

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PACIFICORP d/b/a PACIFIC POWER &
LIGHT COMPANY,

For an Order Approving its 2026 Demand
and Resources Supply Forecast Pursuant
to Climate Commitment Act

DOCKET UE-220789

ORDER 03

GRANTING REVISED PETITION
APPROVING FORECAST SUBJECT
TO CONDITION

BACKGROUND

- 1 In 2021, the Washington State Legislature passed the Climate Commitment Act (CCA) through Engrossed Second Substitute Senate Bill 5126. Codified as Revised Code of Washington (RCW) 70A.65, the law was created to reduce greenhouse gas (GHG) emissions. Also referred to as “Cap and Invest,” the law establishes a declining cap on GHG emissions from covered entities and is intended to reduce emissions in the state by 95 percent by 2050.¹ The CCA allows electric utilities, which are subject to the Clean Energy Transformation Act (CETA), to receive no-cost allowances to mitigate the cost burden of the Cap and Invest Program on electric customers.² The CCA required the Department of Ecology (Ecology) to adopt rules, in consultation with the Washington Utilities and Transportation Commission (Commission), establishing the methods and procedures for allocating allowances to investor-owned electric utilities (IOU).³
- 2 On September 29, 2022, Ecology published final rules under Chapter 173-446 of the Washington Administrative Code (WAC), the Climate Commitment Act Program. WAC 173-446-230 specifies that Ecology will use utility-specific four-year demand and resource supply forecasts to determine the cost-burden effect and the allocation of no-cost allowances to each electric utility.

¹ See Climate Commitment Act - Washington State Department of Ecology [Climate Commitment Act - Washington State Department of Ecology](#).

² WAC 173-446-230(1).

³ RCW 70A.65.120.

- 3 On January 24, 2023, the Commission approved the forecast subject to the modified condition that the Company must notify the Commission if there are any substantive changes.⁴
- 4 On December 14, 2023, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) filed a revised forecast asserting a substantive change as discussed under Order 01.
- 5 On May 23, 2024, the Commission approved the revised forecast for the remainder of the first CCA compliance period.⁵
- 6 On April 16, 2025, PacifiCorp filed a petition (Petition) revising its forecast for the year 2026, asserting a substantive change as discussed under Order 01 due to its proposed inter-jurisdictional cost allocation methodology.
- 7 On June 12, 2025, the Company filed a Redacted Errata to its Petition.
- 8 Commission staff (Staff) has reviewed the Petition and recommends that the Commission grant approval of the revised forecast filed April 16, 2025, as revised on June 12, 2025, with the condition that the Company must submit a revised demand and supply forecast for the year 2026 if the proposed inter-jurisdictional cost allocation methodology is rejected or is otherwise changed within 30 days of the rejection or change.
- 9 On July 10, 2025, this matter came before the Commission at its regularly scheduled open meeting.

DISCUSSION

- 10 We agree with Staff's recommendation that the Commission should grant PacifiCorp's Petition filed April 16, 2025, and revised June 12, 2025, subject to the condition that that the Company must submit a revised demand and supply forecast for the year 2026 if the proposed inter-jurisdictional cost allocation methodology is rejected or is otherwise changed.
- 11 We further agree with Staff that if the Company waited until the 2026 Protocol was approved by the Commission, they would have lost the opportunity to adjust allowances

⁴ UE-220789 Order 01.

⁵ UE-220789 Order 02.

commensurately.⁶ While we do not weigh in on whether it is more likely that PacifiCorp will be operating under the 2026 Protocol as proposed as compared to the Washington Inter-Jurisdictional Allocation Methodology in 2026, we do agree that it is prudent to accept this revised forecast to protect ratepayers from a potential increase in emissions without a commensurate increase in no-cost allowances.

- 12 At the open meeting, the Company requested 45 days to submit a revised demand and supply forecast for the year 2026 if the proposed inter-jurisdictional cost allocation methodology was rejected or otherwise changed.
- 13 After receiving additional input from Ecology, Staff and PacificCorp on Ecology's rules, process, and October 2025 timeline for distributing 2025 vintage cost allowances, the Commission granted the Company's request to extend the period from 30 to 45 days to submit a revised forecast given such extension was immaterial to Ecology's process.
- 14 After Reviewing PacifiCorp's Petition and giving due consideration to all relevant matters and for good cause shown, the Commission agrees with Staff that the revised forecast submitted with the Petition should be approved subject to the condition listed in paragraph eight of this order pursuant to RCW 70A.65.120 and WAC 173-446-230(2)(j).

FINDINGS AND CONCLUSIONS

- 15 (1) The Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 16 (2) PacifiCorp is an electric company and a public service company subject to Commission jurisdiction.
- 17 (3) PacifiCorp is an investor-owned electric utility subject to the requirements of chapter 19.405 RCW.
- 18 (4) PacifiCorp calculated its 2026 demand and resources supply forecast to reflect its proposed 2026 Protocol, which would increase Washington emissions.
- 19 (5) PacifiCorp's 2026 revised demand and resource supply forecast should be approved pursuant to RCW 70A.65.120, subject to the condition that the

⁶ Ecology requires IOUs to submit approved forecasts by July 30 for each year in the event of a revision, to allocate no-cost allowances for the next year. WAC 173-446-230(2)(j).

Company must submit a revised demand and supply forecast for the year 2026 if the proposed inter-jurisdictional cost allocation methodology is rejected or is otherwise changed within 45 days of rejection or change.

20 (6) This matter came before the Commission at its regularly scheduled open meeting on July 10, 2025.

21 (7) After reviewing PacifiCorp's Petition and forecast and giving due consideration to all relevant matters and for good cause shown, the Commission approves PacifiCorp's 2026 demand and resources supply forecast subject to the condition listed in paragraph 19 of this order.

ORDER

THE COMMISSION ORDERS:

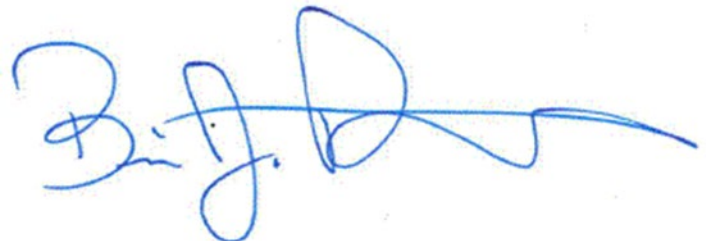
22 (1) The Petition for Approval of a Revised Climate Commitment Act Forecast filed by PacifiCorp d/b/a Pacific Power & Light Company April 16, 2025, and revised June 12, 2025, is granted subject to the condition that the Company must submit a revised demand and supply forecast for the year 2026 if the proposed inter-jurisdictional cost allocation methodology is rejected or is otherwise changed within 45 days of the rejection or change.

23 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it.

24 (3) The Commission retains jurisdiction over the subject matter and PacifiCorp d/b/a Pacific Power & Light Company to effectuate the provisions of this Order.

Dated at Lacey, Washington, and effective July 10, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



BRIAN J. RYBARIK, Chair



ANN E. RENDAHL, Commissioner



MILTON H. DOUMIT, Commissioner