WAC 480-100-600 CEIP Rulemaking UE-191023
Notice of Opportunity to File Written Comments on the First Discussion Draft
by June 2, 2020

Summary of Comments

Stakeholders

- Avista
- Pacific Power and Light (PP&L)
- Puget Sound Energy (PSE)
- Public Counsel (PC)
- Association of Washington Energy Consumers (AWEC)
- Audubon, Earth Ministry/Washington Interfaith Power and Light, Fuse, RE Sources for Sustainable Communities, Spark Northwest, Vashon Climate Action Group, Washington Environmental Council/Washington Conservation Voters (Audubon et al.)
- Bonneville Power Administration (BPA)
- Climate Solutions (CS)
- El Centro de la Raza (ECDLR)
- The Energy Project (TEP)
- Front and Centered (F&C)
- Invenergy
- Northwest Energy Coalition (NWEC)
- OneAmerica
- Puget Sound Sage (PSS)
- Renewable Northwest (RN)
- Rob Briggs
- Sierra Club, 350 Seattle, Act 4 Climate, and Western Grid Group (Sierra Club et al.)
- Solar Installers of Washington (SIW)
- Spark Northwest (SNW)
- Washington Environmental Council (WEC)
- Washington Environmental Council and Washington Conservation Voters (WEC & WCV)
- Western Power Trading Forum (WPTF)
- Vashon Climate Action Group (VCAG)

WAC 480-100-6XX Purpose (WAC 480-100-600 in August 14, 2020 draft rules)

Party	Draft WAC	Summary of Comment	Staff Response
PP&L	6XX	Purpose should include directive that achieving the clean energy standard must not impair the reliability of the electric system or impose unreasonable costs on customers. Grammar redline as well.	Staff believes this addition is unnecessary, as the clean energy transformation standards in section -610 adequately address reliability and cost.
PSE	6XX	"Clean energy standard" definition in the purpose section of the discussion draft rules should be narrower (see also 6XX Definitions) and only include references to .040(1) and .050(1). See redline edits.	Staff disagrees. However, Staff recommends clarifying edits to Purpose and -610.
CS	6XX	Recommends distinguishing between 'the clean energy standards' and the requirements of CETA. The statutory 'standard' is .040 and .050. Proposed redlines.	Staff agrees that -050 references the clean energy standard. Staff proposes revisions to new section -610 and rename the section as The Clean Energy Transformation Standards.

WAC 480-100-6XX Definitions (WAC 480-100-605 in August 14, 2020 draft rules)

Party	Draft WAC	Summary of Comment	Staff Response
Avista	The definitions section does not have subsections	"Energy burden" should be further clarified, including what is in "energy bills" (i.e., only electric bills or bills for all fuel types).	The definition for energy burden is the statutory definition. The Commission will clarify what is included in home energy bills in the EIA adoption order in Docket UE-190652.

		"Integrated resource plan" definition is different than chapter 19.280 RCW; it is more accurate to state the plan must meet requirements of chapter 19.405.030 through -050—clean, affordable, reliable, and equitably distributed are not direct requirements of the IRP statute, and without metrics, will be hard to verify.	The clarified IRP definition provides parallel context to "resource need" definition, also connecting RCW 19.280 and 19.405. The equitable distribution mandate is included because RCW 19.405.040(8) is a legal requirement utilities must account for during the planning process.
		"Resource need" definition is useful; it should also include resources needed to meet RA metric established by the utility in its IRP, in addition to FERC operational requirements and resources required for regulatory compliance.	Staff recommends revising the first sentence of the definition, "Resource need" means any current or projected deficit to reliably meet demand, regulatory, or operational requirements. We believe the definition satisfies this request.
		"Vulnerable populations" provides a list of indicators for identifying populations. It is unclear who will provide the data and perform the analysis to identify these populations. Additional guidance on the requirements as it relates to identifying the different named groups of customers would be helpful.	The utility will provide the data and perform the analysis to identify vulnerable populations based on the sensitivity factors and adverse socioeconomic factors proposed within the company's CEIP. See the draft rules at WAC 480-100-640(6)(b).

PP&L		If the term "implementation period" is designed to avoid confusion with the compliance periods identified in the statute, PacifiCorp recommends making "implementation period" a defined term to ensure clarity. See question 8.	Staff agrees and has included a definition of implementation period to avoid confusion. "Implementation period" means the four years after the filing of each Clean Energy Implementation Plan through 2045. The first implementation period will begin January 1, 2022, and will end December 31, 2025, and the second implementation period will begin on January 1, 2026, and will end on December 31, 2029.
		Recommends incorporating by reference statutory definitions of "coal-fired resource" and "allocation of energy."	Staff agrees.
		"Integrated resource plan" definition should be consistent with statute and offers redline edits deleting "…clean, affordable, reliable, and equitably distributed."	Staff partially agrees and recommends reverting to the statutory definition. Staff also proposes moving the phrase, "… clean, affordable, reliable, and equitably distributed" to the end of the definition of lowest reasonable cost, as those are statutory requirements.
		Requests clarity on the definition of "stakeholders" as used in (public participation) context; requests that it be limited to official parties in CEIP docket.	Staff disagrees that stakeholders should be limited to "official parties" if the CEIP is moving through the Open Meeting process.

		Without clear and established definitions of the terms used in the statutes, such as "equitable distribution," "benefits," "burdens", it is inappropriate to establish penalties for non-compliance.	Staff proposes a definition of "equitable distribution" within draft WAC 480-100-605 Definitions. More generally, the legislature established penalties for non-compliance with statutory requirements and provided the Commission with enforcement discretion. The Commission can consider any lack of clarity in a utility's statutory obligation when exercising that discretion.
PSE		"Clean energy standard" definition in the purpose section of the discussion draft rules should be narrower.	Staff proposes to strike the title of renumbered section -610 and replace it with the term "clean energy transformation standards." We believe this section is useful to reference a number of the core requirements of the statute.
		"Pumped storage" and its application, should be addressed in the definitions section of the rules.	Staff proposes a new definition for "resource" that includes storage. Pumped storage is a type of storage.
		"Equitable distribution" definition is missing, "and addressed in a utility's clean energy implementation plan." See redline edits.	Staff disagrees. Staff believes that the proposed redline could imply that the requirements in RCW 19.405.040(8) are a planning standard rather than an affirmative mandate. -.040(8) is a mandate.

		Suggests new definition of "implementation period," see redline edits.	Staff agrees and has included a definition of implementation period. "Implementation period" means the four years after the filing of each Clean Energy Implementation Plan through 2045. The first implementation period will begin January 1, 2022, and will end December 31, 2025, and the second implementation period will begin on January 1, 2026, and will end on December 31, 2029.
		Questions current "lowest reasonable cost" definition, given the other factors outlined in RCW 19.405.040(8), such as equity, human health and the environment, and energy security and resiliency. Should this definition of be updated to reflect consideration of those factors?	Staff proposes using the statutory definition and adding the following to the end of the definition. "The analysis of the lowest reasonable cost must describe the utility's planned combination of resources and related delivery system infrastructure and show compliance with Chapters 19.280, 19.285, and 19.405 RCW, including a demonstration that the energy produced will be clean, affordable, reliable, and equitably distributed."

		Recommends edits to "Nonemitting electric generation," which includes, but is not limited to: hydroelectric power, nuclear power, and hydrogen. See redline edits.	Staff agrees that nuclear and hydrogen are nonemitting electric generation, but we do not see a need for further clarification of the statutory definition. Hydroelectric power is considered a renewable resource.
		Suggests edits to "resource need," including "forecasted electricity demands." See redline edits.	Staff agrees on adding "reliably" as a qualifier to meet the RA metric but does not agree with addition of "forecasted" as the definition means to meet any *current* or *projected* deficit.
PC		Suggests a new definition "resource", which means any acquisition made to meet customer demand or operational requirements. This edit would prevent limitations on what is considered a resource in terms of developing CEIPs, and provide flexibility for future resources, such as distributed generation.	Staff proposes to define "resource" to include but is not limited to generation, conservation, distributed generation, demand response, efficiency, and storage.
		Recommends the Commission also define "delivery system infrastructure," which is part of the definition of "resource need," see Question 1b.	Staff disagrees that the Commission should define delivery system infrastructure in this rulemaking, as the Commission has stated that it is considering a future distribution system planning rulemaking.
Audubon et al.		Requests refining "equitable distribution" definition to ensure utilities build a more equitable clean energy system.	Staff recommends edits to the equitable distribution definition and believes the draft rules as a whole will ensure compliance with the equity mandate.

		Request refining "lowest reasonable cost" rule definitions to ensure utilities build a more equitable clean energy system.	Staff proposes using the statutory definition and adding the following to the end of the definition. "The analysis of the lowest reasonable cost must describe the utility's planned combination of resources and related delivery system infrastructure and show compliance with Chapters 19.280, 19.285, and 19.405 RCW, including a demonstration that the energy produced will be clean, affordable, reliable, and equitably distributed."
BPA		Add new definition related to fuel mix and GHG emissions reporting role of an "aggregator," as defined in Ecology's proposed rules regarding the calculation of the GHG emissions content in electricity (WAC 173-444).	We disagree that it is appropriate for the UTC to adopt a proposed term in another agency's incomplete rulemaking.
CS		"Retail sales" is not defined and should be—recommends incorporating losses between point of generation and electricity supplied to load. See redline edits.	Staff does not believe that this needs to be determined in rule. This may better be determined through case law.

		Revise "lowest reasonable cost" (LRC) definition, including the term social cost of greenhouse gas emissions, also expanding it to include public health benefits as well as an equitable distribution of benefits and reduction of burdens, and also include "programs" – not limiting LRC definition to only resources.	Staff proposes using the statutory definition and adding the following to the end of the definition. "The analysis of the lowest reasonable cost must describe the utility's planned combination of resources and related delivery system infrastructure and show compliance with Chapters 19.280, 19.285, and 19.405 RCW, including a demonstration that the energy produced will be clean, affordable, reliable, and equitably distributed."
		For "social cost of greenhouse gas emissions," recommends including the extraction, production, and transportation of a fuel used to generate the electricity.	Staff does not see a reason to depart from the statutory reference of 'resulting from the generation of electricity.'
		Further clarify "Nonemitting resource" to not include storage charged with emitting resources, which does not meet definition of a nonemitting resource.	Staff disagrees that this modification is necessary. The statutory definition provides sufficient clarity on this point.
		Refine definition of "equitable distribution" based on current and historic condition.	Staff agrees that clarification is needed. The revised definition in the next draft rule clarifies that current conditions include legacy and cumulative conditions.
ECDLR		Strengthen definitions of "equitable distribution" to provide clarity on reducing disparities.	Staff agrees that clarification is needed. The revised definition in the next draft rule includes language regarding mitigating disparities.

		Ensure "lowest reasonable cost" includes equity so it is not used as an excuse for inaction.	Staff agrees that clarification is needed. The revised definition in the next draft rule includes language regarding equity.
TEP		Revise "indicators" definition by inserting the term "evidence" into the definition. For example, the rule could be revised to read: "'Indicator' means a value, or description, or evidence that…."	Staff agrees that clarification is needed. There is a revised definition in the next draft rule.
		For "equitable distribution," revise to a) include 'what is being allocated' such that the object of the fair allocation is energy and non-energy benefits, and the reduction of burdens, as provided in statute, and b) clarify that other assessments or inputs from other sources, beyond the assessment made in the IRP process, such as advisory groups, can inform the analysis of current conditions.	The term equitable distribution is always used in context of energy and non-energy benefits and reductions of burdens within the rule. Therefore, Staff does not believe the objects need to be included in the definition.
F&C		Revise "Equitable distribution" definition to include "just" in addition to "fair."	Staff agrees.
		Revise "Equitable distribution" definition to include "for the purpose of eliminating disparities in benefits and burdens by prioritizing vulnerable populations and highly impacted communities who experience the greatest inequities, disproportionate impacts, and have the most unmet needs."	Staff agrees that clarification is needed. Staff recommends a revised definition that includes language regarding mitigating disparities. The term is always used in reference to vulnerable populations and highly impacted communities, so the definition does not need to include those terms.

		Revise “lowest reasonable cost” to include the social cost of greenhouse gas emissions and compliance with 19.405.040(8).	Staff believes that the existing statutory definition, which we propose to adopt, incorporates the social cost of greenhouse gases. Staff agrees that lowest reasonable cost analysis must show compliance with 19.405 RCW, which includes 19.405040(8), and recommends new language to make it clear.
		Revise definition of "Vulnerable populations" to include low household wealth, and factors such as disability and dependence on electricity for medical needs.	The definition included in the draft rule is the statutory definition. The additional factors provided can be included in the adoption order or a future policy statement to provide additional, illustrative examples for consideration during the development of the CEIP where (1) customers and advisory groups are engaged and (2) sensitivity factors and adverse socioeconomic factors are proposed and reviewed by the Commission.

		Add new definition "Energy security" to include the uninterrupted availability of energy sources at an affordable price.	Given statutory deadlines and mandatory furloughs, Staff does not feel there is adequate time to develop and add an appropriate definition of "energy security" in rule at this time. Staff recommends clarifying in the adoption order that "energy security" must be considered within the statutory context that "all customers must benefit from the transition."
		Add new definition "Resiliency" to include the ability to meet customer and community defined needs throughout changes in policy, the environment, and economy.	Given statutory deadlines and mandatory furloughs, Staff does not feel there is adequate time to develop and add an appropriate definition in rule at this time. Staff recommends clarifying in the adoption order that "resiliency" must be considered within the statutory context that "all customers must benefit from the transition."
Invenergy		Revise definition of "resource need" to also include flexibility and dispatchability, which may become increasingly important as utilities increase reliance on renewables.	Staff proposes modifying the definition "resource need" to "Resource need" means any current or projected deficit to reliably meet demand, regulatory, or operational requirements. We believe our modifications address this concern.

		Recommends new definition "allocation of electricity," which is not clear, as stated in WAC 480-100-650(1).	Staff recommends adopting the statutory definition and does not believe that further specificity is necessary for these rules.
NWEC		Concept of "resource adequacy" must be broadened to include demand response, expanded conservation and efficiency, storage, and other flexible resources, as well as typical thermal generators.	Staff agrees that various types of resources can be used to ensure that a utility meets its resource adequacy metrics.
		Notes, the definition of "resource need" included in the rules seems broad and sufficient to include a range of needed technologies, programs, and applications. The term "resource" in the plans should broadly include generation, conservation, distributed generation, demand response, efficiency, storage and other system actions or programs to reduce, shift, manage and meet a utility's customer demands.	Staff proposes to define "resource" to include but is not limited to generation, conservation, distributed generation, demand response, efficiency, and storage.
		"Retail electric sales" is the basis for the clean energy standard calculations and should be defined in rule. Redline edits include energy delivered to customers, including T&D losses and round-trip efficiency losses associated with storage.	Staff does not believe that this needs to be determined in rule. This may better be determined through case law.
		The definition of "energy assistance need", discussed in comments submitted on April 30, 2020, in Docket 190652, should provide a minimum standard for energy burden at 6% of household income, but provide language that is flexible. See redlines.	The definition of "energy assistance need" does not impact the program design for energy assistance programs. See Staff comments in Docket UE-190652.

		Add a definition for "energy security" as presented in redline edits.	Given statutory deadlines and mandatory furloughs, Staff does not feel there is adequate time to develop and add an appropriate definition in rule at this time. Staff recommends clarifying in the adoption order that "energy security" must be considered within the statutory context that "all customers must benefit from the transition."
		Clarify language for the definition of "equitable distribution," see redline.	Staff agrees that clarification is needed. Staff recommends a revised definition that includes language regarding mitigating disparities and language clarifying that current conditions include legacy and cumulative conditions.
		Revise definition of "lowest reasonable cost" and include reference to CETA legislative intent as in 19.405.010(6). Additionally, the term "carbon dioxide" at the end of the definition should be replaced with "greenhouse gases."	Staff does not recommend modifying the statutory definition to replace carbon dioxide with greenhouse gases, as these definitions will apply to both IRP rules and CEIP rules.
		Clarify language in the "social cost of greenhouse gas emissions" definition to ensure full calculation of emissions associated with electricity generation sources.	Staff does not see a reason to depart from the statutory language of "resulting from the generation of electricity."
OneAmerica		Recommends definition of "equitable distribution" be clarified around reducing disparities.	Staff agrees that clarification is needed. Staff recommends a revised definition that includes language regarding mitigating disparities.

