

Docket Nos. UE-191023 and UE-190698 - Vol. I

**In re the Clean Energy Implementation
Plans/Compliance with the Clean Energy**

December 9, 2020



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BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

Docket Nos. UE-191023 and UE-190698

VIRTUAL ADOPTION HEARING

In re the Clean Energy Implementation Plans/Compliance
with the Clean Energy

VOLUME I

Pages 1-74

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1 A P P E A R A N C E S

2 DAVE DANNER, Chair
ANN E. RENDAHL, Commissioner
3 JAY BALASBAS, Commissioner

4

5 COMMENTS OFFERED BY:

6 BRAD CEBULKO
SHAWN BONFIELD
7 JON PILIARIS
ETTA LOCKEY
8 NINA SUETAKE
KATIE WARE
9 DOUG HOWELL
KELLY HALL
10 TYLER PEPPLE
COURT OLSON
11 KEVIN JONES
JANE LINLEY
12 ELEANOR BASTIAN
JONI BOSH
13 SIMON FFITCH
ELLIOT WEINSTEIN

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1 LACEY, WASHINGTON; DECEMBER 9, 2020

2 9:30 A.M.

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4 P R O C E E D I N G S

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6 CHAIR DANNER: Good morning, everyone. My
7 name is Dave Danner, and I'm Chair of the Utilities and
8 Transportation Commission, and today is
9 December 9th, 2020, and we are convened to consider the
10 adoption of rules that would implement the Clean Energy
11 Transformation Act, and this is Docket UE-191023 and
12 Docket 190698.

13 I am joined this morning by my colleagues,
14 Commissioner Ann Rendahl and Commissioner Jay Balasbas.

15 Before we get started, I'd just like to
16 thank everyone for participating, not just today, but
17 for those who have been participating throughout the
18 process of adopting those rules we're considering today.

19 Just speaking for myself, as we've gone
20 through this process, I have been looking first and
21 foremost to make sure that we're achieving the goals of
22 Clean Energy Transformation Act and that goal is to
23 reduce carbon emissions in the energy sector. It's a
24 very important piece of legislation that's also a very
25 complex piece of legislation, and I think that has

1 become clear as we've worked through this process.

2 Our other goals besides achieving the -- the
3 goals of the legislature is to ensure that we're doing
4 so at the lowest reasonable cost that we can and that
5 we're providing clarity not only to the utilities and
6 stakeholders, but to the public as we move through this
7 and that we are including traditionally underrepresented
8 voices in the processes as we move to a low carbon
9 future.

10 So I want to thank you very much. Let me
11 turn it over to my colleagues if they have anything they
12 would like to say before I ask Brad Cebulko of the
13 Commission Staff to give us some of the logistics for
14 this morning.

15 Commissioner Rendahl, are you there?

16 COMMISSIONER RENDAHL: I am, thank you. And
17 I too appreciate the extensive comments we've received,
18 the engagement from all different stakeholders in this
19 very important work that we're doing today. And so I
20 appreciate all of the engagement. It's been a very long
21 process, and we're here today to hear additional
22 comments and consider adoption of these rules and so
23 thank everyone for their involvement.

24 CHAIR DANNER: Thank you.

25 Commissioner Balasbas, anything you'd like

1 to say before we start?

2 COMMISSIONER BALASBAS: Yes, thank you,
3 Chair Danner. Good morning to you and Commissioner
4 Rendahl and everyone. I just want to also thank
5 everybody for their comments and engagement throughout
6 this process and very [phone interference.]

7 CHAIR DANNER: All right. Thank you.

8 So I'd ask everyone, please, if you can,
9 please mute your phones. I've been hearing some
10 background noises of course when you're not on mute
11 [phone interference] such as right now. All right.
12 Thank you.

13 So I'm now going to turn it over to Brad
14 Cebulko of the Commission policy staff, who will get us
15 started this morning. Brad Cebulko, are you there?

16 MR. CEBULKO: Yes, I am. Can you hear me,
17 Chair?

18 CHAIR DANNER: I sure can. Thank you.

19 MR. CEBULKO: Great. Good morning, Chair
20 Danner, Commissioners Rendahl and Balasbas. My name is
21 Brad Cebulko, and I'm Senior Policy Advisor for energy
22 strategy at the Commission. Since 2019, I have been
23 leading the integrated resource planning and Clean
24 Energy implementation plan rulemaking.

