

Comments by James Adcock on Integrated Resource Planning rulemaking UE-191023

Docket number of this proceeding: UE-191023

Commenting party's name: James Adcock, Electrical Engineer

The title and date of the comment or comments:

Comments by James Adcock on 1st Discussion Draft Rules: UE-191023

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In this response I request consideration of the drafting of WAC 480-100-675(4)(d) [page 34]

“A demonstration that the four-year average incremental cost....”

Which I believe is intended implementing RCW 19.405.060 (3) (a)

“two percent increase of the investor-owned utility's weather-adjusted sales revenue to customers for electric operations above the previous year”

I am concerned that the terminology “above the previous year” may be ambiguous – where it is not clear which is the “previous year” being referred to.

One understanding could be that the “previous year” always refers to the immediately preceding year for each year within the four-year compliance period. In which case the “2%” represents a maximum “sales revenue ramp rate” – the **rate** of “sticker shock” that customers can reasonably be expected to be exposed to.

A second understanding might be that the “previous year” means the year immediately preceding the four-year compliance period. In which case the “2%” does not represent a **rate** of increase, but rather a maximum percentage of total sales revenue that need be used. In which case at the start of the **next** four-year compliance period then the 2% would be stepped up again for that compliance period.

In the first case, after four years there has been four 2% increases, resulting in an 8% total increase [actually an 8.24% increase due to compounding]

In the second case, after four years there has been only one 2% increase, which is also the total – until the next four-year period. Effectively then this only about an average rate increase per year

of about 0.5% -- a much smaller rate of increase.

I believe the 1st understanding would provide enough revenue to reasonably ensure that all utilities will get to 100% emissions free. But the 2nd understanding may well not provide enough revenue that all utilities will get to 100% emissions-free.

I ask that this issue be clarified in the drafting to avoid the reasonably expected large amount of disagreements this would otherwise entail.

Thank you for your consideration,

James Adcock