		Clarify "lowest reasonable costs" also include equity so as not to be external and used as an excuse for inaction.	Staff agrees that clarification is needed. Staff recommends a revised definition that includes language regarding equity.
PSS		Strengthen definitions of "equitable distribution" to provide clarity on reducing disparities.	Staff agrees that clarification is needed. Staff recommends a revised definition that includes language regarding mitigating disparities.
		Ensure "lowest reasonable cost" includes equity and not used as an excuse for inaction.	Staff agrees that clarification is needed. Staff recommends a revised definition that includes language regarding equity.
RN		Add new definition "retail sales" including line losses, see redline edits. Standards must account for line losses and ensure all generation, not just consumption, is 100% clean.	Staff does not believe that this needs to be determined in rule. This may better be determined through case law.
		Consider modifying "lowest reasonable cost" to include other CETA-related costs beyond "resources" as it informs the incremental cost calculation. See Question 1a.	Staff recommends adopting the statutory definition and adding the following sentence, "The analysis of the lowest reasonable cost must describe the utility's planned combination of resources and related delivery system infrastructure and show compliance with Chapters 19.280, 19.285, and 19.405 RCW, including a demonstration that the energy produced will be clean, affordable, reliable, and equitably distributed."

		Amend “integrated resource plan” to include utility-scale storage in its resource mix, which will also better align these rules with Draft Chapter 480-107 WAC, released June 1, 2020. It is not clear that the definition of “integrated resource plan” incorporates utility-scale storage as a resource; the definition contemplates a resource mix, utility-scale energy storage does not fit cleanly into any of those categories. See Question 1c.	Staff does not recommend departing from the statutory definition. Staff proposes a new definition for “resource” that explicitly identifies storage as a resource.
Rob Briggs		Revise "Carbon dioxide equivalent” or “CO2e” (customarily expressed in units of metric tons of carbon dioxide) to a standard measure of global warming impact that enables the effects over time of different greenhouse gases to be compared and combined into a single quantity. The current definition includes "metric" which can mean measure or index; CO2e does not have to be represented in metric units.	Staff recommends adopting the statutory definition in RCW 70.235.010, which is incorporated by reference in RCW 19.405.020(6).
Sierra Club et al		In the IRP, “carbon dioxide” definition should be changed to “greenhouse gases” to ensure methane and other GHGs are captured. “Global warming potential” (GWP) is already a reserved phrase in this context with a specific meaning other than the sense in which it is being used here.	Staff does not recommend modifying the statutory definition to replace carbon dioxide with greenhouse gases, as these definitions will apply to both IRP rules and CEIP rules.
		“Equity” should be included in the definition section of IRPs to ensure equity considerations are intentionally included at the beginning of the process of IRPs.	Staff believes that a definition of equity is unnecessary given the definition of equitable distribution included in the rules. The definitions in the rules apply to full WAC chapter, including the IRP sections. The definitions section includes a proposed definition for “equitable distribution,” which is the statutory context for “equity” within this rule chapter.

		Propose redline edits to "equitable distribution," including adding historic conditions, eliminating disparities in resources, benefits, and burdens and prioritizing vulnerable populations and highly impacted communities.	Staff agrees that clarification is needed. Staff recommends a revised definition that includes language regarding mitigating disparities and language clarifying that current conditions include legacy and cumulative conditions.
		"IAP2" definition should be added defining an effective framework for public participation; Sierra Club also suggests defining the five levels for engagement in rule, including: inform, consult, involve, collaborate, and empower.	Staff disagrees with these edits. Staff does not want to suggest the Commission considers IAP2 as the best or only framework for utilities to use. Staff also does not want to confine the use of these five words within the rule text to a public participation context. Where any of these words are used in rule, staff proposes the commission adopt a position that the words are attributed their plain language meaning.
		Suggests redline edits to clarify "lowest reasonable cost definitions" the social cost of greenhouse gas emissions, public health, the equitable distribution of energy and non-energy benefits and reductions of burdens; also suggests replacing "carbon dioxide" with "GHGs"	Staff agrees that clarification is needed. Staff recommends a revised definition that includes language regarding equity.

		Suggests redline edits for "vulnerable populations," adding low household wealth and disability, dependence on electricity for medical needs, and higher climate impact zone considerations.	The definition included in the draft rule is the statutory definition. Additional factors provided can be included in the adoption order or a future policy statement to provide additional, illustrative examples for consideration during the development of the CEIP where (1) customers and advisory groups are engaged and (2) sensitivity factors and adverse socioeconomic factors are proposed and reviewed by the Commission. Factors must be specific to adverse socioeconomic factors or sensitivity factors. Climate impact zone is related to exposure, which will be considered in the Cumulative Impact Analysis.
WEC		"Equal distribution" should be defined so that historical conditions that have contributed to disparities are included in determinations of what is equitable	Staff agrees that clarification is needed. Staff recommends a revised definition that includes language regarding mitigating disparities and language clarifying that current conditions include legacy and cumulative conditions.

		"Lowest reasonable cost" should be defined so that it is calculated to reflect the distribution of public health costs and benefits, energy and nonenergy benefits, and reductions of burdens to vulnerable populations and highly impacted communities.	Staff proposes adopting the statutory definition and adding the following sentence, "The analysis of the lowest reasonable cost must describe the utility's planned combination of resources and related delivery system infrastructure and show compliance with Chapters 19.280, 19.285, and 19.405 RCW, including a demonstration that the energy produced will be clean, affordable, reliable, and equitably distributed.
WEC & WCV		Suggests clarifying that utilities must evaluate ahead of time the "distribution of benefits" and burdens by location and population of planned actions.	Staff agrees that clarification is needed. Staff recommends revised rule language that clarifies that specific actions should be linked to the utility's IRP and CEAP.
VCAG		Recommends "lowest reasonable cost: definition be modified to replace "carbon dioxide" with "greenhouse gas"	Staff does not recommend modifying the statutory definition to replace carbon dioxide with greenhouse gases, as these definitions will apply to both IRP rules and CEIP rules.

WAC 480-100-650 Clean Energy Standards (WAC 480-100-610 in August 14, 2020 draft rules)

Party	Draft WAC	Summary of Comment	Staff Response

Avista	650	In using the broad term "clean energy standards" throughout the rule, be careful to discern between how it is applied to the seven specific requirements and how they differ between implementation, compliance, and enforcement sections.	Staff recommends revising the terminology used to refer to section -650, renumbered as -610, to "Clean Energy Transformation Standards" to distinguish from the term "standard" as it is used in statute.
PP&L	650(1)	Re-org. 030 should be 650(1). 040 and 050 should be 650(2)(a) and (2)(b). Other elements of standard should be 650(3).	Staff agrees in concept and proposes a re-organized -610.
	650(2)	Adaptively manage portfolio of activities – delete entirely because goes beyond CETA requirements. Also would be unduly burdensome. The planning and reporting required by CETA, CEAP, IRP, BCP, and other planning/reporting requirements create nearly continuous planning/reporting obligations that may become redundant, burdensome, and unnecessary.	Staff disagrees. The proposed adaptive management subsection in -610 should remain because the standards identified in -610 section apply to all utility planning, not just the CEIP. The subsection clarifies the relationship between a utility's responsibilities under these rules and its responsibilities under Title 80.
PSE	650(1)(b)	(1)(b) move "retail" in front of "sales" and delete "retail" after "Washington"	Staff agrees.
	650(1)(g)	(1) (g) change to "towards meeting" from "toward and meet"	Staff disagrees. This change affects the meaning of the sentence. It is important utilities meet the standard as well as make progress toward meeting the standard.
	650(2)	(2) suggest this subsection would fit better under the biennial CEIP update in proposed WAC 480-100-655	Staff proposed the adaptive management subsection in 610 because the section applies to all utility planning and not just the CEIP.

PC	General	General comments: include metrics for utilities and stakeholders to understand how utilities will be evaluated. Possible metrics: energy burden, level of participation in energy assistance, level of public participation and outreach, rates of shut offs or connectedness	Staff disagrees with adding evaluation metrics to -650. However, Staff does recommend adding minimum indicator categories to next draft rule.
CS	650 Title	Add "Elimination of Coal and" to the section title.	Staff proposes to rename the section the Clean Energy Transformation Standards.
	650(1)(d) NEW	Add new (1)(d) "In meeting the clean energy standards, each utility must:" and move current (1)(d)-(g) to subsections of new (1)(d)(i)-(iv) and current (1)(g)(i)-(ii) becomes (1)(d)(iv)(A)-(B)	Staff proposes a reorganized section -610 that takes some of the recommendations in concept.
F&C	650(2)	(2) add "and models" after "developing technologies," "emerging technologies," and "such technologies" to capture that utilities must review and update activities based on new innovative business models, approaches, evidence and research.	Staff disagrees – this level of detail is not appropriate for -610. Staff believes this concern is adequately addressed elsewhere in the draft rules.
Invenergy	650(1)	Not clear if (1) only identifies the outcomes a utility must achieve, or if it also requires a CEIP to specifically address how the utility plans to achieve the required outcomes. Subsection (1) should explicitly state the same clean energy standards that apply to actual outcomes from the use of clean energy also apply to the development of CEIPs.	Staff disagrees this change is necessary as the utility will explain how it will achieve the requirement in the content of the CEIP.
	650(1)(a)	Define "allocation of electricity" because the meaning of it in (1)(a) is not clear.	Staff agrees and recommends including the statutory definition.
NWEC	650(1)(x1) NEW	After (1)(a) add a new subsection "Pursue all cost-effective, reliable, and feasible conservation and efficiency resources to reduce or manage load;"	Staff agrees in concept. Recommends adding conservation to -610 using statutory language from RCW 19.405.040(1)(a).

	650(1)(x2) NEW	After (1)(g) add a new subsection "Renewable resources used to meet the standard under (b) and (c) must be verified by the retirement of bundled renewable energy credits."	Staff disagrees with adding reporting and verification requirements to section 610. Reporting and verification requirements are discussed in new section -650, Reporting and Compliance.
	650(1)(x3) NEW	After the new subsection (1)(x2) add "Non emitting resources used to meet the standard under (b) and (c) must be generated during the compliance period and must be verified by documentation that the utility owns the nonpower attributes of that power."	Staff disagrees with adding reporting and verification requirements to section -610. Reporting and verification requirements are discussed in new section -650, Reporting and Compliance.
RN	6XX Definitions	Add a definition for "retail sales" that takes into account transmission losses "Retail sales" means sales of electricity in megawatt hours delivered to retail customers, inclusive of all the electricity generated associated with energy delivered to customers, including transmission and distribution line losses that occur between the point of generation and the final delivery of the electricity, round-trip efficiency losses associated with storage, and other related generation.	Staff disagrees. The term "retail sales" pertains to the purchase and sale of a specified quantity. The quantity of electricity purchased by a customer must be the quantity of electricity delivered to that customer.
	650(1)(x1) NEW	Add the following to (1): (1)(x) Renewable resources used to meet the standard under (b) and (c) must be verified by the retirement of bundled renewable energy credits.	Staff disagrees with adding reporting and verification requirements to section -610. Reporting and verification requirements are discussed in new section -650, Reporting and Compliance.

	650(1)(x2) NEW	Add the following to (1): (1)(x) Nonemitting resources used to meet the standard under (b) and (c) must be generated during the compliance period and must be verified by documentation that the utility owns the nonpower attributes of that power.	Staff disagrees with adding reporting and verification requirements to section -610. Reporting and verification requirements are discussed in new section -650, Reporting and Compliance.
SIW	General	Recommend accounting for net metering as an offset of retail sales in CEIP	Staff disagrees. Net metering is captured in a utility's load forecast and will be specifically required to be identified in a utility's distributed energy resource forecast in its IRP.
WEC	General	Include a provision that utilities must pursue all cost-effective, reliable and feasible conservation and efficiency resources to reduce or manage retail load (carry this statute from CETA into -650).	Staff agrees in concept and proposes a subsection that specifically requires utilities to pursue all conservation.
	General	To meet -650 make it clear that emissions from generation of electricity lost in transmission or distribution, and emissions generated from electricity lost in storage must be reflected. Not doing so would contradict the intent of CETA.	Staff disagrees. Statute is specific to retail sales, not generation.

WAC 480-100-655 Clean Energy Implementation Plans (WAC 480-100-640 in August 14, 2020 draft rules)

Party	**Draft WAC**	**Summary of Comment**	**Staff Response**
Avista	655	Commission should not issue penalties for not meeting interim targets for demand response or renewables. Should not require a series of interim targets that go beyond the four-year period.	Staff recommends that the Commission retain the flexibility to penalize the utilities on a case-by-case basis.
PP&L	655(1)(a) and (b)	The requirement to demonstrate compliance with specific and interim target should be removed to be consistent with the statute, which does not require compliance until 2030.	Staff recommends that the Commission retain the flexibility to penalize the utilities on a case-by-case basis.

PSE	655(4)(d)	PSE proposes elimination of -655(4)(d) and requiring in -655(4) that the specific actions in -655(4) be consistent with the utility's IRP and resource adequacy requirements.	Staff disagrees. It is important for the utility to provide a description of how its CEIP will meet the utility's resource adequacy standard.
	655(1)	To align with the BCP timelines, recommends to file with the Commission a CEIP by **Novembe**r ~~October~~ 1, 2021.	Staff recommends maintaining the October 1 date to give stakeholders sufficient time to review the CEIP.
	655(2)	To be more specific, recommends ~~With~~ **As part of** each CEIP, …. meeting the ~~clean energy~~ standards **under RCW 19.405.040(1).** 2(a) four years **that begins once the CEIP is approved**, with the first period beginning in 2022.	The CEIP compliance period is designated in statute. Staff agrees with the first suggestion "**As part of** each CEIP, …. meeting the ~~clean energy~~ standards **under RCW 19.405.040(1)."**
	655(2)(e) New subsection	To demonstrate reasonable progress towards meeting the standards under RCW 19.405.040(1), consider utilities proposed interim targets that are directly informed by incremental cost calculation.	Draft WAC 480-100-660(3) requires utilities to forecast the incremental cost of compliance with the submission of their CEIP, and WAC 480-100-640 requires the utilities to propose interim and specific within the CEIP. The utility should take into account its incremental cost of compliance when it proposes its own targets.

PC	655 (6)	Include specific metrics against which the utilities should measure their efforts toward equity.	Staff agrees that additional clarity on indicators is needed. Staff recommends draft rule language that specifies that utilities must develop one or more indicators for each element listed in .040(8) and requires utilities to describe their long-term approach to equity requirement within IRPs and CEAPs for context in when the Commission reviews CEIPs and determines compliance within the four-year compliance period.
		To mirror the language in draft WAC 480-100-655(5), (7), and (8), propose underlined modification "**Equitable distribution.** Each ~~The~~ CEIP must.	Staff agrees and recommends including this redline in the next draft rule.
CS	655(2)	Recommends adding "and ensure equitable distribution of energy and non-energy benefits and impacts" to progress toward meeting the clean energy standards.	Staff agrees that clarification is warranted. Staff proposes to include a reference to WAC 480-100-610(4)(c). The proposed redline only includes the requirements in (d).
	655(2)(a)	Recommendations modifications to interim targets strike the term "reasonable" before progress and adds "and ensure an equitable distribution of energy and non-energy benefits and impacts"	Staff recommends edits that ensure an equitable distribution of energy and non-energy benefits and impacts as part of -610, the Clean Energy Transformation Standards, which is a section that applies to the development of CEIPs.
	655(2), (3)	Suggests using "benefits and impacts"	Staff agrees.

	655(2)(new c), (3)(iii)	Adds requirement that storage resources must be charged by renewable resources and must include round-trip efficiency losses.	Staff does not recommend addressing storage's ability to help meet interim targets in rule, at this time. Staff recommends the Commission initiate a more thorough investigation of storage's role in 2021.
	655(2)(d)	Adds interim targets must meet clean energy standard.	Staff agrees, though proposed redlines are overly complicated.
	655(2)(e)	Recommends adding forecasted distribution of benefits and impacts to highly impacted communities and vulnerable populations to interim targets.	Staff disagrees. Changes to other portions of the proposed rules will clarify that the interim targets must be consistent with equitable distribution requirements.
	655 (3)(a)(i)	Adds specific targets must meet clean energy standard.	Staff disagrees this addition is needed as the utility is already required by statute to meet statutory requirements.
	655(4), (9)	Adds "clean energy transformation act" to clean energy standards language throughout the rule.	Staff disagrees that this is necessary as -610, the Clean Energy Transformation Standards, applies to this section.
	665(5)(a)	Adds "or otherwise benefit highly impacted communities" to serving vulnerable population.	Staff partially agrees. Staff includes similar redlines proposed by other stakeholders in the next draft rule.
	665(6)(c)	Adds clarification that the accounting of benefits and burdens should include, but not be limited to, environmental, public health, and economic benefits and burdens.	Staff partially agrees. Staff includes similar redlines in the next draft rule.
	665(6)(d)	Adds maximizing benefits to highly impacted communities and vulnerable populations.	Staff agrees.