25 To start with a little housekeeping for all

1 the attendees before we continue, please make sure you
2 mute yourself if you're not talking. In doing so, you
3 can hit the mute button. If you're calling in from your
4 phone, please use the star 6 -- star 6 function on your
5 phones to mute and unmute yourself. If someone's phone
6 is not on mute and there's noise coming through the
7 line, we will put you on mute and you won't be able to
8 speak unless you call back in.

9 Back to the rulemakings. These rulemakings
10 have been a long and challenging process, both because
11 of the complexity of the material and the unusual times
12 that surround us. It couldn't have been successful
13 without a large team here at the agency and the valuable
14 contributions of the stakeholders.

15 I want to take this moment and sincerely
16 thank both the team for their incredible work and the
17 stakeholders for their questions, suggestions, and
18 conversations. As you can see through the iterations of
19 the draft, those suggestions have greatly influenced the
20 Commission's work.

21 To review, the Commission initiated both of
22 these rulemakings in response to the passage of the
23 Clean Energy Transformation Act, called CETA, in the
24 2019 legislative session. However, the two rulemakings
25 were initially on separate tracks. CETA included

1 several changes to RCW 19.280, which guides the
2 development of electric resource planning. The
3 Commission had existing rules for IRPs. CETA also
4 promulgated a new statute, RCW 19.405, which governs
5 clean energy implementation plans. The Commission had
6 to build those rules from scratch.

7 We kicked off the IRP rulemaking with a
8 CR-101, draft rules, and questions or comments in
9 November 2019. Staff then held workshops on January
10 16th on greenhouse gas accounting and resource planning;
11 January 28th on low income and energy assistance;
12 February 5th on equity and utility planning; May 5th on
13 public engagement and utility planning; May 22nd on
14 equity provisions; and June 8th on demand response
15 potential. The Commission issued two sets of draft
16 rules; first in November 2019 and then a second draft
17 combined with the CEIP rules in August 2020.

18 The Commission initiated the CEIP rulemaking
19 in January 2020 by filing a CR-101 and asking questions
20 of stakeholders. In addition to the previously
21 mentioned workshops, the Commission held workshops to
22 discuss the incremental cost of compliance on March 17th
23 and June 16th. Commission also held a workshop on the
24 interpretation of RCW 19.405.040 on July 27th. The
25 Commission issued two sets of draft rules prior to the

1 CR-102. The Commission also sought comments on the
2 appropriate interpretation of RCW 19.405.040 in June and
3 November of 2020.

4 The Commission issued a revised CR-101
5 consolidating the two dockets on August 18th, 2020. The
6 Commission issued the CR-102 for the consolidated
7 dockets on October 14th.

8 We received comments from more than 24
9 parties and persons on the -- on the CR-102. Based on
10 those comments, Staff proposes the Commission adopt a
11 recommended non-substantive changes to WAC 480-100-600
12 series, which you may see in the documents that were
13 filed on December 4th.

14 That ends my comments. The members of the
15 rulemaking team are available for questions now and
16 throughout the hearing. Thank you.

17 CHAIR DANNER: Thank you. And let me ask my
18 colleagues if they have any questions for -- for Brad
19 before we begin.

20 COMMISSIONER RENDAHL: This is Commissioner
21 Rendahl, and I do not have any questions for Brad at
22 this point.

23 CHAIR DANNER: All right. Thank you.

24 COMMISSIONER BALASBAS: And this is
25 Commissioner Balasbas. I also do not have any questions

1 at this point.

2 CHAIR DANNER: Okay. Very good. Let's go
3 into comments now. We have a sign-in sheet. We've
4 asked folks to sign in. I understand there may be other
5 people on the line who have not signed in. When I get
6 through those who have signed in, I will just be going
7 through the alphabet to make sure that those who wish to
8 speak this morning have an opportunity to do so.

9 So at this point, let me ask, I understand,
10 Christine Grant, that you need to -- you're not
11 available for very long, so if you'd like to go first if
12 you're on the line.

