

**Energy Independence Act Rulemaking
Docket UE-131723
May 9, 2014 Comment Summary**

WAC 480-109/Topic	Commenter	Comment
007(18) and 010(2)(b) Biennial target pro-rating	Northwest Energy Coalition (NVEC), Pacific Power, Puget Sound Energy (PSE)	NVEC supports modifying definition of “pro-rata,” consistent with the April 2014 Draft Rules, to better agree with the plain meaning in the statute. Pacific Power and PSE request a return to the existing rule language, stating the new calculation is too simplistic and is inconsistent with 6 th Regional Power Plan methodology. In 010(2)(b), Pacific Power includes possible clarifying text requiring utilities to document how they prorate in the event this recommendation is not accepted.
007(20) and 010(4)(a) Pursue all	Public Counsel, PSE, Seinergy	Public Counsel and PSE express concern over whether this phrase is appropriate and relevant to define, as well as whether it would be better described as “adaptive management.” Seinergy requests inclusion of “measures” with technology and programs to improve clarity.
007 Definitions	Pacific Power, PSE	All definitions that repeat the statutory definitions should be deleted.
007 (12) High-efficiency cogeneration	PSE	The phrase “best commercially available,” in regards to calculating cogeneration savings, should be clarified. A vague definition here could create “significant uncertainty” over meaning for implementation purposes.
007 (24) Renewable resource definitions	NVEC	Co-firing in and of itself is not a renewable resource and should not be defined in this section. This provision would be more appropriate within WAC 480-109-020.
007(27) Single large facility conservation savings	PSE, Pacific Power	Remove “recent” from “...recent annual electricity consumption...” to restore wording of HB 1643 and improve consistency with statute. This definition leaves room for further clarification, including topics such as single premises, individually metered facilities, and retail wheeling customers.
007(30) Transmission voltage	PSE	Remove section. The reason for its inclusion is unclear, and the “transmission voltage” definition is not consistent with FERC classifications.
010	NVEC	Rule should provide guidance regarding measurement and verification of savings from behavioral programs. Rule should ensure high efficiency cogeneration savings are counted equivalently to other efficiency programs.

010	NWEC	Rule should clarify a utility's options in the event an RTF deemed savings number changes within the biennium. NWEC accepts staff proposal to evaluate cost effectiveness of low income programs using SIR test.
010(1)(b) Conservation Potential	PSE, Pacific Power, Public Counsel	All commenters on the issue question the use of "Sixth Northwest Conservation and Electric Power Plan" methodology for developing projections, versus simply requiring "most recent" methodology. PSE suggests "Technical, achievable, economic, and 10% conservation credit" as criteria for clarification.
010(1)(c) Projection measure categories	PSE, Pacific Power	Simpler language should be used to avoid additional burden: both commenters suggest "each measure category used in the potential." PSE also expresses concern over conversion from 20 year IRP potential reporting methods to 10 year conservation potential reporting methods.
010(3)(b) Public Participation	PSE, Pacific Power	No change from existing language is needed.
010(2)-(3) Biennial Conservation Plan	Public Counsel	Public Counsel accepts the removal of the ability to use a conservation target range and moving the biennial conservation plan (BCP) due date to Nov. 1 st for additional time to review. Clarification of the language in advisory group section is needed. Public Counsel suggests adding "an evaluation plan for the biennium" to the list of BCP requirements, and proposes requiring updates for BCPs when new technologies are identified.
010(4)(a)(ii)-(iv) Conservation Portfolio, Pilot programs, and Compliance Requirements	Pacific Power, PSE, Avista, Public Counsel	Pacific Power and PSE request removal of both sections, as they are not needed to enhance practical implementation of EIA and are possibly contradictory additions. Avista also recommends removing the "Implement programs" section, stating that it is unnecessary and unclear, but suggests revision to 4(a)(ii)-(iv). More permissive language should be used in regards to pilot programs: for example, using " <i>consider</i> pilot programs" and " <i>may</i> contain programs outside the BCP" to allow flexibility for keeping portfolios cost-effective when no such programs are available. In order to assure compliance, the requirements for "market moving incentives and rebates," ((4)(a)(iii)(A)) "conducting collaborative technical activities" ((4)(a)(iii)(G)), and "evaluating the effectiveness of...advertising" ((4)(a)(iii)(B)) should be removed or clarified. Add "or in addition with others" within adaptive management section 010(4)(a)(iv). Public Counsel recommends revised language, including specifically referencing the BCP (formerly "the portfolio") for requirement clarity, and removing the word "must" so that the rules are not unnecessarily inflexible. ("...methods <i>must</i> include...")
010(4)(b)(iii) Code enforcement	Avista, Pacific Power, PSE	Pacific Power and PSE request removal of this item, stating that code enforcement is a function of government entities, and therefore not needed. Avista recommends permissive language and exclusion of the cost of code enforcement from cost-benefit analysis.
010(4)(d) New Section	Seinergy	Proposes a new section regarding conservation measures completed without utility involvement.

