emissions reduction as well as electrification of transportation plans. Staff also included a provision that would consolidate renewable portfolio standard reporting in the annual clean energy progress report.

WAC 480-95-070 Reporting and Compliance

(1) Clean energy compliance report. A large combination utility must file with the commission a clean energy compliance report as described in WAC 480-100-650(1)(a)-(l) within 6 months of the end of each compliance period. As part of this report, a large combination utility must also:

(a) Demonstrate whether and how the large combination utility met its electrification and emissions reduction specific targets.

(b) Include a summary of the steps taken to adaptively manage the large combination utility's portfolio and programs throughout the compliance period.

(c) Include a summary of the work the large combination utility has done pursuant to WAC 480-95-050(3).

(d) Include a report of its work to comply with the requirements of RCW 80.86.030 during the last compliance period.

(2) Clean energy compliance report review process. The process for written comments, review, and determination of compliance will be conducted pursuant to the requirements in WAC 480-100-650(2).

(3) Annual clean energy progress reports. By June 1 of each calendar year, a large combination utility must file with the commission, in the same docket as its most recently filed ISP, an informational annual clean energy progress report regarding its progress in meeting targets during the preceding year. These reports must include all of the requirements of WAC 480-100-650(3) and (4), and:
   (a) Electrification achievement in peak dekatherms per day, first year dekatherms, lifetime dekatherms, peak MW, and first-year MWh.
   (b) Emissions reduction achievement in carbon dioxide equivalent.
   (c) A summary of the steps taken to adaptively manage the large combination utility's portfolio and programs throughout the preceding year.
   (d) Meet the renewable portfolio standard annual reporting requirements as described in WAC 480-109-210. To the extent these reporting requirements would be duplicative of requirements of the annual clean energy progress report, a large combination utility may provide a key that cites the specific place(s) within its annual clean energy progress report where renewable portfolio standard annual reporting requirements are met.
   (e) Metrics used to track progress towards implementing the large combination utility's electrification of transportation plan
   (f) Metrics used to track customer benefit indicators

WAC 480-95-080 – Staff drafting approach:

In this section, Staff adopted by reference the public participation requirements in WAC 480-100-655, and added a note on advisory group participation in light of the scope of an integrated system plan.

WAC 480-95-080 Public participation in an integrated system plan (ISP).

(1) Public participation in an integrated system plan must meet the requirements for public participation in a CEIP under WAC 480-100-655, and must:
   (a) Consider, with input from existing advisory groups, whether new advisory group members are needed given the scope of the integrated system plan
   (b) Provide to the large combination utility's gas customers the same level of participation and notice provided to its electric customers

WAC 480-95-090 – Staff drafting approach:

Staff included a placeholder in this section to allow rule language to result from technical workshops in Fall 2024.

WAC 480-95-090 Cost Test.

[Placeholder for additional discussion in Fall 2024 Technical Cost Workshops]