13 MS. BASTIAN: Good morning. This is Eleanor
14 Bastian. I was just in touch with Christine Grant, and
15 she's going to have to submit a written comment this
16 morning. She's no longer available to speak.

17 CHAIR DANNER: Okay. I'm sorry that
18 she's -- she was unavailable, but we will certainly
19 accept her written comment.

20 In fact, that would be a question I should
21 pose to Brad. This is a rulemaking adoption hearing,
22 how long are we taking the written comments for?

23 MR. CEBULKO: Thank you, Chair Danner. I'm
24 hoping my attorney, Nash Callaghan, or one of the judges
25 assigned to the case can help me with that. I'm not

1 certain.

2 MR. CALLAGHAN: This is Nash Callaghan. I
3 think because she's unavailable, we can accept her
4 written comment today.

5 CHAIR DANNER: Okay. Are we accepting other
6 written comments, Mr. Callaghan?

7 MR. CALLAGHAN: If folks are unavailable,
8 then we can certainly decide to accept written comments.
9 If the Commission would like, we can certainly accept
10 other written comments, but given that there's an
11 opportunity to speak today, I think that we should only
12 accept written comments for those who are -- were
13 unavailable.

14 CHAIR DANNER: All right. Commissioner
15 Balasbas, Commissioner Rendahl, do you have thoughts on
16 this? Should we just make it available for Ms. Grant or
17 should we accept comments through the end of the day
18 today?

19 COMMISSIONER RENDAHL: So this is
20 Commissioner Rendahl, and I think we should make
21 comment -- the availability for written comments to
22 those who cannot speak today, those who basically let us
23 know that they cannot speak today. But we have already
24 received extensive comments in this docket, and so I'm
25 willing to accept them for Ms. Grant, but I'm not sure

1 we should open it up widely to the general public, as we
2 have already received extensive comments.

3 COMMISSIONER BALASBAS: And this is
4 Commissioner Balasbas, and I would agree with
5 Commissioner Rendahl on that. I -- we -- we have
6 received numerous and extensive comments, and I think
7 that -- I think accepting them from Ms. Grant, because
8 of her unavailability today, makes sense, but I think I
9 would not open it up any further.

10 CHAIR DANNER: Okay. And I agree with my
11 colleagues, so I think we have made a decision. So we
12 will accept Ms. Grant's comments today, but otherwise we
13 will take this under advisement at the end of the day
14 and we will not be receiving more comments. We have
15 already received many.

16 So with that, let me turn to the sign-in
17 sheet and let me call on Shawn Bonfield from Avista
18 Utilities, are you there?

19 MR. BONFIELD: I am. Can you hear me okay?

20 CHAIR DANNER: Yes, I can. Thank you.

21 MR. BONFIELD: Great. Thank you. Good
22 morning, Chair Danner, Commissioners Rendahl and
23 Balasbas. Shawn Bonfield, Senior Manager of Regulatory
24 Policy and Strategy representing Avista. With me today
25 are a number of colleagues who have been involved in the

1 CETA rulemaking process. Avista appreciates the
2 opportunity to provide comments today.

3 The Clean Energy Transformation Act is a
4 complex set of legislation that will lead to drastic
5 changes of the energy and delivery system in the state
6 of Washington. Avista's fully supportive of the
7 transition to clean energy, especially given our legacy
8 of clean hydroelectric generation as well as investments
9 in other clean energy resources long before the Energy
10 Independence Act announced CETA.

11 We recognize the rulemaking process to
12 implement such an important piece of legislation
13 required a heavy lift from Commission Staff and all the
14 parties involved. Commission Staff deserves recognition
15 for their efforts to develop a first set of rules
16 implementing CETA, given a wide variety of views and
17 interpretations.

18 The final proposed rules we are here to
19 discuss today are not perfect and no doubt will need
20 refinement in the future after we file our first energy
21 action plan, Clean Energy Implementation Plan, and clean
22 energy compliance report. Not only will our IRP process
23 change and then we will have significant inner reporting
24 requirements, but the introduction of equity
25 considerations as a result of CETA will be a learning

1 process that we all -- we will all be -- better
2 understand with time and experience.