	665(6)(new e)	Adds "propose indicators to achieve the requirements of WAC 480-100-650(d) through (g)."	Staff agrees that clarification on indicator development is needed. Redlines to -665(5) include this concept in addition to aspects of recommendations from other stakeholders.
	655(13)	Must file if applicable, rather than may file CEIP changes.	Staff agrees.
F&C	655(5)(a)	Adds language about how to decide whether an action benefits a highly impacted community.	Staff agrees.
	655(3)(a)(i)	The forecasting is required for DR and RE targets, so it should be required for EE target. Recommends underlined change: Plan required in Chapter 480-109 WAC **and must include forecasted distribution of benefits and impacts.**	Staff agrees.
	655(3)(a)(ii) and (iii)	Suggests using non-energy **benefits and** impacts.	Staff agrees.
	655(3)(b)	Redline edits to reference the equity targets within the context of specific targets.	Since the equitable distribution requirements will be considered on a portfolio basis, Staff believes it is appropriate to primarily consider equitable distribution elements within the context of the CEIP portfolio of specific actions rather than specific targets. Staff believes that the level of information included in -655(a), including revisions to -655(3)(a)(i), provide an appropriate level of equity-related information in the context of specific targets.
	655 3(c)	Redline edits to help compare across populations. Intended to make sure that there is a clear link between the equity indicators and how the plan will deliver on those issues.	
	655(6)(d)	Reflect the intent of RCW 19.405.010(6)" there should not be an increase in environmental health impacts", propose ~~mitigate~~ **prevent** risks	Staff included this redline in the next draft rule.

	655(6)(e)	Suggest an addition section to propose milestone equity targets for 2030 and 2045 to increase accountability.	Staff does not believe binding targets for 2030 and 2045 are consistent with the Commission's interpretation that .040(8) requires review on a portfolio-basis within each four-year compliance period. Achieving compliance with the equity mandate is a context-dependent requirement that will require frequent re-evaluation. In addition, complaints can be filed at any time if stakeholders believe that the utilities are not complying with the law.
Invenergy	655 (1) and (4)	Add more detail to link IRPs, CEAP and CEIP. For example– In WAC 480-100-655 (1) and (4), recommends defining "informed by" and "consistent with".	Staff disagrees. "informed by" and "consistent with" are used throughout the rulemaking. In this case, it provides an adequate reference to CEAP and specific targets respectively.
NWEC	655(2)(a) and 3(a)	Refer to NWEC redline comments.	Staff disagrees. -640(2)(a) covers each CEIP implementation period.
	655(3)(a)(i)	Add to the end of the sentence "and must include forecasted distribution of energy and nonenergy benefits and impacts"	Staff agrees. -6553(a)(ii) and (iii) includes energy and non-energy impacts, and to maintain consistency the impacts should be a part of -6553(a)(i) as well.
	655(2)	Call for a public hearing prior to Commission issuing a decision. Refer to WAC 480-100-660(2).	Staff proposes that a CEIP is heard at an Open Meeting or through an adjudicative hearing.

Sierra Club et al	655(3)(a)(i), (ii) and (iii)	Refer to the redline edits of Sierra Club. Suggests using non-energy **benefits and** impacts. Also, added a new subsection (c) on breakdown of forecasted distribution of benefits and impacts	Staff partially agrees. Impacts cover both benefits and costs. However, Staff recommends replacing impacts with benefits and costs as multiple parties made the request.
VCAG	655(2)	In addition to items (a) through (d), the utility must include the utility's percentage of retail sales of electricity met by: Demand response measures, Conservation / energy efficiency, and Market purchases	Staff believes that this information is useful and should be included in a CEIP report, but declines to recommend mandating it in rule to allow the Commission to evaluate whether to require reporting this information on a case by case basis.
	655(4)	Include a schedule of utility electricity generation, energy efficiency, demand response, energy storage, energy conservation and transmission assets acquired and assets retired during the implementation period.	This is necessary information for a utility to include in its IRP. We believe it is a standard requirement of any utility's IRP.

WAC 480-100-660 Process for Review of CEIP and Updates (WAC 480-100-645 in August 14, 2020 draft rules)

Party	Draft WAC	Summary of Comment	Staff Response
PP&L	660(2)	Should explicitly link the Commission's approval and modification authority to the CETA provisions governing that authority.	Staff disagrees that this is necessary. The Commission's authority is clearly outlined in the statute.
PSE		Adds 90-day deadline for issuing order. Also explicitly adds biennial updates to approval process.	Staff disagrees. The Commission may need more time for review. Further, any update to the CEIP likely requires approval.

PC	660	Requests the addition of discovery to the proposed plan approval process.	Staff disagrees. Staff envisions the proposed process occurring through the open meeting. If the plan is insufficient, parties should request the Commission set it for adjudication, which then allows formal discovery. The plan should be able to stand on its own without discovery to be approved through the open meeting process.
	660(2)	If the rules continue to address both the approval of specific actions and the review of utility activities, this rule will need additional language. The draft rules could specify what the review of activities means and what impact the review will have on the utilities and the CEIP process to provide clarity for utilities and stakeholders.	Staff believes that the review of activities will be considered on an ongoing basis in a variety of proceedings, include the review of the IRP, the approval of the CEIP, and in each rate proceeding.
AWEC	660	Believes only a formal adjudication qualifies as a hearing, and is required before approval of CEIP.	Staff disagrees. An open meeting is a hearing under the APA. Further, additional process is not needed.
CS	660(2)	Should specifically reference the public hearing.	Staff agrees and recommends that the CEIP review goes through the Open Meeting process.
TEP	660(2)	Should specifically reference the public hearing via open meeting, with an adjudication available on its own motion or by request.	Staff agrees. It should be clear, however, that the discretion to set an item for hearing remains with the Commission, regardless of any such request.

F&C	660(2)	Should specifically reference consultation with advisory groups.	The Commission cannot consult with advisory groups on an issue that is under the Commission's review without creating ex parte issues. The Commission expects additional conversations around equity to take place in a different format. Please see the draft rule notice questions.
NWEC	660(2)	Should specifically reference the public hearing, and add requirements to file comments to request new targets.	Staff agrees the approval process should refer to the hearing. Other changes may not be necessary.
RN	660(2)	Should specifically reference the public hearing.	Staff agrees.
Sierra Club et al	660(2)(b)	Adds requirement to share data files, allows nondisclosure agreement. (see redline)	Staff does not believe that the Commission can compel a utility to provide confidential material to any party other than the Commission or the Attorney General's office outside of an adjudication.

WAC 480-100-665 Reporting and compliance (WAC 480-100-650 in August 14, 2020 draft rules)

Party	**Draft WAC**	**Summary of Comment**	**Staff Response**
PP&L	665(1)	The rules should **not** create compliance obligations before the first compliance period beginning in 2030 or after 2044. No compliance requirements in CETA during this period.	Staff disagrees. RCW 19.405.060(1)(a)(ii) requires utilities to propose targets for meeting the standard prior to 2030 and the Commission must approve those targets. The Commission should retain discretion on how to enforce its orders.

		Delete the requirement to file annual clean energy progress reports. There is no requirement in CETA to file such annual progress reports and there is ample opportunity to review a utility's actions through existing reporting requirements.	Staff disagrees. Pursuant to RCW 19.405.060(1)(c), "the Commission…must approve…an IOU's…interim targets." Annual clean energy progress reports are necessary to gauge utility progress within a given 4-year CEIP interval in order to approve such interim targets.
		Delete compliance reporting requirement in WAC 480-100-665(3)(a). Compliance with RCW 19.405.030 is limited to demonstrating costs and benefits of coal-fired resources are not included in Washington customer's rates. E-tag data is irrelevant and incorrect to apply to this demonstration.	Staff disagrees. Annual attestation is required to determine compliance with RCW 19.405.030(1) and evaluate whether penalties described in RCW 19.405.090(1) apply. E-tag data is required to confirm no electricity from coal-fired resources was included in market purchases.
PSE	665(1)	Suggests the "Clean energy compliance report" outlined in draft WAC 480-100-665(1) should be called a "Clean Energy Implementation Report." This would better match up with the term "implementation period" used in Draft WAC 480-100-655 (see Question 8). Any report filed before 2030 is not filed to demonstrate compliance with the 2030 and 2045 standards, neither of which is yet in effect. *See accompanying "PSE redlines" document pp. 20-23 for specific language edits*.	Staff disagrees. Draft WAC 480-100-665(1) discusses compliance reporting on 4-year intervals thru the 2030-2044 period. Reporting necessary to begin in 2026 to demonstrate progress towards meeting 2030 GHG neutral standard (i.e., RCW 19.405.040(1)) and interim targets for meeting the standard during the years **prior to** 2030 (i.e., RCW 19.405.060(1)(a)(ii)).
	665(1-2)	Some of the reporting elements contained in draft WAC 480-100-665(1) are not part of the Commission's determination outlined in draft WAC 480-100-665(2)(c) and, therefore, should be filed as informational rather than as elements of a "compliance report."	Staff disagrees. PSE did not specify in its general comments or redlines which reports should be considered informational.

	665(2)(c)	The proposed rules in draft WAC 480-100-665(2) should grant the Commission flexibility and discretion in its review and determination process. Meeting targets is one, but not the only means, of determining whether a utility has made reasonable progress.	Staff agrees. Draft WAC 480-100-665(3) indicates the Commission may judge a utility's performance against a number of reference points when determining compliance.
		Any CETA reporting required by the Department of Commerce and the Commission should align in name, format, content, and timing	Staff partially agrees. Aligning the timing of similar reports makes sense and would help to reduce reporting burden on behalf of the utilities. A review of Commerce's current CEIP draft rule indicates the primary difference is the 4-year compliance report is due June 1 to the UTC and July 1 to Commerce. Suggested redlines move the UTC compliance report due date back to July 1. From a content standpoint, UTC and Commerce reporting requirements are not generally identical given the UTC directly regulates the IOUs whereas the COUs are regulated by their respective governing boards.
	665(3)	For GHG reporting, utilities should use actual emission data rather than a 5-year rolling average.	Staff disagrees. Draft WAC 480-100-665(3)(f) indicates the GHG content calculation be pursuant to RCW 19.405.070. The rule does not specify use of actual emission data vs. a 5-year rolling average, or vice versa.
	665(3)(f)	If actual emissions data used, timing issue may exist with respect to reporting GHG content related information for 3rd party owned sources. Such data would depend on Environmental Protection Agency (EPA) emissions values published after the proposed June 1 reporting deadline.	Staff agrees. Suggested redlines move relevant reporting deadlines back one month from June 1 to July 1.

	665(3)	GHG emissions information need not be included in the clean energy progress report as this data is already covered in the EIA energy emissions and intensity reporting.	Staff disagrees. EIA energy emissions and intensity reporting, as specified in draft WAC 480-109-300 does **not** break out energy usage by power plant type (e.g., coal, gas fired peaker). Such information as requested in draft WAC 480-100-665(3)(f) is necessary to determine utilities' adherence to the 2030 and 2045 standards and interim targets.
	665(3)	Review of e-tag data. Recommend using an audit firm for review instead of a company executive. UTC and Commerce should follow a consistent approach. *See "PSE redlines" document p. 23*.	Staff agrees. Suggested redlines to -665(3)(a) now require third party verification.
	665(3)(h)	Method of documenting and retiring RECs for CETA compliance should first be addressed in the Markets Workgroup to avoid discouraging market participation. *See "PSE redlines" document p. 25*. Treatment of nonpower attributes for CETA compliance should first be addressed in the Markets Workgroup to avoid discouraging market participation. *See "PSE redlines" document p. 25*.	Staff agrees that retiring RECs are necessary for compliance. Appropriately documenting and retiring RECs is necessary for utilities to exercise the alternative compliance option pursuant to RCW 19.405.040(1)(b)(ii) and falls under the CEIP rulemaking purview.
AWEC	665(1-2)	The draft rules should specify whether a clean energy compliance report establishes the basis for a penalty. If so, the rules should enhance the proposed review process, which is currently limited to written comments and consideration at an open meeting, by providing for additional evidentiary demonstration of compliance or noncompliance.	Staff envisions the compliance report first being heard at an Open Meeting so as to minimize the barriers to entry for public participation. However, Staff and parties may ask the Commission to adjudicate the issue if the utility's filing is unsatisfactory.
	665(1-2)	In order to determine whether to assess a penalty in RCW 19.405.090(1) or allow a utility to use the alternative compliance pathway in RCW 19.405.060(3), the Commission should require utilities to demonstrate compliance with the previous four-year target in their subsequent CEIP.	Staff is not opposed to the concept but believes that this issue could be addressed when the Commission review's the subsequent CEIP.

BPA	665(3)(h)	Recommends demonstrating progress towards RCW 19.405.040 by relying on fuel mix disclosures. Strongly opposes a requirement to retire RECs as that may cause issues with pre-existing contracts. *Provides redlines for sub-section 3(h).*	Staff partially agrees. Staff proposes relying on the fuel mix disclosure for enforcement purposes in 480-100-650(3)(g), but not for compliance with -040. Although Staff is uncertain how a utility could prevent double counting nonpower attributes if the utility does not create and retire RECs, Staff is open to continued discussions.
	665(3)	Asks Commission to move annual clean energy progress report due date to July 1st (one month later) to acknowledge BPA's role as "aggregator" for the covered utilities when reporting fuel mix and GHG emissions.	Staff agrees. Suggested redlines move reporting deadline from June 1 to July 1.
Climate Solutions	665(1)	Rules should clarify the retirement of renewable energy credits are necessary for using such resources for compliance. *See "Climate Solutions redlines" document p. 13*. Rules should clarify the retirement of other nonpower attributes are necessary for using such resources for compliance. *See "Climate Solutions redlines" document p. 13*.	Staff agrees that retiring RECs are necessary for compliance. Appropriately documenting and retiring RECs within the clean energy compliance report is already captured within draft WAC 480-100-665(1)(g).
	665(2)(c)	Proposed redlines to compliance report review process.	Staff disagrees. Proposed redlines are redundant.
TEP	680(2)	Recommends the rules clarify how the Open Meeting process, as a forum for review of the four-year compliance report per WAC 480-100-665(2)(b), would address adjudication. For example, an enforcement action for compliance failures could be initiated in a compliance review under draft WAC 480-100-680(2).	Staff proposes the rules state that "after an open meeting or adjudicative hearing…" in WAC 480-100-645(2). As is practice, Staff and stakeholders can ask the Commission to set a docket for adjudication if it is necessary.

TEP		Proposes additional reporting on equity indicators.	Staff partially agrees. Staff recommends redlines related to the CEIP update. Staff also recommends language that allows annual reporting on equity indicators as proposed within a Company's CEIP.
RN		Penalties risk discouraging utilities from setting ambitious interim targets to avoid failure. Commission should allow utilities through variety of means to justify or defend failures in meeting interim targets.	Staff agrees that the Commission should retain discretion for evaluating a utility's performance. Draft WAC 480-100-665(3) indicates the Commission may judge a utility's performance against a number of reference points when determining compliance.
Rob Briggs		Suggests edits to draft WAC 480-100-665(3)(f) which describes a utilities GHG content calculation.	Staff disagrees. Draft WAC 480-100-665(3)(f) specifies GHG content calculation is pursuant to RCW 19.405.070 and already requires additional information based upon fuel source power plant characteristics.
		Currently, reporting does not anticipate requirements expected to result from Department of Ecology rulemaking in response to Governor Inslee's Directive 19-18 on fossil-fuel greenhouse gas emissions. Suggest incorporating reference.	Staff disagrees. References to parallel agency rulemakings outside the purview of CETA can be referenced in the forthcoming Commission order(s), if necessary.
Western Power Trading Forum	665(3)(a)	Does not support draft rule's e-tag review requirement to verify coal-fired resources were not included in market purchases. Recommends only attestation that utilities did not contract for electricity from coal-fired resources.	Staff disagrees. We do not agree that reviewing such e-tag data is overly burdensome. One party recommended more stringent 3rd party verification.

	665(3)(a)	If Commission is **unwilling** to revise e-tag review requirement, recommend UTC defer the issue for the Carbon and Electricity Markets Workgroup to consider.	Staff disagrees. E-tag review requirement directly supports attestation necessary for RCW 19.405.030(1) compliance. This falls within the purview of this CEIP rulemaking.
WEC & WCV	General Comment	Add that utilities must report on indicators and milestones in Biennial CEIP updates, annual clean energy progress reports and clean energy compliance reports to demonstrate compliance with the law.	Staff agrees. Reporting requirements set forth in -665(1) (i.e., clean energy compliance report) and -665(3) (i.e., annual clean energy progress reports) already address recommendation.
VCAG	General Comment	Reports must also contain a report of the amount of gas leaked as a percentage of total gas delivered as measured volumetrically at standard conditions.	Staff disagrees. The calculation of upstream, fugitive emissions is outside the scope of the CEIP.