010(5) Prudence of conservation measures	Pacific Power, PSE	Both utilities suggest “A utility retains the operational authority and ultimate responsibility for meeting the biennial conservation target” instead of “A utility retains the responsibility to demonstrate the prudence of all conservation expenditures” to reinstate the concept of a utility’s operational authority and emphasize why the “prescriptively-oriented terms” are inappropriate.
010(6) Energy savings	Avista, Public Counsel	Avista suggests adding “Or unless RTF UES or derivative values do not exist” to the listed exceptions. Public Counsel notes the difference between this section and BCP condition language, and would like further discussion of the issue.
010(7) Incremental Hydro Calculation	PSE	Delete section, as well as all sections and subparts relating to “Method 3”. The law does not require a limit on the number of reasonable and acceptable methodologies. No limit should be created to maintain flexibility. The purpose of designating method 3 as a “pilot method” is unclear and possibly redundant.
010(8) Cost-effectiveness evaluation	Pacific Power, Public Counsel, PSE	PSE and Pacific Power suggest use of a TRC test to determine cost-effectiveness (rather than SIR), and reject excluding low-income programs from new cost-effectiveness evaluations to improve consistency and ease administrative burden. Public Counsel supports excluding low-income programs from portfolio-level cost-effectiveness analysis and would like further information about the impact of using the SIR test.
010 (8) Low-income programs	The Energy Project	The Energy Project supports exemption of low income efficiency program from the strict cost tests applied to other energy efficiency programs, as well as their exclusion from overall portfolio analysis. They recommend using SIR as Commerce applies it as option for selection of measures, and generally commend Commission handling of low-income programs.
010(9)	Seinergy	Add “ <u>Incentives are not required in order for a utility to claim conservation savings from a measure</u> ” in regards to proposing incentives for exceeding biennial targets.
010	PSE	Delete the phrase “energy efficiency” and “standard” and use “Conservation resource” or “Energy Conservation Target”. The terms are inconsistent with the law.
AAA(1) Conservation advisory group	PSE, Pacific Power, Avista	PSE and Pacific Power request removal of this section because it is already in the biennial conditions with some additions and does not increase efficiency of EIA implementation. Avista recommends provision for phone and webinar advisory group meetings due to geographical concerns.
AAA(3) Advance Notification of Filings	Public Counsel	Public Counsel supports proposed language involving advance notification of filings, stating that this facilitates advisory group involvement and consultation and allows stakeholders to find consensus in advance.
BBB Conservation Reporting	Public Counsel, Pacific Power, PSE	Pacific Power and PSE request deletion of entire section. BBB will not increase EIA implementation efficiency, is duplicative of some biennial conditions, and is unclear. Public counsel suggests adding a subsection pertaining to the BCP.
BBB(2)(b)(ii) Conservation Savings	Avista	Change “actual” savings to “claimed” savings. Utilities do not obtain third party evaluation before filing date.
BBB(3)(a)(v) and (4)(a),(b)	Public Counsel	Supports proposed third-party evaluation section for savings achievement. Seeks clarification on removal of “approve with conditions” language for biennial target.