3 Avista does remain concerned with several
4 areas of the rules, which we have stated in our prior
5 written comments. We will not rehash those comments
6 today, but rather we'll focus on a limited number of
7 issues we believe need further review.

8 First, I would like to address proposed WAC
9 480-100-620 Section 10(c), which adds new requirements
10 to the IRP calling for a sensitivity that is a maximum
11 customer benefit scenario. It is unclear what this
12 scenario entails, and Staff did not provide further
13 explanation as to what it may mean in their response in
14 the comment matrix. As such, we are puzzled about what
15 we must model. The rules should be clear regarding what
16 is required in the IRP, and this provision fails on that
17 front. Further, this sensitivity is not required by
18 statute.

19 It's Staff's response to Avista's request to
20 remove this new requirement. They state the sensitivity
21 will promote creative thinking and ensure broad
22 consideration of customer benefit opportunities. Again,
23 this is a vague response to what this new sensitivity
24 entails and should be removed from the rules.

25 Staff and other stakeholders always have the

1 opportunity to request sensitivities and scenarios
2 during the development of an IPR. That is the venue
3 where scenarios should be proposed, discussed, and
4 vetted so the entire tack can help define the best
5 possible scenario rather than include an undefined
6 ambiguous requirement rule.

7 Moving on, the primary issue of concern that
8 we would like to elaborate on in greater detail is the
9 incremental cost of compliance discussed in proposed WAC
10 480-100-660. Our concerns regarding the proposed draft
11 rules fall into four categories.

12 First, the social cost of greenhouse gas
13 being including in the baseline for calculating the
14 incremental cost of compliance. CETA expressly states
15 that all costs used to determine the cost of compliance
16 must be directly attributed to actionable or actions
17 necessary to comply with the requirements of RCW
18 19.405.040 and 050. Respectfully, these costs do not
19 include the social cost of greenhouse gas. Such a cost
20 is not a law and therefore should not be in the rule.

21 Second, utilizing the formula included in
22 the draft rule would lead to a utility spending roughly
23 5 percent annually over a four-year period, well over
24 the 2 percent rate in the law. The formula is based on
25 compounding year-over-year increases with a focus on

1 total cost spent over a peak period rather than an
2 annual rate impact over the four-year period.

3 Three, the proposed calculation relies on
4 projections and backward-looking views of actual revenue
5 requirements. It also relies on hindsight-informed
6 views of revenue requirements and estimated incremental
7 costs. This view fails to give utilities certainty when
8 planning to meet customer loads in a lowest reasonable
9 cost manner. This can be easily resolved by
10 interpreting the previous year to make the adjusted
11 revenue requirement of the year prior to the compliance
12 period.

13 And lastly, under the proposed methodology,
14 the baseline is reset every four years resulting in the
15 utility not being able to indicate what it would have
16 done absent CETA prior to the four-year period. While
17 this issue could be difficult to correct, it compounds
18 cost increases as compared to alternative resource
19 selection absent CETA.

20 In our written comments, we noted that
21 incremental -- the incremental cost calculation for
22 compliance should be based on the average rate increase
23 per year rather than on the total dollar spent over a
24 CEIP period. Commission Staff stated they agreed with
25 this assessment and the response in the comment matrix,

1 yet the rules state otherwise. Specifically Section 2
2 states the utility must calculate the average annual
3 threshold amount for determining compliance. Clearly,
4 this language focuses on the dollar amount rather than
5 the average annual rate increase.

6 The formula assumes that an actual 2 percent
7 in directly attributable costs will be spent each year
8 over a CEIP period. That is unlikely to ever happen due
9 to the nature of utility investments.

10 This fundamental difference of
11 interpretation leads to drastically different results.
12 Alternative calculations show that a utility can spend
13 much less than the proposed formula indicates, up to 250
14 percent less, yet still average the 2 percent per year
15 as proposed in the law. We and other utilities have
16 included examples in our prior comments and AWEC
17 provides well-written examples in their comments filed
18 on November 12th as well.