WAC 480-100-670 Public participation in a CEIP (WAC 480-100-655 in August 14, 2020 draft rules)

Party	**Draft WAC**	**Summary of Comment**	**Staff Response**
Avista	670	Believes the public outreach and participation provisions outlined in CEIP draft rules are better suited to and referenced in the utility IRP process	Staff generally disagrees that items are not applicable to CEIP but agrees some items could be additionally suited to IRP because the plans are inter-related. Staff believes that some elements in the CEIP rules, such as the public participation plan, could be inclusive of the IRP should utilities choose to reference those items.
	660/670	Notes the law requires the Commission to hold a public hearing prior to action on a utility CEIP, which is an additional opportunity for stakeholder input outside of the IRP process.	Staff agrees and recommends stating in -645(2) that the Commission will enter an order after an open meeting or adjudicative hearing.

	670(2)	Has concerns with establishing another advisory group in addition to four existing groups, including how the groups will interact and administrative issues of membership overlap.	Staff is not fully opposed to allowing utilities to incorporate equity into existing groups as long as considerations such as proper representation of equity perspectives are in place. Staff would request specific proposals and rule language.
	670(2)	Proposes including representatives from vulnerable populations and highly impacted communities in existing groups.	Staff agrees these named communities should be represented in any group handling equity issues.
	670(2)	Proposes exploring the concept of a statewide equity advisory group, but recognizes the challenges of a statewide group could outweigh the benefits	Staff does not believe a statewide group to advise utilities would be more useful than individual utility groups due to the differences in utilities, utility customers, and service territories.
PP&L	670	Concerned with prescriptive requirements for public input and filing timelines for draft reports	PP&L did not pose a recommendation to address concerns. Staff asks that PP&L recommend redlines in its next set of comments.
		Believes rules should establish goals for public participation but retain flexibility in how goals are achieved, and describes company's current IRP process that does not include a "technical advisory group."	Staff believes the rules establish goals for participation and are flexible in how those goals are achieved. Staff believes Pacific's stakeholder process can be considered an advisory group. Staff believes the draft rules are flexible and inclusive of Pacific's stakeholder process.
	670(2)	Notes the company plans to do outreach and add to its stakeholder lists to meet equity advisory group requirement detailed in (2), but requests flexibility to otherwise maintain existing processes	Staff believes the draft rules are flexible.

	670	Describes company's current process of stakeholder feedback forms and displaying responses on website and notes requirement of demonstrating how public input was incorporated is administratively burdensome without a clear benefit	Staff disagrees that indicating how and where input is incorporated into a final plan is overly burdensome. The benefit is for Commission understanding and decision making and for public understanding of how their time and feedback was considered.
	670(3)	Requests a rule change to allow presentation materials be available three days in advance rather than five	Staff believes this timing would be insufficient, given the amount of preparation needed to review materials.
	670(1)(a)	Believes 1(a) requirement for company to notice stakeholders of Commission meetings related to a CEIP is administratively burdensome because the Commission already notices meetings and the company sends meeting notices via email to its stakeholder distribution list and posts them online.	Staff disagrees but is open to refinement of these pieces. The draft rules around notices are based on existing conservation group and rate case customer notice rules.
	670(9)	Requests clarity on what "data inputs and files" must be provided to stakeholders in native formats, and notes the company has limitations in its ability to provide models and files due to software limitations.	Staff believes a plain language understanding of these words and the needs involved is sufficient. Staff does not believe rule language limiting stakeholders to official parties in a CEIP would be appropriate given the expansive equity provisions in CETA. Please see proposed redlines to this piece.
	670(9)	Requests clarity on what "stakeholders" means and suggests limiting it to, at minimum, to official parties in the CEIP docket.	
PSE	670(5)	Supports provisions in draft rules requiring the filing of a public participation plan.	No staff response required.

	670(5)	Requests the rules require a public participation plan for the development of a CEIP and a separate plan for CEIP implementation, rather than a single combined plan every two years.	Staff believes the draft rules are flexible to allow utilities to generally focus their participation plan efforts in this way and draft rule language changes are not needed. Staff does welcome specific redline recommendations if stakeholders believe draft rule language is not flexible. Staff also believes utilities will need to update elements related to both planning and implementation in these plans.
	670(1)-(2)	Notes the draft rules do not guide how advisory groups should interact with one another or, for existing groups, how they would engage with the CEIP.	Staff did not anticipate specific interaction guidance in rule and believes utilities and stakeholders would be best able to determine how advisory groups and stakeholders could work together.
	670	Believes the draft rules signal a preference for advisory groups other forms of public participation, such as engagement with the general public, and notes that advisory groups are one component of public participation but not the only component.	Staff does not intend to signal a preference for advisory groups over other types of public participation. Staff agrees that advisory groups are one component of engagement and that utilities can and should engage with customers and stakeholders in other ways. These methods should be outlined in participation plans. Staff believes advisory groups are a minimum requirement for engagement.

	670(5)	Requests CEIP public participation plans filed with the Commission: • identify how utilities will work with existing advisory groups and a new equity advisory group in the development of the CEIP; • specify the meetings of the existing advisory groups at which the CEIP will be discussed, if the dates of those meetings are known, and the topics to be discussed, to provide notice of this opportunity • include measures to include the voices of all customers, including vulnerable populations and highly impacted communities	Staff agrees these items could be included in participation plans and would support utilities in including these items.
		Believes neither the Commission nor utilities should impose a specific timeline or process for engagement while the utility and community take time to build trust, engagement, and resources for community voices to emerge.	Staff understands that building trust and engagement may take time, however CETA has deadlines built into its requirements. Staff believes utilities should be building processes to address engagement and community trust earlier rather than later.
	670(2)	Supports proposal for individual utility equity advisory group and notes additional public participation should involve highly impacted communities and vulnerable populations in validating equity indicators/providing guidance on implementation.	Staff agrees that highly impacted communities and vulnerable populations should be engaged.
	670(2)	Offers redlines to equity advisory group provisions in -670(2): • adds "pursuant to WAC 480-100-650(1)(d)" and makes other stylistic changes to (2) • adds "and other relevant groups identified by the utility" to 2(a) • makes changes requiring comments instead of meetings to 2(b) and removes "compliance and progress reports"	Staff is supportive of incorporating some of these elements in rule, as shown in current draft combined rules.

	670(1)	Believes the use of advisory groups in the development of implementation and progress reports is prescriptive and not a good use of time/expertise of advisory group members, but notes that PSE is committed to keeping advisory group members informed of findings and outcomes of these reports	Staff disagrees that involvement of advisory groups in progress reports is not a good use of advisory group time. Staff agrees that involvement of advisory groups at this stage may be different than in a planning stage, but believes it will be useful for utilities to hear from their groups on how well utilities are meeting requirements as they write progress reports. Staff agrees that advisory groups should be informed of the process. Staff agrees this check-in may be more appropriate for the long-term 4-year compliance filing rather than annual reports and has proposed changes to this requirement in the draft rule. That said, Staff would encourage utilities to regularly discuss progress with advisory groups.
	670(5)	Notes that not all actions of public engagement may be reflected in a formal public participation plan, nor will all be formal or informal public meetings. Believes utilities will use other methods such as a website and various types of on-line, in-person engagement to help lower barriers to participation and involve diverse customers	Staff agrees these other methods of engagement are useful.
	670(6)	Believes utilities should endeavor to capture totality of public input received and how it shaped a plan in the draft comment summary in -670(6)	Staff agrees that utilities should capture totality of public input and how it shaped a plan.

	670(1)-(9)	Additional redlines to -670: • removes compliance and progress reporting from intro paragraph • changes stakeholder participation to public participation in several spaces • removes compliance and progress reports from (1) • adds timelines and stylistic changes to 1(a) • adds "other channels" in 1(b) and connections 1(b) to (6). Also makes stylistic changes • expands clause in 1(c) discussing needs for original topic duties • makes stylistic changes to 1(d) and removes "compliance and progress reports" • changes "must" to "should" in (3) • changes "must" to "should in (4) • changes "must" to "may" and changes "involve" to "consult" in (5); also adds "in which the utility is filing a CEIP" and removes "throughout implementation" • adds "anticipated" to (5)(d) • adds public participation plan reference to (5)(f)(iii) • adds stylistic changes to (6) • some stylistic changes to (9)	Staff supports some of these changes, as noted in proposed draft rules, but disagrees with changing "must" to "should" or "may" as well as what appears to be the prescriptive applications of words like "involve" and "consult."
PC		Supports overall framework for public participation in CEIP development in -670.	No staff response necessary.
	670(2)	Proposes addition of language requiring utilities compensate members of the equity advisory group unless member is participating in a professional capacity in -670(2). Suggests this change necessarily reduces barriers to participation for marginalized and highly impacted communities and views funds used to compensate nonprofessional equity advisory group members as a cost of compliance with CETA as other regulatory compliance costs.	Staff is open to exploring this and has drafted notice questions for additional stakeholder comment on the Commission's ability to require funding.

	670(5)	Proposes addition of language requiring public participation plans include information and data in broadly understood terms to facilitate public education. Notes the title of the -670(5) includes education, but education is not an explicit requirement in the plan; also notes that participation without a clear understanding of issues could harm the process and highly impacted communities.	Staff is supportive of changes to make education a more explicit requirement.
	670(5)	Proposes addition of language requiring plans to provide translation and interpretation services to participants to -670(5)	Staff believes language considerations are incorporated into references to language needs in 5(a) and 5(b) and in recommended changes to the draft rule.
	670(7)	Proposes language requiring customer notices are provided in multiple languages as found in utility service territory demographics to -670(7).	
		Believes that providing these language services are the responsibility of utilities and represent a necessary step to comply with CETA's equity provisions, given barriers to meaningful participation.	
	670(1) and 670(2)	Proposes language requiring utilities to notify advisory group participants of their rights to comment on a filing, given that new group members may not be familiar with regulatory processes in -670(1) and -670(2).	Staff recommends the proposed changes to the draft rule noting that participation in an advisory group doesn't limit a person's ability to comment before the Commission. The draft rules already require companies to alert advisory group members to commission proceedings and company meetings discussing a plan.
		Concerned that draft rules do not specify whether parties will have ability to conduct discovery during the public comment period after a CEIP is filed. Notes the draft rules allow parties to request the Commission to modify targets or timelines included in the CEIP, but place the burden of proof upon the requesting party to demonstrate that the requested targets or timelines are achievable while meeting the requirements of RCW 190.405.060(1)(c)(i)-(iv)	Staff believes the approval process should more explicitly reference hearing options. See additional discussion in CEIP review portion of comment summary.

		Recommends the draft rules include some formal discovery process for parties once the CEIP is filed in order for challenging parties to obtain information necessary for their comments and objections to the filed CEIP, but does not recommend a fully litigated, adjudication process with a lengthy discovery process or evidentiary hearings. Notes the discovery process could be limited by a specified number of rounds of data requests or by a shortened timeline.	
AWEC	General comment	Believes the process outlined in -670 and -660 would violate CETA and the APA.	Staff disagrees. Additional discussion in CEIP review portion of comment summary.
		States RCW 19.405.060(1)(c) specifies Commission action on a CEIP must take place only "after a hearing" and that RCW 34.05.010(1) of the APA defines "adjudicative proceeding" as "a proceeding before an agency in which an opportunity for hearing before that agency is required by statute" and that Commission WAC 480-07-300(1) defines an adjudicative proceeding as, among other things, "a proceeding in which an opportunity for hearing is required by statute."	
		Believes the Commission cannot issue a written order on a CEIP following a comment period and must admit parties to a proceeding, develop and evidentiary record, and hold a hearing.	
		Believes public involvement in CEIP development is in advisable due to the burden of proof utilities will bear to support their filings.	
		Believes it is inappropriate to have the same parties involved in the development of a CEIP and its proceedings after filing.	
		Notes the draft rules do not outline or contemplate the adjudicative proceedings needed for action on a plan nor the subsequent reports and filings.	
		Believes the CEIP should not be aligned with the BCP process and would be better aligned with a GRC.	
Audubon et al.		Supports planning processes	No staff response needed.
		Requests addition of language stating utilities must engage and involve customers and stakeholders, especially from highly impacted and vulnerable communities, by identifying barriers to engagement and contracting with community-based organizations that bring expertise, trusted relationships, cultural and linguistic capacity and input	Staff is open to exploring this and has drafted notice questions for additional stakeholder comment on the Commission's ability to require funding.

CS	660	Appreciates the public comment period offered in draft rules.	No staff response needed.
	660	Recommends a formal public hearing before the Commission before final action on a CEIP	Staff agrees and recommends more explicit language as noted in CEIP review section of comment summary.
	670(1)-(2)	Supports the inclusion of various advisory groups in the utility process to enable feedback from the public, industry experts, community partners, and other stakeholders in plan development.	No response needed.
		Recommends that the utility identify barriers to participation in the public participation plan, including potential solutions such as providing resources for participation in the equity advisory group, such compensation for time, defraying costs associated with travel or childcare, or other needs that are identified by the utility and the community.	Staff is open to exploring this and has included notice questions for additional stakeholder comment on the Commission's ability to require funding.
		Recommends the Commission and the Department of Commerce create a statewide equity advisory board to advise Commission, Commerce, and utilities on broader policy considerations connected to the requirements of the act. This board could share best practices around implementing and ensuring an equitable distribution of benefits as new information and processes evolve.	Staff recommends the Commission explore options for discussing equity policy and has drafted notice questions.
	670(2)	Supports creation of equity advisory groups to advise the utility on a range of metrics, benefits, and community priorities to ensure benefits flow to highly impacted communities and vulnerable populations	No staff response needed.
	670(2)	Offers redlines to -670(2) adding: (c) A utility must provide adequate resources to increase participation in the equity advisory group, such as compensation for time, defraying costs associated with travel or childcare, and other needs identified as necessary.	Staff is open to exploring this and has drafted notice questions for additional stakeholder comment on the Commission's ability to require funding.

	670(5)	Offers redlines to -670(5) adding the consideration and identification of barriers, strategies for reducing barriers, and consideration of funding for public participation in the public participation plan	Staff agrees companies should consider identification of barriers and strategies for reducing them, as noted in recommended draft rules. Staff has drafted notice questions for additional stakeholder comment on the Commission's ability to require funding.
ECDLR	670(2)	Supports the inclusion in draft rules of an Equity Advisory Board that represents environmental justice as well as language to ensure public participation,	No staff response needed.
		Recommends the CEIP include language and culturally appropriate community outreach and engagement. Offers the examples of diversity in language and culture in Beacon Hill area.	Staff believes language considerations are discussed in proposed draft rules and recommends the Commission offer additional guidance on appropriate participation and outreach through a policy statement.
		Recommends the creation of an Equity Advisory Board to guide CEIP programs and provide expertise and insights to the Commission and ensure continuity and use of "best practices" across the energy sector. Adds this will allow Equity Advisory Boards required for each utility to have the opportunity to connect directly with commissioners (regulators) and provide, as a body, comments in plans and reports.	Staff has ex parte concerns with the request for commissioner discussions about CEIPs but recommends the Commission explore other options for discussing equity policy with the public and stakeholders and has drafted notice questions. Staff additionally proposes that utility equity advisory boards provide a review of a CEIP when it is submitted, as discussed in proposed changes to the combined draft rules. This would offer a venue for advisory group input on a plan without creating ex parte issues.

		Recommends building capacity for communities of color to participate by requiring utilities to contract with community-based organizations with language capacity, cultural competency, and the trust to educate, reach out to and support community involvement with the plan	Staff is open to exploring this and has drafted notice questions for additional stakeholder comment on the Commission's ability to require funding.
		Part of and supports F&C comments	No staff response needed.
TEP	660	Notes that CETA provides Commission action on a CEIP will be entered "after a hearing," and that draft WAC 480-100-660(2) does not include hearing language.	Staff is supportive of including this language; additional discussion in CEIP review portion of comment summary.
		Believes the rules should provide information on how the Commission will implement a hearing requirement	
		Recommends the rule state that "the CEIP hearing will either take place at an Open Meeting or pursuant to an adjudication at the Commission's discretion."	
		Recommends the rule should state that an adjudication may be requested by an interested person or party.	
		Notes the Commission has discretion to structure an adjudication that would be efficient and expeditious, provide for public participation in less formal settings, and allow parties to gather information and present evidence in a manner that would create a reliable record for Commission decision	
		Has some concerns that a 60-day comment period without a defined hearing process will be inadequate, in particular for the initial CEIP reviews.	
		Acknowledges that traditional adjudication formats may be cumbersome and discourage participation by some groups and members of the public and notes the success the Commission has had with the EIA format, using advisory group consultation and Open Meeting review, including use of adjudications for issues that couldn't be resolved.	

