



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017) (Implements RCW 34.05.310)

Do NOT use for expedited rule making

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DATE: February 05, 2020

TIME: 2:28 PM

WSR 20-05-009

Agency: Washington Utilities and Transportation Commission

Subject of possible rule making: In 2006, the Washington Utilities and Transportation Commission (Commission) adopted WAC 480-107, which requires, in part, investor-owned electric utilities to solicit bids, rank project proposals, and identify any bidders that meet the minimum selection criteria. In 2016, the Commission opened a new rulemaking in Docket U-161024 to consider rule changes to implement changes to the IRP statute in RCW 19.280, and to clarify how recent advances in the energy industry should be treated in the IRP, to improve the IRP review process for more efficiency, and to make the resource acquisition rule in WAC 480-107 more effective to reduce the frequency of utility waiver requests for this rule.

However, while the rulemaking was ongoing, the legislature enacted legislation in 2019, including the Clean Energy Transformation Act codified in RCW 19.405, that affected the acquisition rule as well as other rules under consideration in Docket UE-161024. Consequently, the Commission has terminated the rulemaking in Docket UE-161024. The Commission opens this new rulemaking in Docket UE-190837 to review rules in WAC 480-107 to incorporate statutory changes made since 2006, to consider changes contemplated in the original 2016 rulemaking and additional requirements, policy improvements, and changes in the energy industry that may affect the rules on Purchases of Electricity, WAC 480-107.

Statutes authorizing the agency to adopt rules on this subject: RCW 80.01.040, 80.04.160, RCW 19.405

Reasons why rules on this subject may be needed and what they might accomplish: The Commission has not substantially revised its rules on Purchases of Electricity since 2006. The Commission may need to modify its rules to account for forecasted regional resource adequacy deficiencies, the growth of new price competitive resources, a large rise in the number and sophistication of developers, and an increase in the diversity of the type of generation projects and contract structures available in the market. The enactment of new Chapter RCW 19.405 also requires the Commission to consider whether changes to the Purchase of Electricity rules are necessary or desirable. Changes to the rules may improve the acquisition processes, create more stable rates and appropriate levels of reliability by improving resource adequacy, increasing a utility's pursuit of additional resource opportunities not bid into its request for proposals, and providing greater clarity of the requirements of RCW 19.405.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study

Other (describe) The UTC uses a collaborative rulemaking process that includes stakeholder workshops, formal comments, and draft rules.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

Name: Executive Director and Secretary
Address: P.O. Box 47250, Olympia, WA 98504-7250
Phone: (360) 664-1234
Fax:
TTY: 1-800-833-6384 or 711
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Name:
Address:
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TTY:
Email:

Web site: <https://www.utc.wa.gov/e-filing>

Web site:

Other:

Other:

Additional comments: When commenting, please refer to docket UE-190837.

Date: February 5, 2020

Signature:

Name: Mark L. Johnson



Title: Executive Director and Secretary