19 Because of this disagreement on the
20 important issue, we propose Section 650 not be finalized
21 today and instead be delayed for further workshops and
22 discussions. The draft of the proposed compliance
23 mechanism is backward-looking so would not really come
24 up for consideration until a utility files their clean
25 energy compliance report in 2026. As such, there is no

1 need for this issue to be decided now. The final
2 determination could be delayed by three to six months
3 and have no impact, at least for Avista.

4 Thank you again for the opportunity to
5 comment today. We stand ready if you have any follow-up
6 questions regarding our written comments or comments I
7 made today. Thank you.

8 CHAIR DANNER: Thank you very much,
9 Mr. Bonfield.

10 Commissioners, do you have any questions for
11 Avista?

12 COMMISSIONER RENDAHL: I do not. Thank you.

13 CHAIR DANNER: All right. Hearing none,
14 thank you very much, Mr. Bonfield --

15 COMMISSIONER RENDAHL: Dave, I believe
16 you're muted.

17 CHAIR DANNER: You are correct.

18 Jon Piliaris from Puget Sound Energy, are
19 you there?

20 MR. CEBULKO: Jon, this is Brad Cebulko,
21 you're quite faint.

22 MR. PILIARIS: Let me -- let me try and call
23 in with my phone. I continue to have problems with the
24 audio on my computer.

25 MR. CEBULKO: We can hear you now.

1 MR. PILIARIS: Oh, you can?

2 CHAIR DANNER: Yes.

3 MR. PILIARIS: Well, thank you. I'll just
4 speak up. All right. Well, so good morning, Chair
5 Danner and Commissioners Balasbas and Rendahl. For the
6 record, my name is Jon Piliaris. I am the director of
7 regulatory affairs for Puget Sound Energy.

8 We appreciate the significant time and
9 effort the Commission has put into this rulemaking over
10 the last year and a half. The breadth as well as the
11 complexity of the issues at hand in this rulemaking
12 have been substantial. And we appreciate how hard you
13 and your staff have worked to move many important
14 rulemakings forward during what has been clearly a
15 challenging year.

16 PSE also appreciates and agrees with the
17 Commission's perspective that the perfection of the CEIP
18 process and the rules more generally will be iterative.
19 As was the case with I-937, it will take some time and
20 real experience to get this set of rules right.

21 Many of the details that are not squarely
22 addressed in this initial set of rules will need to be
23 worked out over time as all the parties learn how best
24 to implement CETA as we progress towards meeting the
25 2030 greenhouse gas neutral standard, a standard that

1 PSE is strongly committed to achieving in a manner that
2 is equitable and affordable and does not jeopardize
3 service reliability.

4 In particular, PSE supports the strong focus
5 on equity throughout this rulemaking. We look forward
6 to continuing those discussions next year with the
7 Commission and stakeholders as we participate in more
8 workshop discussions and begin to stand up our own
9 equity advisory groups to further develop this important
10 work. We also appreciate adjustments that were made in
11 the CR-102 draft that lessened some of the
12 administrative burden inherent and earlier drafts of
13 these rules. It's a good start.

14 To the extent that the Commission has
15 signalled an interest in significantly streamlining
16 reporting requirements, we also welcome those efforts.
17 While we believe transparency through reporting is
18 important, PSE strongly supports any streamlining of
19 reporting requirement that enable us to dedicate more of
20 our resources towards actually achieving the goals of
21 CETA.

22 With that backdrop, there are just a few
23 issues I'd like to touch on this morning.

24 First, it is important to recognize the
25 increased focus on customer benefits and robust public

1 participation processes in these rules. Rather than
2 simply focusing on lowest reasonable cost, this will
3 require utilities to incorporate more diverse rules, our
4 views, and considerations than ever before. This will
5 be an area of particular focus and discussion during the
6 CEIP review period in the fall of 2021.

7 Second, the clean energy implementation
8 plans are intended to be forward-looking plans. As you
9 heard with Avista, unfortunately the handling of this 2
10 percent cost cap and rules is not. As a result, the
11 backward-looking accounting proposed in the rules to
12 implement the 2 percent cost cap makes this alternative
13 compliance path simply unworkable for PSE.

14 That being said, while PSE questions the
15 viability of the incremental cost provision as a
16 compliance rule, we believe the compounding assumptions
17 in the incremental cost calculation rule language is
18 consistent with the legislative intent.