	670	Supports the following components of the rules as important to effective public participation throughout the process: the right to comment, advisory group participation, creation of an equity advisory group, public involvement specific to the development of indicators and activities, a filed public participation plan, annual reporting of public participation, and making available the data supporting the CEIP plan	No staff response needed.
	670(5)(f)	Recommends the rules include the requirement to provide the final approved CEIP or any approved updates to interested persons, including progress reports and compliance reports. Notes these can be posted to utility websites.	Staff is supportive of these changes and has provided redlines in the draft rules.
		Notes current EIA rules require the utility to post all EIA plans and reports within 30 days of Commission approval or acknowledgement.	
F&C	670(2)	Supports utilities creating and engaging equity advisory groups to provide input and guidance, robust public participation and utilities submitting public participation plans for review	No staff response needed.
		Recommends utilities be required to contract with community-based organization(s) that possess the language capacity, cultural competency and trust needed to ensure the participation necessary to meet the equity mandates.	Staff is open to exploring this and has drafted notice questions for additional stakeholder comment on the Commission's ability to require funding.
	670(2)	Recommends requiring utilities to compensate equity advisory group because equity is statutorily mandated, requiring the need for new expertise in equity similar to other experts engaged by utilities. Offers redlines to -670(2)	
	670(2)	Recommends including funding for equity advisory groups and compensation for participation of stakeholders with financial need in the CEIP process. Offers redlines to -670(2)	
	670(2)	Recommends that the UTC and Commerce convene a statewide equity advisory committee to work directly with the Commissioners and utility-created groups to provide context, insights and guidance, and consistency for equity mandate. This committee would be in addition to utility equity advisory groups and may include shared membership. Offers redlines to -670(2)	Staff has ex parte concerns with the request for commissioner discussions about CEIPs but recommends the Commission explore other options for discussing equity policy with the public and stakeholders and has

	660	Believes the utility equity advisory groups should have the ability to communicate with Commissioners directly and utilities must provide advisory board comments/feedback to plans and reports, further ensuring transparency on whether their feedback was included. Offers redlines to -660(2)(c)	drafted notice questions. Staff additionally proposes that utility equity advisory boards provide a review of a CEIP when it is submitted, as discussed in proposed changes to the combined draft rules. This would offer a venue for advisory group input on a plan without creating ex parte issues.
	670(4)	Offers redlines to -670(4) requiring a draft comment matrix provided to advisory groups with the draft CEIP	Staff believes this requirement is already in the draft rules because a comment summary is included in the CEIP as an attachment, and utilities are to provide the advisory groups the draft CEIP as well as appendices and attachments (as practicable). Staff also believes it is clear through the rules that advice should be discussed during the process.
	670(5)	Offers redlines to -670(5) adding language requiring utilities to identify barriers to public participation in its participation plan and adding funding to (5)(a)	Staff proposes redlines to the draft rules to discuss barriers and strategies for reducing barriers and has drafted notice questions to explore the Commission's ability to require funding.
	670	Supports utilities creating and engaging equity advisory groups to provide input and guidance, robust public participation and utilities submitting public participation plans for review	No staff response needed.
Invenergy	670	Supports requirements included in this section and believes that they can improve the public participation process, specifically requirements for advisory groups -670(1) and (2), advance availability of presentation materials -670(3), and availability of data -670(9) will help make the process more meaningful and productive	No staff response needed.

NWEC	670(4)	Notes that current timeline provides opportunity for a 6o-day comment period, but does not clearly include time for a utility to revise and resubmit a final plan after the comment period and asks if this is available in the draft rule timeline.	Staff believes the rules are clear that a utility will be getting feedback on the draft for incorporation in the final plan. Staff recommends the Commission provide some additional guidance on engagement in a policy statement, but does not believe the timeline supports another round of edits between the utility and an advisory group to be required in rule, though Staff is otherwise supportive of a utility engaging in this back-and-forth.
		If utilities won't submit revisions to a final plan following the comment period, requests more guidance from Commission, via policy statement or rule, to outline how utilities can ensure a robust, collaborative, inclusive participation process.	
		Recommends Commission specify in the rule that it will hold at least one public hearing to consider each utility's CEIP prior to issuing a decision. Offers redlines to WAC 480-100-660(2)	Staff is supportive and there is more discussion in CEIP review portion of comment summary
		Notes that utility planning processes require considerable investment of time and resources for any stakeholder, and many groups representing, in particular, vulnerable and impacted customers of the utility do not have the same resources for participation as other organizations. Recommends the Commission consider ways to adequately resource the equity advisory work required in CETA. Recommends utilities could be required to provide resources directly, use intervener funding to accomplish these objectives, or otherwise incorporate some means of allocating funding to compensate vulnerable and impacted community representatives to enable them to participate in the process. Notes that without these resources, participation will likely be lacking in form and substance to the detriment of the intent of the law to both provide meaningful benefits and mitigate impacts on these customers.	Staff proposes redlines to the draft rules to discuss barriers and strategies for reducing barriers and has drafted notice questions to explore the Commission's ability to require funding.

OneAmerica	670(2)	Supports requirement that utilities create an Equity Advisory Board to provide guidance and review and requirements that utilities provide participation and education plans as well as the summation of comments and reasons for any that are rejected	No staff response necessary.
		Recommends the UTC also create an Equity Advisory Board to provide guidance, recommendations, and insights as CETA is implemented and information around ensuring a just transition and energy benefits for all evolve.	Staff recommends the Commission explore options for discussing equity policy with the public and stakeholders and has drafted notice questions.
		Recommends compensation and support to play this role for the state because this activity would tap the expertise of organizations and individuals	
		Recommends utilities be required to contract with community-based organizations that are trusted and linguistically and culturally capable to facilitate and organize the public participation requirements for highly impacted communities.	Staff has drafted notice questions to explore the Commission's ability to require funding.
PSS		Supports creation of an Equity Advisory Board that represents environmental justice, highly impacted communities and vulnerable populations to provide guidance on and review of planning, compliance and progress; supports a public participation and education plan; supports comment summaries that include reasons for rejecting comments; supports increasing accessibility of information	No staff response necessary.
		Recommends the creation of an Equity Advisory Board to guide CEIP programs and provide expertise and insights to the Commission and ensure continuity and use of "best practices" across the energy sector. Adds this will allow Equity Advisory Boards required for each utility to have the opportunity to connect directly with Commissioners (regulators) and provide, as a body, comments in plans and reports.	Staff has ex parte concerns with the request for commissioner discussions about CEIPs but recommends the Commission explore other options for discussing equity policy with the public and stakeholders and has drafted notice questions. Staff proposes a change to the draft rules that would allow equity advisory groups to submit a wholistic review of a company's plan with the CEIP filing.

		Recommends requiring utilities to contract with community-based organization(s) with the language capacity, cultural competency and trust needed to educate, reach out to and support communities in weighing in on the planning and progress	Staff has drafted notice questions to explore the Commission's ability to require funding.
Sierra Club et al.	670(9)	Recommends full disclosure of the data that goes into IRP and CEIP base case and plan calculations, including modeling for Aurora, Plexos, load forecasts, resource adequacy and trends in costs for renewables, storage and demand response.	Staff proposes changes to the draft rule to address these items. Staff does not believe that the Commission can compel a utility to provide confidential material to any party other than the Commission or the Attorney General's office outside of an adjudication.
		Believes confidentiality can be addressed through non-disclosure agreements and notes that Sierra Club already has achieved disclosure of such data files in eight other states.	
		Argues, at minimum, these data files should be provided to UTC staff and Commissioners	
	General comment	Argues that if public participation of stakeholder volunteers – who have time and resources that allows them to meaningfully participate in the development of their utilities' IRPs – feel the process has not been fair or transparent, then utilities are a long way from ensuring fairness for at-risk communities who do not have the time or resources.	Staff agrees that developing meaningful engagement with vulnerable groups is necessary and will be challenging. The draft rules propose that utilities explore options for engaging with these groups through participation plans and advice from advisory groups and stakeholders.
	General comment	Believes broad and deep accommodations are going to be needed to make sure the development of our IRPs and CEIPs are inclusive and meaningful.	
	670(2)	Recommends equity advisory committee has direct and regular meetings (perhaps quarterly) with the Commissioners so to can ensure Commissioners are learning with the community about the iterative process of meaningful participation, adequate reporting, accountability mechanisms, and restorative justice.	Staff has ex parte concerns with the request for commissioner discussions about CEIPs but recommends the Commission explore other options for discussing equity policy with the public and stakeholders and has drafted notice questions.
	Definitions	Offers redlines adding International Association for Public Participation definitions to draft rules.	Staff disagrees with these edits. See discussion in definitions section.

		Offers redlines to -660 compelling data disclosure with non-disclosure agreements.	Staff does not believe that the Commission can compel a utility to provide confidential material to any party other than the Commission or the Attorney General's office outside of an adjudication.

		Offers the following redlines to -670: • adds IAP2 language and requirement for "collaborate" to intro paragraph • adds requirement for documentation to intro paragraph and adds "supported by sufficient and credible data, as determined by the Commission" to utility explanations of use of public input. • Changes "involve" to "collaborate" in -670(1) • Changes "document" to "archive" in -670(1)(b), adds requirement to post this archive on website, and adds "supported by sufficient and credible data, as determined by the Commission" to requirement for explanations of use of public input. • Adds "collaborating" to -670(1)(c) • Changes "involve" to "collaborate" in -670(2)(a) • Creates a new line from -670(2)(a) for (2)(b) • Adds funding requirements in new -670(2)(c) • Adds a statewide equity advisory group for Commission and Dept of Commerce in -670(2)(d) • Changes "involve" to "collaborate" in -670(5) • Adds funding to -670(5)(a) • Makes stylistic changes and adds technology call out to -670(5)(i) and to create a (iii) • Requires archive of -670(6), location of public input in plan, and adds "the summary must be supported by sufficient credible data, as determined by the Commission and made accessible to the public. If the utility contends that such data is confidential under WAC 480-07-160 or non-disclosable commercial information under RCW 80.04.095, the Commission must determine the merits of the contention(s) and whether limited review or non-disclosure agreements are required." • Changes customer notice review to from five to 10 days in -670(8) • Adds stakeholder evaluation grades to -670(9)	Staff largely disagrees with edits recommending IAP2 definitions, as explained in the in definitions section. Staff disagrees on need for specific technology call-out in rule; Staff disagrees with adding stakeholder evaluation grades in rule and notes this type of evaluation is one process of many that utilities could use. Staff disagrees with what appear to be stylistic edits. Staff does not believe Commission staff need 10 business days to review customer notices; Staff proposes some draft rule language changes addressing data availability but does not believe that the Commission can compel the utility to provide confidential material to any party other than the Commission or the Attorney General's office outside of an adjudication.

SNW	General comments	Supports framework provided by Front & Centered	No staff response needed.
		Supports utilities working closely with equity advisory teams throughout planning	
		Recommends creation of a statewide equity advisory team to provide guidance on evaluation and implementation.	Staff recommends the Commission explore options for discussing equity policy with the public and stakeholders and has drafted notice questions.
		Recommends rules provide for compensation to people serving on those equity advisory teams.	Staff has drafted notice questions to explore the Commission's ability to require funding.
WEC	670	Recommends rules require utilities to identify barriers to engagement.	Staff proposes redlines to the draft rules to discuss barriers and strategies for reducing barriers and has drafted notice questions to explore the Commission's ability to require funding.
		Recommends rules require utilities to contract with community-based organizations that bring expertise, trusted relationships, cultural and linguistic capacity and input.	
		Recommends rules require public hearings during the Clean Energy Implementation Plan approval processes and clean energy compliance plan approval processes.	Staff believes the draft rules require hearings and has proposed changes to make this requirement clearer in the draft rules.
		Recommends the UTC should establish on its own authority an advisory group to the Commissioners to inform compliance with the Clean Energy Standards.	Staff recommends the Commission explore other options for discussing equity policy with the public and stakeholders and has drafted notice questions.
	670(7)	Supports customer notices of Clean Energy Implementation Plans.	No staff response needed
WEC & WCV	General comments	Recommends rules require utilities to engage and involve customers and stakeholders, especially from highly impacted and vulnerable communities, by identifying barriers to engagement.	Staff proposes redlines to the draft rules to discuss barriers and strategies for reducing barriers and has drafted notice questions to explore the Commission's ability to require funding.
		Recommends rules require utilities to contract with community-based organizations that bring expertise, trusted relationships, cultural and linguistic capacity and input.	

WAC 480-100-675 Incremental cost of compliance (WAC 480-100-660 in August 14, 2020 draft rules) (See responses to questions 10 and 11 for comments on the inclusion of the SCGHG and FERC accounting in the CBR.)

Party	Draft WAC	Summary of Comment	Staff Response
Avista		Avista's only comments on this section are included in its responses to questions 10 and 11.	No Staff response necessary.
PP&L	675(1)	Supports the flexibility of the portfolio methodology as written, in particular the ability to add in costs that may not be included in the portfolio model.	No Staff response necessary.
	675(1)(b)	Modify 675(b) to clarify that any effect of CEIP compliance on wholesale power expenses or revenues is a forecast only and may be subject to true up.	The methodology applies to both the estimate of incremental costs in the CEIP and the reporting of actual costs in the compliance report. As such, the utility should use a forecast in the CEIP and actuals in the compliance report.
	675(3)(a)	Supports the requirement to identify all investments and expenditures a utility intends to make during the period to comply with 040 and 050.	No Staff response necessary.
	675(4)	Subsection 4(b) and (d) require demonstrations that are only required under the statute if a utility is claiming that it has met its compliance obligations because it has hit the applicable cost cap. These requirements are not generally applicable.	Staff disagrees with removing (b). The utility should always show that a CEIP investment was directly attributable to CETA for prudency purposes. Staff agree on need for clarification of (d) and proposes changes to the draft rules
	675(1)(d)	Delete requirement for sharing copies of its models. PP&L cannot share a copy of its model as it is proprietary. Additional licenses are needed from third parties at considerable costs.	Staff disagrees. Copies of the inputs are necessary for reviewing the utility's actions. Stakeholders are responsible for obtaining their own licenses.

PSE	675 and 655(2)	What constitutes "reasonable progress" towards meeting the standard under RCW 19.405.040(1) in a CEIP will depend on whether the utility is relying on the mechanism. If a utility plans to use the incremental cost provision, both the specific and interim targets must be directly informed by the application of the mechanism. Suggests redline edits. Alternatively, suggests that a utility's reliance on the mechanism should be *at least* a major factor in the Commission's determination.	Staff agrees with alternative proposal that reliance on the mechanism should be a major factor in the Commission's decision. Although we believe it is better said in case law or order than rule.
	675(1)(d)	Suggests allowing the UTC to require rather than to mandate that the utility to provide a fully linked and electronically functioning copy of the model in its workpapers.	Staff disagrees and believes Staff and stakeholders need access to a copy of the model for reviewing the utility's business case.
	675(4)	Strikes "compliance" from clean energy compliance report and exchange it with <u>implementation.</u>	Other proposed edits make this recommendation moot.
	675(4)(d)	PSE is uncertain how to calculate the final year of a four-year CEIP as the amount will not be known. Recommends softening the requirement that the four-year average annual incremental cost of meeting the standards or interim targets equals a two percent increase by inserting the word "approximately."	Staff proposes that utilities file the CEIP report July 1, 7 months after the 4th year leaving the utility sufficient time.
AWEC	675	RCW 19.405.060(3)(a) applies to the entire statute, not just costs that are directly attributable to each subsection (1) of RCW 19.405.040 and .050. In particular, the requirements of 050 are broader than achieving carbon-free electricity.	Staff disagrees per our legal interpretation.