BBB	NWEC	Proposed rules are appropriate for the Commission but are excessive for the Department of Commerce and should be evaluated for simplicity. Conservation reporting requirements and scope of savings evaluation procedures also need clarification.
020 and 007(29) Renewable Portfolio Standard	PSE	Remove “renewable portfolio standard”. RPS is not mentioned anywhere in the law, and should not be introduced in the rule. Definition of “target year” should be removed for this reason.
020(4)	NWEC and Renewable Northwest (RN)	Supports REC bifurcation language.
020(3) and 040(2)(d)(i) WREGIS	Avista	Remove the requirement for eligible renewable resource generation because WREGIS is designed to register and track RECs, and the two are not always consistent. For this reason, incremental hydro should also be excluded from the reporting requirement.
020(7) Incremental hydro	Avista, James Adcock	Avista states that Method 3 is “entirely valid and meets Washington State law” and therefore should not be treated as a pilot program. Additionally, the calculated amount of incremental hydro transferred between qualifying utilities should be used as long as the methodology has been approved by its governing body. James Adcock believes incremental hydro should be measured in 11 year intervals due to natural flow variability and sunspot cycles. Natural stream flow variability should be taken into greater account for measurement.
020(8)(c) Qualified Biomass Energy		Add “for compliance with WAC 480-109-020” to clarify whether utilities may sell RECs for reasons apart from compliance.
030 and 040(e)	NWEC and RNP	Supports revised language about alternative compliance and multi-state allocations.
040 Renewable Portfolio Standard	NWEC and RNP	Change “ <i>the</i> target year” to “ <i>that</i> target year” to dispel confusion over which target year the June 1 st renewable compliance filings cover.
040(2)(a) Incremental cost calculation	Avista	Proposes an additional subsection stating that facilities either acquired prior to November 2006 or that have been in service for their original intended life (prior major life extension investments) have zero incremental cost.
	Avista, Industrial Customers of Northwest Utilities (ICNU)	Avista disagrees with exclusion of spot market purchases because of reliability issues inherent to intermittent renewables, and recommends limiting cost comparison to the first 20 years of a project’s life. ICNU requests deleting the spot market language in the incremental cost section as it is redundant and unhelpful in a long-term PPA discussion.

040(2)(d) Eligible resources	PSE	Delete section; the list is not required by the law, reporting more resources than are used for compliance is unnecessary, and all major eligible resources will go through the ratemaking process before they are used for compliance.
040(2)(f) and 040(6) “Sales” and “Final compliance report”	PSE	Delete “Sales” and “Final compliance report” sections and subparts; the law does not require disclosure of this detailed level of proprietary confidential information. The annual reports focus on RECs used in past target years, and all of this information is already presented for existing requirements.
Incremental Cost and Miscellaneous	NWEC and RNP	NWEC and RNP support the Commission’s general adaptation to I-937 requirements as well as incremental cost calculation outlines, and request additional workshop discussion on the intent of proposed rules. Integration costs and the incremental cost of meeting minimum RPS requirements should be discussed for clarity, and “unbundled” should be defined. They would like better understanding of incremental hydro measurement methodologies, but support the Commission’s preference. They support extending the Commission’s role beyond review of compliance with requirements of the EIA with the intent to reduce greenhouse gases.
Energy and Emissions Intensity Metrics	Public Counsel	Public Counsel has clarifying questions about energy and emissions intensity metrics and whether the rule should require those metrics. Either the BCP or BCR review process may be a more appropriate time to obtain this data, or perhaps Commerce might be a more appropriate place for this reporting effort.
Measuring progress across reporting periods	Pacific Power	Remove these metrics from the rule since they are present and more complete in the statute. Statewide metrics should be performed by Commerce, so if they are enacted by the UTC, they would be “unnecessary and burdensome.”
Split system heat pump water heaters	Parker V. Holden	Would like utilities and the heat pump water heater industry to stop discouraging use of split system heat pump water heaters at the expense of consumers. Feels the UTC is not representing public interest, and will be using class action approach.