19 At the very least, it is consistent with
20 PSE's recollection of the discussions that occurred
21 during the development of CETA regarding how this 2
22 percent cost cap would work. This was envisioned to be
23 an annual average rate increase compounded over the
24 four-year implementation period. Moreover, PSE believes
25 this level of rate increase will be necessary for it to

1 fund the investments required to achieve the CETA goals.
2 Anything less could put the achievement of these goals
3 out of reach.

4 As it relates to the baseline against which
5 to measure the incremental cost of compliance, PSE also
6 appreciates the flexibility written into rules. If PSE
7 opts to use the incremental cost of alternative
8 compliance pathway, PSE prefers to use a methodology
9 that establishes a baseline for the alternative lowest
10 reasonable cost that is modeled after its existing
11 energy efficiency cost-effectiveness test.

12 That being said, as we noted in our earlier
13 comments, at this time, PSE believes that it is very
14 unlikely that it will rely on the incremental cost
15 provisions as the means of demonstrating alternative
16 compliance due to the administrative complexity. More
17 likely, PSE intends to use the 2 percent cost
18 calculation as a general guide when compiling its draft
19 CEIP, particularly as it relates to the proposed target
20 and the associated budget.

21 With respect to the IRP rules, we again
22 acknowledge and appreciate the focus on the importance
23 of public engagement. To that end, even after our draft
24 IRP is filed in January, PSE will continue with its
25 public input process and stakeholders will have an

1 opportunity to provide feedback on analysis that is
2 completed after the draft IRP is filed.

3 That being said, while PSE fully intends to
4 incorporate stakeholder feedback on the draft IRP
5 received during the comment period that will begin in
6 January, this will be increasingly difficult to
7 accomplish in a meaningful way as time passes. By the
8 time the public meeting on the draft IRP is held in late
9 February, there will only be a little over a month to
10 incorporate any additional feedback prior to completing
11 the final IRP on April 1. Practically speaking, there
12 simply won't be enough time to make anything more than
13 minor adjustments to the draft. To be clear, PSE will
14 do what it can with the time that it has, but we also
15 want to be up front in this regard.

16 Finally, we look forward to further
17 discussions next year about how to effectively
18 demonstrate compliance with the CETA requirement to
19 remove coal-fired resources for the utility's allocation
20 of electricity. While PSE remains committed to moving
21 off of coal by 2025, we acknowledge that more
22 conversation needs to take place to determine how
23 compliance through attestation will be accomplished,
24 particularly for market purposes.

25 PSE also agrees that this rulemaking next

1 year should address the interpretation of a utility's
2 use of electricity to serve customers under CETA. These
3 are both important issues that should be addressed more
4 fully next year, and PSE looks forward to continuing
5 these conversations with the Commission and
6 stakeholders.

7 With that, I want to thank you again for the
8 opportunity to comment this morning.

9 CHAIR DANNER: All right. Thank you,
10 Mr. Piliaris.

11 Commissioners, are there any questions for
12 Puget Sound Energy?

13 COMMISSIONER BALASBAS: This is Commissioner
14 Balasbas. I do have one question, Chair Danner.

15 CHAIR DANNER: Please go ahead.

16 COMMISSIONER BALASBAS: Thank you.

17 Good morning, Mr. Piliaris. I just wanted
18 to ask just one question following up a comment you made
19 a minute ago about the incremental cost provision and
20 the compounding effect. I just wanted to understand if
21 you -- in looking at what is in proposed WAC 480-100-660
22 that the formula would -- would effectively turn the 2
23 percent into a 5 percent threshold, I believe as
24 Mr. Bonfield from Avista commented a few minutes ago.

25 MR. PILIARIS: You know, I -- I think that

1 this issue is a matter of perspective. We can either
2 look at this as a 2 percent compounded annual rate
3 increase or you could take it as a one-time 5 percent
4 increase in the first year of the four-year period that
5 remains flat over that period. I think mathematically
6 they're generally equivalent.

7 So I think we're both right. I think it's
8 just a matter of perspective as to how -- how you want
9 to frame the amount of increases inherent in those
10 calculations.