		The rules should provide more specificity on how a utility demonstrates that it has met the 2% incremental cost of compliance and what happens if the utility's actual costs are more or less than its projected costs.	Staff proposes additions to the rules that describe directly attributable costs. We do not recommend the Commission prescribe in rule on what happens if a utility's actual costs are more or less than its projected costs, rather it should consider the circumstances of each case in the review of the CEIP report.
	675(5)	Failure to meet the interim targets may be a factor the Commission could consider in determining whether a utility "maximized" its investments in renewable and carbon-free resources. This would matter if a utility relied on the incremental cost provision.	Staff agrees.
BPA		Rules should clarify how upgrading existing transmission or building new transmission can be included in the incremental cost of compliance. Suggests specific rule language to clarify that all transmission investments can be included.	Staff agrees that, if upgrading existing or building new transmission meets the criteria of directly attributable costs, then some or all of the costs could be considered to be for the purposes of meeting RCW 19.405.040 or 19.405.050. However, we disagree that it needs to be explicitly stated. Staff believes draft rules are clear and transmission can be included.
CS	675(1)	Utilities should be able to use the incremental cost compliance mechanism for the clean energy standards or the interim targets, and prior to 2030.	Staff agrees that the utility should be able to use the incremental cost of compliance mechanism in the event interim targets are not met.
	675(1)	If the utility does not meet its specific or interim targets prior to 2030 then it should not be allowed to rely on the mechanism after 2030 because they have an obligation to not wait until the later years to make needed investments.	Staff agrees that costs associated with RCW 19.405.120, the SCGHG, and RCW 19.405.030 are not directly attributable costs to

	675	Support a portfolio-level calculation.	RCW 19.405.040 and RCW 19.405.050.
	675	Only the costs directly attributable to 040(1) and 050(1) should be included in the incremental cost portfolio.	
		Costs that do not belong in the baseline include low income assistance programs per RCW 19.405.120, the SCGHG per the Commission's IRP acknowledgment letters to the IOUs, the elimination of coal requirement in RCW 19.405.030, and requirements of the EIA.	
		Commission should provide further guidance on how to incorporate costs associated with the equitable distribution of benefits in the baseline portfolio.	Staff disagrees. We do not recommend additional clarification. We believe that this issue should be further developed through case law.
	675(1)(e)	Rules should clarify that alternative compliance options cannot be included in the incremental cost calculation unless all other renewable and nonemitting resources have been exhausted, as required by statute.	This is a statutory requirement and we recommend including it in the rules.
	675(1)(b)	Delete -675(1)(b) and address wholesale market impacts through workshops and formal guidance from the Commission. While wholesale market impacts may be a valid incremental cost or benefit calculating the impact of the clean energy standards on the wholesale market will be a complex process and warrants additional guidance from the Commission on a consistent and fair methodology	Staff disagrees. Staff believes that this impact should be specifically called out because it is easy to overlook but may have a significant impact, in either direction, on the incremental cost.
Audubon et al.		Rules must acknowledge the costs of climate change in all scenarios and address historic and current inequities in utility service.	Staff's recommendation to the Commission is to include the social cost of greenhouse gases in both portfolios. Utilities must also begin incorporating the equity mandate as described in RCW 19.405.040(4)(8).
NWEC	675(1)(b)	Delete 675(1)(b). There are many categories of costs associated with the incremental cost and it is unclear when the Commission focused on changes in wholesale power expense and revenue.	Staff believes that this impact should be specifically called out because it is easy to overlook but may have a significant impact, in either direction, on the incremental cost.

RN	675(1)	The focus of the incremental cost provision is on the costs of the meeting the standards and interim targets established in the first subsections of 040 and 050 and not CETA in general. Suggests redlines.	Staff interprets the statute to apply to all of -.040 and -.050.
	675(1)(b)	Clarify or omit. Without providing guidance, this language creates ambiguity and potential inconsistent analysis and information asymmetry.	Disagree for reasons stated above.
Sierra Club et al.	675	Only expenses identified in 040(1) and 050(1) should be included in incremental cost. Anything that is part of the "lowest reasonable cost" in the IRP also becomes the baseline upon which the CEIP is then measured. Expenses for equity, energy assistance, SCGHG, expected increases in investments for energy efficiency and demand response, and all of provisions outside of 040 and 050 must be put in the baseline.	Staff partially disagrees. Staff interprets the equity mandate to be derived from 040(8), which belongs in the incremental cost portfolio.
VCAG	675(2)(c)	Add "alternative" before the word "lowest" in (2)(c) to assure the additional costs being referred to are over and above the same cost portfolio introduced in section (1)	Staff agrees.
	675(4)(d)	Replace "equals" with either: "is greater than or equal to", or "represents at least"	Staff agrees and recommends "equals or exceeds."

WAC 480-100-680 Enforcement (WAC 480-100-665 in August 14, 2020 draft rules)

Party	**Draft WAC**	**Summary of Comment**	**Staff Response**
PSE	680(3)	Objects to assessing penalties for CETA violations other than those specified in the Act	Staff disagrees. The penalties in RCW 19.405.090 are not exclusive, and the rules properly include other remedies available to the Commission.

Sierra Club; F&C	680(3)(g)	Add language stating that any violation of RCW 19.405.040 is subject to penalties under RCW 19.405.090 in light of RCW 19.405.040(7), which provides, "An electric utility that fails to meet the requirements of this section must pay the administrative penalty established under RCW 19.405.090(1), except as otherwise provided in this chapter."	This highlights an apparent inconsistency between RCW 19.405.090(1) and RCW 19.405.040(7). The Commission need not resolve this issue in the rule at this time and thus should not add the proposed language but should delete the last sentence in this subparagraph.
PP&L	680	The Commission should ensure that its rules governing enforcement do not create penalties for requirements that are outside of CETA (such as penalties for failure to meet interim targets). The Commission should also ensure that any penalty authority is limited to identifiable legal requirements that can be appropriately measured.	The draft language in the renumbered section -665 is appropriately limited to process and remedy options. The statute and other rules establish the applicable legal requirements.

1. As stated in the Issues Discussion, draft WAC 480-100-600, Definitions, is a set of definitions that will apply to both the IRP and CEIP rules as first proposed in the IRP rulemaking, Docket UE-190698. We are interested in hearing responses to the draft's use of the term "resource" throughout these draft rules, in particular, if its use is consistent with your understanding of the term and is appropriate for these rules.
    a. "Lowest reasonable cost." Does the use of the term "resource" in this definition limit the types of costs that are included in an assessment of "lowest reasonable cost"
    b. "Resource need." Is it appropriate to include "delivery system infrastructure needs" in the definition of "resource need"?
    c. "Integrated resource plan." Is it appropriate to include "delivery system infrastructure needs" in the definition of "integrated resource plan"?
    d. Do changes to the integrated resource planning statute, RCW 19.280, especially the additions of RCW 19.280.100 (Distributed energy resources planning) and RCW 19.280.030(2)(e) affect the definition of "resource"? Does the term "resource" refer to more than just energy and capacity resources for meeting (or reducing) customer demand for electricity?

Party	**Summary of Comment**	**Staff Response**
Avista	a. No. The use of the term "resource" does not limit the types of costs. b. No. Delivery system infrastructure is not a resource, but rather a way to move energy from source to load.	Staff proposes modifications to the definitions of lowest reasonable cost and resource

	c. Yes, as it relates to new generation resources. The IRP should consider costs to move power from source to load and avoided delivery system infrastructure investment if a resource can replace the need for such additional investment.	need, and to create a new definition for "resource." A. Staff recommends reverting back to the statutory definition of lowest reasonable cost, which specifically referencing generating and conservation resources, and adding a sentence that states analysis must include related delivery infrastructure. Staff believes that the concept of lowest reasonable cost, that is the utility must consider both the costs and risks of a project or action, are applicable beyond just the review of resources. B. Staff proposes to strike the reference to delivery system infrastructure from the definition of resource need and incorporate the concept into the definition of lowest reasonable cost. C. Staff proposes to adopt the statutory definition of integrated resource plan and to not mention related delivery infrastructure as it is unnecessary.
	d. Yes, in the case where a resource or distributed energy resource is considered as an alternative, such as wire or non-wire solutions, the definition of resource has been affected. Yes. The term "resource" refers to more than just energy and capacity resources for meeting or reducing customer demand.	
PP&L	a. No. Lowest reasonable cost includes many types of costs; when accounting for risk, it is possible that the lowest cost option may be inferior to another reasonably low-cost option, considering risk.	
	b. No. "Delivery system infrastructure needs" is too broad and vague to include in the definition of "resource need."	
	c. No. "Delivery system infrastructure needs" is too broad and vague. This term could be interpreted to include distribution infrastructure that is not appropriately included in IRPs; it is appropriate to consider transmission.	
	d. Yes. The term resource refers to more than just energy and capacity resources in the context of meeting customer demand for electricity.	
PSE	a. Yes. Energy transformation projects may not be "resources" and implementing distributed resources may require modifications of the delivery system that are necessary to comply with CETA but may qualify as "resources." Decreasing the terms "use" where possible is advisable; the Commission should not modify the term "lowest reasonable cost" in the IRP rules (specifically RCW 19.280.020) because such a revision would create confusion between rules.	
	b. No. It is unnecessary; infrastructure needs supporting CETA are implied by statute but are not resources.	
	c. No. It is unnecessary as it is included by reference; specifically, RCW 19.280.030(2)(e) considers T&D costs and requires a 10-yr distribution plan.	
	d. No. The additions provide clarity that costs of T&D required to support DERs must be considered. Attempting to tamper with definition of "resource" will only create confusion in interpreting the rules.	
PC	a. Yes. There is ambiguity created by the term "resource" in the definition of "lowest reasonable cost" could be mitigated by providing an explicit definition of "resource." See redline edits, new "resource" definition.	
	b. Yes, but also recommends the Commission define "delivery system infrastructure."	

	c. Yes. See b. above.	D. Staff proposes to define "resource" to include but not be limited to generation, conservation, distributed generation, demand response, efficiency, and storage.
	d. No. Recommends defining "resource" to clearly identify that all generation, including distributed energy resources, must be considered for planning.	
AWEC	a. n/a b. No, inclusion of "delivery system infrastructure needs" in the definition of "resource need" in the draft rules is overbroad and could include nearly any distribution-level upgrade or addition. Instead, specify that delivery system infrastructure needs be driven by resource needs, not operational requirements. c-d. n/a	
CS	a. Yes. The definition of lowest reasonable cost would benefit from the inclusion of programs, rather than limiting the definition to resources, which will ensure that utilities are not limited to specific action and investments that have historically been considered a resource. b.-d. n/a	
NWEC	a. No. Resource need definition seems broad and sufficient.	
	b. Yes, if new infrastructure can be avoided by strategic implementation of demand response, distributed generation, other non-wires actions or storage, or if operational efficiency could be enhanced with selective distribution improvements.	
	c. Yes, include if the infrastructure is necessary or lowest reasonable cost option for serving customers with reliable power.	
	d. Yes, the term resource should broadly represent integration of generation, conservation, distributed generation, demand response, efficiency, storage and other system actions.	
RN	a. No. The term "resource" is not itself defined and because the definition for "lowest reasonable cost" addresses "[a]t a minimum" what the cost analysis must consider.	
	b. Yes. Expanding the definition of "resource need" to incorporate transmission and distribution needs will reduce barriers to CETA implementation	
	c. Yes. Utilities are increasingly addressing transmission needs in their integrated resource plans, and other states (HI, MI) are beginning to incorporate distribution system needs into integrated resource planning as well. Note: It is not clear that the definition of "integrated resource plan" incorporates utility-scale storage as a resource.	
	d. Yes. It may be appropriate to leave the term unclear, as the meaning of "resource" is rapidly evolving to include hybrid projects, clean energy portfolios, and virtual power plants.	

2. The purpose of CETA is to transition the electric industry to 100 percent clean energy by 2045. To achieve this policy, each utility must fundamentally transform its investments and operations. In draft WAC 480-100-650, Clean energy standard, the discussion draft states that "planning and investment activities undertaken by the utility must be consistent with the clean energy standards [Chapter 19.405 RCW]." While RCW 19.405 refers to the percentage of retail sales served by nonemitting and renewable resources as the "standard," the draft rule describes a clean energy standard that incorporates the additional requirements found in the statute. Is this term useful in clarifying the rule? If not, please recommend an approach for including the additional requirements from the statute.[1]

Party	Summary of Comment	Staff Response
Avista	There are 7 different requirements and standards in 19.405 RCW so to lump them all together is problematic and vague. It would be helpful for the Commission to specify the exact requirement that is being referenced in the contexts of implementation, compliance, or enforcement.	Staff disagrees. Renumbered as -610 in the second draft, this section captures much of the statutory requirements, all of which are relevant within the context of implementation, compliance or enforcement.
PP&L	A distinction should be made between the clean energy standard that each utility must meet under CETA and the requirements governing how the utility meets those standards. Redefining by rule the clean energy standard established in statute could cause unnecessary confusion. It is also important to distinguish between RCW 19.405.030, which requires eliminating the costs and benefits of coal-fired resources from customer rates, from RCW 19.405.040 and 19.405.050, which set forth long-term procurement requirements and goals set as a percentage of retail electricity sales. The rule should also clarify that the targets must be met at the lowest reasonable cost, considering risk. The company includes suggested redline edits to the rule.	Staff agrees. Clarified terminology throughout revised draft rule. Disagree with the addition of "considering risk." Already implicit in lowest <u>reasonable</u> cost.

[1] Note: The term at issue in this question, i.e. the "Clean Energy Standard," was replaced in the second draft rule with the term "Clean Energy Transformation Standard." The "Clean Energy Transformation Standard," as that term is used in the second draft rules, encompasses elements beyond those included in the "Clean Energy Standard," as that term is used in the statute. The new terminology addresses perceived inconsistency between the rule and statute with respect to the meaning of the term "Clean Energy Standard."

PSE	The rules should not rely on a consolidated definition of clean energy standard but rather should address the requirements of the statute, one by one, in proposed WACs 480-100-650 (Clean Energy Standards) and 480-100-655 (Reporting and Compliance). If the main objective is to integrate the equity standards of RCW 190.405.040(8) then revise the purpose section to do so or add a new definition for "clean energy standard" that refers specifically to RCW 19.405.030, .040(1), .050(1) and 0.040(8), rather than just referring to RCW 19.405.	Staff agrees and recommends clarified terminology throughout revised draft rule.
PC	PC's primary concern is that references to "clean energy standard" in WAC 480-100-650 may be confused with other uses of the word "standard," but feels the draft rules are generally clear regarding which standard is being referred to.	Accepted. Clarified terminology throughout revised draft rule.
CS	Commenter believes the rules would benefit from additional clarity by distinguishing between the requirements of the specific clean energy standards required in RCW 19.405.040(1) and 19.405.050(1) versus the entirety of the CETA. Because the term "standard" is used in statute to refer to the specific greenhouse gas-neutral and 100% clean energy standards, the use of clean energy standard to refer to all of CETA creates confusion in some sections of the draft rules. Commenter recommends using "clean energy transformation act requirements" when the rules refer to the requirements of the entire act, and "clean energy standards" to specifically refer to the requirements in RCW 19.405.040(1) and RCW 19.405.050(1). A redline draft of suggested edits included.	Staff agrees. Clarified terminology throughout revised draft rule.
F&C	Commenter states that all appearances of the term "developing technologies" should appended with "and models" to add clarity that utilities must review and update their activities based not just on "hard" technologies but also using new innovative business approaches, evidence, and research.	Staff disagrees. The term "models" is too broad in this context.

Invenergy	Subsection (1) should explicitly state that the same clean energy standards that apply to actual outcomes for the use of clean energy also apply to the development of CEIP. Also, the meaning of the term "allocation of electricity" is not clear and this terms should be defined in the CEIP rules, either in the Definitions section or in subsection (1)(a).	Not responsive to question, which is about the draft rule's use of the term Standard. Disagree with suggestion regardless. -650 (renumbered as -610 in the second draft) identifies the statutory standards. Sec 655 (CEIP) refers to those standards. "Allocation of electricity" added to definitions.
RN	The draft rule language in 480-100-650(1)(c) should acknowledge transmission losses in the electricity supply so all generation-not just all consumption-is 100% clean. To do this the rules should include a definition for retail sales as proposed by the commenter. Also, the commenter suggests additional language that renewable resources must be verified by REC retirements and that nonemitting resources and must have their nonemitting status verified.	Not responsive to question, which is about the draft rule's use of the term Standard. However, we disagree with the suggestion. Statute is with respect to retail sales, not generation.
NWEC	It's appropriate for the rules to require that planning and investment use the standards in RCW 19.405. The specifics in WAC 480-100-650 gather the other planning and investment requirements scattered through the sections of the statute into one context that ultimately supports the manner and form in which the clean energy standards must be developed.	No Staff response necessary.
SIW	Distributed solar generation will continue to rise to the net metering cap of 4% of 1996 peak demand. Retail sales of customer-generated energy are offset 1:1 against each customer's bill. If the sales offset isn't modeled accurately, changes in generation capacity will materially change each utility's CEIP target. Commenter recommends inclusion of a requirement in rule for utilities to account for the retail sales offset in their CEIP.	Not responsive to question, which is about the draft rule's use of the term Standard. However, we disagree with the suggestion. Distributed generation is already captured in DER forecasts and as reductions to actual sales.

TEP	TEP supports including the additional "clean energy standards in RCW 19.405.040(8) so all customers benefit fairly from clean energy; the statute requirements are integral to CETA.	No Staff response necessary.
WEC	Commenter states subsequent drafts should add targets to meet the Clean Energy Standards that provide a way for the UTC to measure progress and ensure vulnerable populations and highly impacted communities receive environmental and non-environmental benefits in the transition. These targets are appropriate to achieve the equitable distribution of benefits necessary to meeting the Clean Energy Standard at draft WAC 480-100-650. Achieving the law also requires meaningful and regular reporting by utilities on targets, indicators and actions toward the Clean Energy Standards.	Not responsive to question, which is about the draft rule's use of the term Standard. Disagree with suggestion regardless. -650 (renumbered as -610 in the second draft) identifies the standard. Measuring and reporting progress toward meeting that standard is discussed elsewhere in the rule.

3. The proposed rules make a distinction between determining whether the planning and investment activities undertaken by the utility are in compliance with the clean energy standards of CETA and approving the specific actions the utility undertakes to comply with the clean energy standards. In draft WAC 480-100-650, the discussion draft requires that all planning and investment activities undertaken by the utility must be consistent with the clean energy standards.
    a. Should the Commission determine whether all the activities, rather than the planning and investment activities, undertaken by the utility are consistent with the clean energy standards?
    b. Does the draft rule need to more clearly delineate the review of activities as being separate from the approval of the specific actions?

Party	**Summary of Comment**	**Staff Response**
Avista	a. Only planning and investment activities should be reviewed to determine consistency with clean energy standards. "All activities" are not defined and so broad it could result in the Commission reviewing and managing all operational aspects of the Company. Further clarification and discussion on this provision would be helpful.	Accepted. The term "all activities" removed from rule.
	b. Yes	
PP&L	a. No. The Commission should determine whether specific actions taken by a utility to comply with CETA requirements are consistent with clean energy standards, but this should not be extended to all actions taken by a utility.	Removed "all activities" from draft rule.
	b. Yes, more clarity would be helpful.	

PSE	a. Commission review of CIEPs should focus on the investments that utilities intend to make in making reasonable progress towards meeting RCW 19.405.040(1) and RCW 19.405.050(1). CETA does not suggest that the Commission must review all activities the utility undertakes. There will be planning and investment activities that utilities undertake each year that are not germane to the development, review, and approval of CEIPs.	Removed "all activities" from draft rule. Disagree that review should be limited to investments. Actions beyond investments are relevant to making progress toward meeting the standard.
	a.2 CEIP rules should be focused on setting up an initial framework for implementing the statute in the early years of implementation. It is possible that over time CEIP rules will need to evolve, but the near-term task should be setting up an appropriate framework tailored towards the development, review, and approval process for CEIPs.	Disagree that limiting this rulemaking to setting up a framework is sufficient. Utilities must begin planning for compliance now. Agree that CEIP rules will need to evolve.
	b. Yes, the draft rule should distinguish between activities the Commission intends to review for consistency with the clean energy objectives in CETA (however that is defined in rule), and the specific actions in the CEIP that need to be approved.	Suggestion unclear. Which activities would the Commission be reviewing that would not be considered specific actions?
PC	General – The draft WAC 480-100-650 does not reflect that all planning and investment activities be consistent with clean energy standards. Adaptively managing planning and investment activities is not specifically linked to the management of those activities to the clean energy standards. Example language for subsection 2: Each utility must continuously review and update as appropriate its planning and investment activities to adapt changing market conditions and developing technologies <u>in compliance with the clean energy standards in subsection 1.</u>	Staff recommends removing "all activities" from draft rule.
	a. Using the phrase "all activities" rather than planning and investment activities would potentially broaden the scope of the rule and could allow the Commission to review activities that might not by typically categories as planning or investment, it is unclear if the Commission is interested in that. It is also unclear what other types of activities are contemplated by this question.	

	b. Yes, there could be additional clarity in the rules regarding the review of activities. The CEIPs must identify specific actions, which seem to be addressed in the rules. The review of activities, as opposed to actions, is not addressed in statute. In the draft rules "activities" appear to refer to the investment and planning activities in the proposed WAC 480-100-650(2). How will review differ from approval? What precedential value will the review of activities have, if any? The draft rules could specify what the review of activities means and what impact the review will have on the utilities and the CEIP process.	
F&C	a. Yes, CETA does not limit compliance to solely planning and investment activities. To implement CETA's vision and targets, activities beyond planning and investment will be necessary and should be subject to the same requirements. Ensuring the equitable distribution of benefits will require analyzing impacts and outcomes of the utility's activities.	Agree, but the term "activities" was unclear. Removed "all activities" from draft rule.
	b. n/a	
NWEC	a. The Commission should approve not just the planning and investment activities, but also all other activities to ensure that the actual outcomes are consistent with the clean energy standards. As each utility must fundamentally transform not only its planning and investments, but operations to comply with CETA.	Agree, but the term "activities" was unclear. Removed "all activities" from draft rule. Disagree that Commission should "approve" all activities. Removed "all activities" from draft rule.
	b. The distinction between reviewing activities and approving specific actions is not clear in proposed WAC 480-100-650. Is the intention that a CEIP meet a set of requirements or supplies the content that must be in a CEIP, but only a subset of specific proposed actions be subject to Commission approval? It is not entirely clear what the Commission will look at to determine approval of specific actions; WAC 480-100-655(4) specifies that a CEIP must identify specific actions the utility will undertake during the implementation period, so if the approval is limited to the items listed in (4), it is not clear if public participation plans (9) or alternative compliance intentions (10), will need Commission approval. We would suggest the Commission approve the specific actions that must be addressed in a CEIP as well as approve, disapprove or require changes of the elements of the CEIP.	

4. RCW 19.405.060 requires a utility to file a CEIP by January 1, 2022. However, Staff is proposing a timeline that requires utilities to file CEIPs in advance of January 1. Draft WAC 480-100-655 requires utilities to file a CEIP by October 1, 2021, and draft WAC 480-100-670(4) requires the utility to provide a draft of the CEIP to its advisory group two months before filing it with the Commission. The purpose of Staff's proposed timeline is to align the CEIP with the existing process established for reviewing utility biennial conservation plans, as required by the EIA. As indicated in the Issue Discussion section, Staff's intent is to reduce the number of utility filings so that the CEIP can satisfy both the EIA and CEIP conservation target setting requirements. Staff also believes that approving the CEIP earlier will give the utility more certainty of its requirements and better enable utility planning. Please respond to the merits of this proposed timeline.

Party	Summary of Comment	Staff Response
Avista	No, CEIP to be filed on January 1, 2022, and draft filed by November 1, 2021. This proposed timeline is aggressive and is four months after filing IRP (April 1, 2021). By the time CEIP draft is due, the Commission might not have acknowledged the IRP. The company is open to change in timeframe after the first CEIP.	Staff recognizes the concern that the time between the acknowledgment of the IRP and the date the draft CEIP is to be filed may be short. It will be important for the utilities to be working with their advisory groups throughout the development of the IRP and CEIP. Staff recommends the CEIP is filed on October 1, rather than November 1, as we expect the filings to be robust and include business case justifications for costs that are directly attributable to compliance with RCW 19.405.040 and 050, and Staff and parties will need time to review those filings. Should a utility need to revise and resubmit its filing, the
PP&L	No, retain the legislatively outlined filing date of January 1, 2022. • Early timeline will constrain procurement activities such as issuance of RFPs. • Constrain the use of latest information in the CPA and IRPs, and it may not be possible to create an earlier alternate schedule.	
PSE	The filing date for the CEIP should be moved from October 1 to November 1 (draft to advisory group on or about September 1), which is consistent with the filing date for each utility's Biennial Conservation Plan.	
PC	Yes, staff proposal is reasonable and the filings should be streamlined in terms of filing dates, to reduce duplicate filings. Also. RCW 19.405.060 establishes a deadline for filing, hence, does not preclude the Commission to set a prior filing.	
CS	Yes, CEIPs submitted to advisory groups by August 2021, followed by submission to the Commission by October 2021. This aligns CEIPs with the existing process for the BCPs, and provides sufficient time for (a) utilities to draft the plan after filing their IRPs and (b) stakeholders to review.	
TEP	Yes, it will synchronize the CEIP and EIA requirements.	
NWEC	Yes, NWEC supports with certain recommendations. • Commission to explain the timelines of other filings in conjunction with the timelines of IRPs. • The 60-day comment period does not include time for a utility to revise and resubmit its place based on stakeholders comments.	

RN	Yes, supports the timelines as it enables coherent utility resources planning.	utility can ask the commission for a later effective date to give parties more time to respond. Or, stakeholders can ask the commission to suspend the filing and set it for hearing.

5. RCW 19.405.060(1)(b)(iii) refers to "demonstrating progress toward" meeting the clean energy standards and interim targets.
    a. Is it clear from the draft rules that such a demonstration within a four-year compliance period would encompass compliance with the various components of the statute?
    b. Is it clear from the draft rules that some components of the statute (e.g., RCW 19.405.030 and RCW 19.405.040(8)) would be evaluated relative to the four-year compliance period rather than relative to 2030 or 2045?

Party	**Summary of Comment**	**Staff Response**
Avista	a. Yes.	Staff agrees.
	b. Yes, although the draft rules for these specific RCW requirements may extend beyond the intent of the law. Discussion on the broad application of RCW 19.405.040(8) beyond the CEIP would be beneficial	Staff agrees that the draft rules are clear. Staff disagrees that the draft rules extend beyond the intent of the law. CETA gives the Commission broad authority to ensure that investor-owned utilities are in compliance with statutory requirements.
PP&L	a. Yes, however, disagrees with interpretation of RCW 19.405.060(1)(b)(iii). Since it is not given in the statute, the Commission shouldn't expand the demonstration of progress to all aspects of CETA	Staff agrees that the draft rules are clear. Staff disagrees that the draft rules extend beyond the intent of the law. CETA gives the Commission broad authority to ensure that investor-owned utilities are in compliance with statutory requirements.

	b. Yes, however, disagrees with expansion of the statutory requirements. The goal in RCW 19.405.030 is related to removal of coal-fired generation resources from customer rates, and the target is December 31, 2025. Hence, the compliance should be demonstrated in rate-setting proceeding rather than CETA planning and reporting process (Refer to question 7).	Staff agrees that the draft rules are clear. Staff disagrees that the draft rules extend beyond the intent of the law. CETA gives the Commission broad authority to ensure that investor-owned utilities are in compliance with statutory requirements.
PSE	a. No, the statutory language does *not* say that utilities must demonstrate progress in each four-year compliance period towards meeting each and every requirement in Chapter 19.405 RCW. Recommends narrowing the definition of clean energy standards as explained in question 2.	Staff disagrees that the draft rules extend beyond the intent of the law. CETA gives the Commission broad authority to ensure that investor-owned utilities are in compliance with statutory requirements.
	b. No, recommends being more specific rather than using general definition to capture full scope of CETA.	Staff is open to suggestions that would provide greater clarity, but further guidance may be more appropriate in a policy statement or adoption order. Staff disagrees to the extent that this response suggests that the scope of the CEIP should be narrowed.
PC	a. The draft rules are not expressly clear. PC proposes the following addition to WAC 480-100-655(2): <u>Meeting the targets set forth below in subsections a-d will demonstrate compliance with RCW 19.405.</u>	Staff disagrees that meeting the targets outlined in this subsection will demonstrate compliance with RCW 19.405 as a whole, and therefore does not adopt these suggested edits.

	b. Generally conveys the concept, however, -665(6) should be modified to make it clear that each CEIP, every four year, should include a showing regarding the equitable distribution of benefits.	Staff believes that the modifications made to this section in the current draft rules adequately address this concern.
Climate Solutions (CS)	a. Not sure, Commission to provide more guidance to ensure consistent methodologies and ensure equitable distribution of benefits (propose addition to 655(2) in attachment A). Also, specific and interim targets should align with the language in RCW 19.405.040(6)(a)(iii).	Staff believes that the modifications made to this section in the current draft rules adequately address this concern.
	b. Not clear (propose addition to 655(2) in attachment A).	Staff believes that the modifications made to this section in the current draft rules adequately address this concern.
	c. 665(3)(j) *proposed new section* – Progress on equity indicators and metrics created for achieving WAC 480-100-650(1)(d) through (g).	Staff believes that -650(1)(d) adequately addresses this concern.
The Energy Project (TEP)	a. No, WAC 480-100-655(6) to include more clear and direct statement that the filed CEIP must include a plan to "ensure that all customers are benefitting from the transition to clean energy"	Staff believes that the modifications made to this section in the current draft rules adequately address this concern.
	b. Yes	Staff agrees.
	General concern current WAC 480-100-665 draft rules need to provide more formal opportunities for Commission, staff, and stakeholders to track progress towards equitable distribution goals, namely:	Staff believes that the draft rules as modified contain sufficient monitoring and enforcement mechanisms regarding the equity mandate.
	1) Interim or specific targets adopted by a utility should address equitable distribution.	Since the equitable distribution requirements will be considered on a portfolio basis, Staff believes it is appropriate to primarily

		consider equitable distribution elements within the context of the CEIP portfolio of specific actions rather than specific targets. Staff believes that the level of information included in -655(a), including revisions to -655(3)(a)(i), provide an appropriate level of equity-related information in the context specific targets.
	2) Rules should require an informational report on equitable distribution progress be included, at minimum, every two years (e.g., in the "annual clean energy progress reports" filed June 1 in odd-numbered years).	Staff disagrees that as this information should be included in the annual reports, but has made modifications to include it in the Biennial CEIP update.
	3) "Biennial CEIP update" filed by November 1 of each odd-numbered year per WAC 480-100-655(13) should address equitable distribution issues.	Staff agrees.
F&C	a. No, provide clarity that 19.404.040(8) would be evaluated relative to BOTH the four-year compliance period AND relative to 2030 or 2045. Also, recommend to add milestone equity targets for 2030 and 2045 (new subsection 6(e)).	Staff disagrees that additional clarity is needed based on the modifications made to the draft rules. Regarding equity targets, See Staff response to The Energy Project's answer to question 5.b. above.
Invenergy	a. Somewhat yes, recommends that the rules more specifically require each utility to develop CEIPs using a fully integrated resource portfolio approach, which includes acquisition and use of new resources, any investments in and use of existing resources and purchases, and sales of electricity in wholesale markets.	Staff agrees.
NWEC	a. Yes	Staff agrees.

	b. Generally, yes. Recommends specificity in WAC 480-100-655 (2)(a) to ensure that implementation periods coincide with the legislatively mandated four-year compliance period in RCW 19.405.040	Staff agrees and has created a definition of "implementation period" in the new draft rules.
	c. Recommends adding the following new sub-section -665(3)(j): <u>(j) A description of progress on equity indicators/metrics for achieving WAC 480-100-650(1)(d) through (g).</u>	Staff believes that -650(1)(d) adequately addresses this concern.
RN	a. Yes.	Staff agrees.
	b. Yes.	Staff agrees.
Vashon	Not sure, In addition to subsection (a) through (d), also include utility's percentage of retail sales of electricity met by: DR measures, Conservation/EE, and Market Purchases	Staff believes that this information will be available in the CEIP compliance report. The utility will report its demand response and conservation achievement, and will link its Fuel Mix Disclosure forms, which show the amount of market purchases a utility used during the compliance period.

6. Interim targets
    a. Draft WAC 480-100-655(2)(b) requires utilities to propose interim targets for meeting the 2045 standard under RCW 19.405.050. Noting that RCW 19.405.060(1)(a)(ii) requires utilities to propose interim targets for meeting the standard under RCW 19.405.040 but not .050, is it appropriate for the Commission to establish interim targets for making progress toward meeting the standard in .050?

Party	**Summary of Comment**	**Staff Response**
Avista	No, it is not a requirement under RCW 19.405.050.	Staff recommends maintaining the interim

PSE	No, it is not required by CETA (2022-2026 CEIP). Also, prior to 2030, utilities will focus on developing specific and interim targets towards meeting the 2030 standard in RCW 19.405.040(1) as opposed to the 2045 standard.	targets as a percentage of sales that are renewable and nonemitting so as to set the utilities on a glide path to the 2030 and 2045 statutory requirements.
PC	Yes.	
AWEC	Generally yes, the interim targets between 2030 and 2045 to build towards the standards in RCW 19.405.050.	
F&C	Yes.	
CS	Yes, interim targets should demonstrate progress towards RCW 19.405.050.	
NWEC	Yes, however, disagrees with the assumption used in question 6(a). RCW 19.405.060 (1)(a)(ii) requires to propose interim targets under RCW 19.405.040(1). However, if the targets are focused on GHG neutral standard of 2030, the CETA compliance period from 2030 to 2045 would try to achieve past targets.	

b. Draft WAC 480-100-665(1)(b) requires utilities to meet their interim targets. However, RCW 19.405.090 does not establish penalties for interim targets. Is it appropriate for the Commission to enforce compliance with the interim targets through its own authority?

Party	**Summary of Comment**	**Staff Response**
Avista	No, because CETA does not include such penalties, and because electric utilities should not receive disparate treatment depending simply on their ownership structure (i.e., consumer owned utilities may face differing enforcement of penalties under the Department of Commerce).	Staff recommends that the Commission retain its discretion regarding interim targets established in order.
PP&L	No, because CETA intentionally does not include such penalties.	
PSE	No, because CETA does not include such penalties.	
PC	Yes. Commission has authority under RCW 80.04.380. Commission should consider enforcement on a case by case basis, depending on the facts at issue and the applicable statutes and administrative rules.	
AWEC	No, because CETA does not establish penalties for failing to meet interim targets.	
F&C	Yes, penalties for interim targets are necessary to ensure compliance and accountability.	
NWEC	Yes, unless penalty authority is explicitly provided to another agency.	
RN	Yes. Without enforcement, there is a risk utilities' interim targets are unfounded and robust implementation of statute may not be realized. Commission could exercise judgement when it comes to enforcement (*see -665 recommendation*).	

7. Chapter 19.405 RCW requires the utility to demonstrate its compliance with RCW 19.405.040(1) and 050(1) using a combination of nonemitting and renewable resources. Because there are additional requirements in the statute, draft WAC 480-100-665 requires the utility to report more than just its nonemitting and renewable resources. Is the reporting under draft WAC 480-100-665 necessary and appropriate?

Party	Summary of Comment	Staff Response
Avista	Not sure. The Company looks forward to more conversation about the elements in both a CEIP and clean energy compliance report.	No Staff response necessary.
PP&L	No. Reporting is unnecessary and excessive. Commission should not establish compliance reporting requirements that impose compliance requirements that are not in CETA. the Commission should not require a demonstration of compliance with RCW 19.405.030(1) as part of an annual progress report nor should the Commission mandate a specific mechanism (in this case, e-tag data) for demonstrating compliance. The statute does not require that a utility demonstrate that it does not use any coal-fired resource "to serve retail electric customer load" as stated in the rule. The statute requires it to eliminate coal from its "allocation of electricity", which is a rate setting issue. Compliance with RCW 19.405.030 should be reviewed as part of a rate-setting proceeding to determine cost recovery of resources and fuel costs.	Staff disagrees that the draft rules asks for more information than is necessary for determining compliance. Staff also disagrees that the definition of "allocation of electricity" allows coal-fired resources to continue to serve electric retail customers while the costs and benefits are never accounted for in the ratemaking process. Rather, elimination of costs and benefits requires elimination of the use of those assets to serve Washington retail load, as RCW 19.405.030 makes clear.
PSE	Generally yes. Certain reports labeled as "compliance" should be relabeled as "implementation reports." These are components of the CEIP that should be examined at the end of the implementation period to determine what was actually implemented as planned.	Staff prefers the term compliance report but agrees that the annual reports are part of the larger CEIP compliance report due at the end of the period.

PC	Yes. Reporting requirements established in draft rule WAC 480-100-665 are reasonable, necessary, and appropriate. Detail required in draft WAC 480-100-665 is a logical extension of the targets utilities are required to meet in RCW 19.405.040(1) and 050(1).	No Staff response necessary.
AWEC	Perhaps not. Reporting is inadequate if the clean energy compliance report established in WAC 480-100-665(1) and (2) establishes basis for imposing a penalty for failing to achieve requirements under RCW 19.405.090(1).	If parties are not persuaded that the utility is meeting its statutory or regulatory requirements, they may ask the Commission to set the report for an adjudicative hearing.
CS	Supports inclusion of information other than a utility's percentage of renewable energy and nonemitting resources in compliance reports; CETA's other components should be demonstrated in the compliance report. See suggested redlines within -665 comments box.	Staff declines to recommend these edits; however, we believe that all of these redlines are clarifying edits rather than substantive.
TEP	No. The rules need a more formal process for tracking progress toward equitable distribution goals. Draft rules contain only four-year compliance reporting and review. Draft rules do not contemplate interim or specific targets for equitable distribution. Requests annual or biennial reporting on equitable distribution. Recommends the biennial update of CEIP rules be amended to address equitable distribution issues at the same time as others. This will allow a mid-term review equitable distribution and consider adaptive management to adjust progress if needed. Annual or biennial report mentioned above would inform this review. Comfortable with open meeting review of four-year compliance report but would like a discussion about alternatives including adjudication.	Staff recommends redlines that clarify that equity updates are included in the biennial report in WAC 480-100-640(14) if changes result from the utility's IRP update. Staff also recommends annual reporting rule language in WAC 480-100-650(3) that includes other information the Company agreed to or was ordered to report in the most recently approved CEIP, which can include equity information.
F&C	Yes. This reporting requirement will ensure that the general purpose and specific requirements of CETA are implemented, including equitable distribution of benefits.	No Staff response necessary.
NWEC	Yes. Utilities must report on their total and complete obligations under CETA, and it makes sense to streamline and combine overall reporting of compliance obligations, where possible.	No Staff response necessary.

RN	Yes. The additional reporting does hold utilities accountable to the complexities of the statute.	No Staff response necessary.
Rob Briggs	No. Believes compliance reporting around GHG emissions is inadequate. See recommended edits within -665 comments box.	Staff disagrees that it is necessary for utilities to report by disaggregated individual greenhouse gases as they will not be used for determining compliance with the rule and law.

8. RCW 19.405.040(1)(a)(ii) establishes multiyear compliance periods between 2030 and 2045. RCW 19.405.060(1)(a)(ii) requires the utility to propose interim targets during the years prior to 2030 and between 2030 and 2045. Draft WAC 480-100-655(2), uses the term "implementation period" to avoid confusion with the compliance periods in the statute. It also requires a series of interim targets for 2022 to 2030 and 2030 to 2045. Does the draft rule clearly demonstrate that intent? Is this approach appropriate?

Party	**Summary of Comment**	**Staff Response**
Avista	No. Prefers separating implementation periods before 2030, and compliance periods after 2030, and does not believe it should have to set a series of interim targets outside of the four-year period under consideration—clarify rule.	Based on these responses, Staff believes that the first draft rules were unclear. We propose to define "implementation period" to mean the four years after the filing of each Clean Energy Implementation Plan through 2045. The first implementation period will begin January 1, 2022, and will end December 31, 2025, and the second implementation period will begin on January 1, 2026, and will end on December 31, 2029.
PP&L	Unclear. If the term "implementation period" is designed to avoid confusion with the compliance periods identified in the statute, PacifiCorp recommends making "implementation period" a defined term to ensure clarity.	
PSE	Generally, agrees, *except* for the requirement that each CEIP propose a series of interim targets for both 2022 to 2030 and 2030 to 2045, particularly in the first CEIP, which will cover only the 2022-2026. Suggests new definition of "implementation period," see redline edits. Commission should provide more flexibility in the rule for utilities to propose the interim targets.	
PC	Yes, it is a reasonable approach with respect to the 2022 to 2030 and 2030 to 2045 time periods.	
AWEC	Yes, it is a reasonable interpretation that the interim targets 2030 to 2045 are building toward the standard in RCW 19.405.050, otherwise it is unclear what "targets" must be achieved in these years and why they would be "interim." But does ***not*** agree that it is appropriate for the Commission to enforce compliance with interim targets. See Part D. of AWEC comments.	

CS	Yes, supports approach and appreciates the use of the term implementation period to avoid confusion with the compliance periods that are identified in the statute.	
NWEC	Generally, yes, it may be preferable for to distinguish between the interim targets prior to 2030 and the mandatory compliance period interim targets between 2030-2044 and each year thereafter, as specified by statute. However, NWEC expresses concerns about the meaning of "mandatory compliance periods" in RCW 19.405.040(1)(a). It should be clear those periods are also legally enforceable compliance periods subject to penalties enumerated in RCW 19.405.090.	
RN	Yes. The "implementation periods" for meeting interim targets align with CEIP submission to the Commission, despite the variation in language from the statute.	
Sierra Club et al	Supports series of interim targets and offers clarifications and references to distribution of energy and nonenergy benefits and impacts. See redline edits.	

9. In draft WAC 480-100-665, Reporting and compliance, the discussion draft implies that the utility must demonstrate that the utility has met both its interim and specific targets while also demonstrating that it is making progress towards meeting its clean energy standards, as described in draft WAC 480-100-650. It is possible that a utility could demonstrate that it will likely meet the clean energy standards, or is meeting the clean energy standards, but may not meet a specific target. Should the Commission always issue a penalty to a utility for failing to meet a specific target or should it take into consideration the utility's achievement for the clean energy standard, interim target, and other specific targets?

Party	**Summary of Comment**	**Staff Response**
Avista	No, never issue a penalty for failing to meet a specific target because the statute does not require it.	Staff recommends that the Commission retain discretion to penalize a utility for missing a specific or interim target to be determined on a case-by-case basis.
PP&L	No, never issue a penalty for failing to meet a specific target because the statute does not require it.	
PSE	No, never issue a penalty for failing to meet a specific target because the statute does not require it.	
PC	Yes, issue a penalty for failing to meet a specific target when appropriate.	
CS	Yes, issue a penalty for failing to meet a specific target, but allow updated targets.	
F&C	Argues that all parts of CETA are subject to the administrative penalty.	
NWEC	Only issue a penalty for failing to meet a specific target based on the individual facts of the situation.	
RN	Only issue a penalty for failing to meet a specific target based on the individual facts of the situation.	

10. RCW 19.280.030(3) specifies when an electric utility must consider the social cost of greenhouse gas emissions when developing integrated resource plans and clean energy action plans. Draft WAC 480-100-675(1)(a) proposes rules that would require utilities, when calculating the incremental cost of compliance, to include in their alternative lowest reasonable cost and reasonably available portfolio the social cost of greenhouse gas emissions, or SCGHG, in the resource acquisition decision. Please comment on (1) whether the inclusion of the SCGHG is required by statute, (2) if not, whether it is still appropriate for the rules to require the SCGHG in the alternative lowest reasonable cost and reasonably available portfolio, and (3) how inclusion of the SCGHG affects the calculation of the incremental cost of compliance.

Party	Summary of Comment	Staff Response
Avista	(1) SCGHG should not be included in baseline nor does the law require it. Statute specifically indicate it is only used for selecting conservation, IRP/CEAP, or evaluating/selecting intermediate and long-term resource options.	Concurrent with PSE's comments, Staff does not believe that the inclusion of the social cost of greenhouse gases will have a quantifiably large impact on the incremental cost if it is modeled as a planning adder and not to dispatch. The impact of the application of the SCGHG should only occur if a utility intends to purchase additional carbon resources. Staff recommends the SCGHG is incorporated as a planning, or cost, adder.
	(2) SCGHG inclusion in baseline means the cost to comply may exceed two percent.	
	Requests further discussion on the issue, and requests clarity on if calculation method for resource acquisition are actual or levelized costs.	
PP&L	(1) Statute does not require SCGHG in the baseline it only requires consideration, which is different.	
	(2) The rules should require the consideration of the SCGHG but should not be overly prescriptive, like inclusion in the baseline.	
	(3) Inclusion in the baseline reduces the efficacy of the calculation to control cost impacts to customers. The SCGHG is not a direct cost to customers and is not relevant to rate impacts. The incremental costs should be based on the portfolio of resources selected and should not reflect the SCGHG.	
PSE	(1) SCGHG is not required in the baseline. Inclusion in the baseline understates the potential impact of CETA and risks undermining the intent of the 2% incremental cost provision. The statute only directs utilities to "consider" the SCGHG when developing IRPs and CEAPs.	
	(2) No. the incremental cost provision is neither a planning nor an acquisition process. The provision should most closely align to the actual changes in rates that customers may experience.	
	(3) In the avoided cost proposal, the SCGHG is embedded in the portfolio model that leads to the power price forecast. PSE has not modeled it separately at this point in time.	

	Advocates for an avoided cost approach rather than a portfolio model approach. Avoided cost filings are updated more frequently than IRPs and would put all resources on a similar footing. PSE also argue that it could be implemented on a portfolio basis.	
	The inclusion of the SCGHG does not make a significant difference in long-term resource modeling. The requirements of CETA will become the driving requirement in the portfolio model over the long term.	
PC	The inclusion of SCGHG in the baseline is required by statute. However, if the SCGHG is included in the total cost of the resource portfolio, it could distort the results of the cost comparison. PC is also concerned that the SCGHG adder may be used to inflate the total cost that will be recovered from ratepayers. SCGHG should be used to determine the mix of resource in both the baseline and actual portfolios. See proposed redline edits.	
AWEC	No. Do not include the SCGHG in the baseline because it is a component of the resource planning requirements of RCW 19.405.050.	
Invenergy	Agrees that the SCGHG should be included in the utility's baseline.	
NWEC	The statute requires the SCGHG in the baseline because it does not appear in either sections 040 or 050 but an entirely different section.	
RN	The statute requires the SCGHG in the baseline because it does not appear in either sections 040(1) or 050(1) but an entirely different section.	
Sierra Club et al.	The statute requires the SCGHG in the baseline.	

11. Draft WAC 480-100-675(4), Reported actual incremental costs requires the presentation of capital and expense accounts be reported by Federal Energy Regulatory Commission (FERC) account. For the purpose of reporting electric retail revenues, should the Commission require utilities to use a standard list of FERC accounts as part of the incremental cost calculation?
    a. If so, please use the table provided below for discussion purposes to indicate if there are any FERC accounts listed that should not be included? Conversely, are there any FERC accounts that are not listed that should be included? Please include comment on the rationale to either include or exclude a particular FERC account.
    b. If not, please provide the challenges encountered by a standard FERC account listing.

Party	**Summary of Comment**	**Staff Response**
Avista	Only 400, 442, 444, 445, 446, and 448, as well as the portion of 456 related to decoupling. All of the other accounts listed are not considered revenue from electric customers but are more related to off-system sales and revenue from wholesale transmission customers.	Staff appreciates the utilities' responses with specific FERC accounts. Staff thinks that this

PP&L	Does not object to a standard list of FERC accounts but asks for clarity on the reporting 'actual' incremental costs. Requests a workshop to discuss the methodology for forecasting and conducting a true up of CETA incremental costs, and specifically the appropriate "base case" to be used when calculating which actual costs should be allocated to CETA.	issue is best completed outside this immediately rulemaking.
	Recommends including accounts that record revenue as an offset to the utility's revenue requirement, such as FERC 453 – Sales of Water and Water Power. PP&L provides a complete list of other FERC accounts to include.	
PSE	Yes, the Commission can require a standard set of FERC accounts to simplify the process. For PSE, PSE suggests including only FERC accounts 440, 442, 444, and the subset of 456 related to decoupling. PSE states that other utilities may require the use of additional accounts to capture their relevant retail customer sales.	
	Utilities could include a standard adjustment in their CBR that transfers decoupling deferrals from Other Operating Revenues to Sales to Customers. Such an adjustment would allow the amount of retail customer revenues to include for the incremental cost calculation to be reported on the Sales to Customers line of each electric utility's Commission Basis Report.	
PC	Reporting of retail revenue should be standardized across all of the utilities. However, does not have an opinion on which accounts are correct at this time.	
NWEC	The rules should specify where storage costs and revenues should be presented.	

Other Issues

Party	**Summary of Comment**	**Staff Response**

Audubon, et al	Comments not specific to any particular rule, but urge various clarifications of equity issues. Adding that utilities must engage and involve customers and stakeholders, especially from highly impacted and vulnerable communities, by identifying barriers to engagement and contracting with community-based organizations that bring expertise, trusted relationships, cultural and linguistic capacity and input; Establishing in the rule measurable indicators for vulnerable populations and highly-impacted communities, including health improvements, job training and resilient power; Clarifying that utilities must evaluate ahead of time the distribution of benefits and burdens by location and population of planned actions; Adding milestones to meet Clean Energy Standards that provide a way for the UTC to measure progress and ensure vulnerable populations and highly impacted communities receive environmental and non-environmental benefits in the transition; Adding that utilities must report on indicators and milestones in Biennial CEIP updates, annual clean energy progress reports and clean energy compliance reports to demonstrate compliance with the law; and Refining how costs to meet the law are added up to acknowledge the costs of climate change in all scenarios and address historic and current inequities in utility service.	Staff considered these topics within the context of specific redlines proposed by stakeholders on these topics. In general, Staff is proposing a number of changes to the rules that address Audubon, et al.'s concerns. We encourage the parties to provide additional comments and edits on the next draft rules, and, if possible, to provide suggested edits.
WEC & WCV	Refine how costs to meet the law are added up to acknowledge the costs of climate change in all scenarios and address historic and current inequities in utility service.	Staff understands CETA to prescribe a cost, the social cost of greenhouse gases, to be applied to the utility's future resource decisions. We also understand that the purpose of the SCGHG reflects the cost of climate change on society. In addition, Staff proposes the Commission to require utilities to model at least one future climate change scenario to understand the impacts to the utility's operations and resource portfolio.

	Establish in the rule measurable indicators for vulnerable populations and highly-impacted communities, including health improvements, job training and resilient power;	Please see earlier Staff responses to the establishment of indicators in the Definitions section.
	Add milestones to meet Clean Energy Standards that provide a way for the UTC to measure progress and ensure vulnerable populations and highly impacted communities receive environmental and non-environmental benefits in the transition.	Staff recommends that the Commission continuously evaluate progress on these goals in each CEIP and CEIP compliance report.
VCAG	Regarding specific actions, the CEIP must also contain: a schedule of utility electricity generation, energy efficiency, demand response, energy storage, energy conservation and transmission assets acquired, and assets retired during the implementation period.	Staff believes that this information is unnecessary and not directly related to the CEIP.
	Each CEIP must also include an assessment of schedule and cost risks & opportunities associated with each asset acquisition and each asset retirement Note: Alternatively, this provision may be included in Section (11), taking care to include references to both cost and schedule risks.	Staff believes that this information is not appropriate in the CEIP.