11 COMMISSIONER BALASBAS: Okay. And but --
12 but you would agree, though, that the -- that it was
13 PSE's recollection in the development of this provision
14 of the law that it was more, I believe, the former of
15 what you were talking about, which is framed more than
16 as a 2 percent compounded rate increase over a four-year
17 period.

18 MR. PILIARIS: That's certainly what PSE had
19 envisioned. PSE had envisioned that there would be
20 steady rate increases of 2 percent that could occur each
21 year that would smooth out the rate impacts to customers
22 over time and give some degree of predictability over
23 the -- over the compliance period. We did not envision
24 a one-time 5 percent increase that would only occur
25 every four years.

1 COMMISSIONER BALASBAS: Okay. All right.
2 Thank you very much.

3 CHAIR DANNER: So, Mr. Piliaris, following
4 up on that, it's your understanding that the cost cap is
5 a ceiling and not a floor; is that correct?

6 MR. PILIARIS: We see the 2 percent cost cap
7 as a compliance tool. We don't see it as necessarily a
8 ceiling. I think that the -- the legislation allows for
9 a utility to in fact propose greater than 2 percent.
10 And if the Commission agrees that it was in the public
11 interest to approve such a plan that required greater
12 than 2 percent, I don't think that there's anything in
13 the statute that would prohibit that. I think, however,
14 if a -- if a utility did not wish to -- to increase its
15 customer's rates by greater than 2 percent, that that
16 would provide the out for the utility to not go beyond
17 that level.

18 CHAIR DANNER: And but even -- even with the
19 cost cap being compounded, I mean, we still -- the
20 Commission still has to review expenditures, make
21 prudence decisions and -- and the utility has to be
22 ensuring that it's achieving the goals of CETA at the
23 lowest reasonable cost, correct?

24 MR. PILIARIS: That is correct.

25 CHAIR DANNER: All right. Thank you very

1 much.

2 Any other questions for Mr. Piliaris?

3 All right. Thank you, sir. Appreciate you
4 being here this morning.

5 MR. PILIARIS: Thank you.

6 CHAIR DANNER: All right. Etta Lockey from
7 PacifiCorp, are you there?

8 MS. LOCKEY: I am. Good morning. Good
9 morning, Chair Danner, Commissioner Rendahl, and
10 Commissioner Balasbas. For the record, my name is Etta
11 Lockey, and I am the Vice President of Regulation at
12 PacifiCorp. Thank you for the opportunity to be here
13 today and to make these brief comments.

14 As others have done at the outset, I would
15 like to acknowledge the breadth and scope of the task
16 before the Commission today. CETA is a complex piece of
17 legislation. It is not a traditional cap and trade
18 emissions reduction program, although it will likely
19 have the effect of reducing emissions. It's not exactly
20 a renewable procurement program, although it relies on
21 REC-based compliance. It is not an equity program,
22 although it takes bold steps towards integrating equity
23 into the regulatory environment in new ways.

24 In this -- in myriad other ways, CETA is
25 like other pieces of legislation I have worked on and

1 implemented that amalgamate multiple components into a
2 single hole. I refer to these programs as platypuses,
3 and like the actual platypus did to naturalists and
4 scientists, I suspect that CETA will frustrate, confuse,
5 and confound many of us for years and possibly decades
6 to come. I hope, however, that CETA will also prove to
7 be exciting, exhilarating, and transformative similar to
8 the recent discovery that platypuses have bioluminescent
9 fur.

10 Recognizing the implementation challenges
11 faced by the Commission Staff and stakeholders and the
12 significant work over a compressed period of time,
13 PacifiCorp appreciates the robust stakeholder process
14 that led to the draft rules that are before you for your
15 consideration today.

16 Despite this appreciation and as noted in
17 several rounds of comments, PacifiCorp does not support
18 adoption of rules as currently drafted and recommends
19 modification and clarification of several key
20 components. Our November 12th comments detailed these
21 recommendations in depth, and I will not repeat them in
22 their entirety here but will instead focus on four
23 critical areas.

24 First, PacifiCorp recommend that the
25 Commission modify the incremental cost calculation

1 contained in proposed WAC 480-100-660 and we support
2 Avista's recommendation today that the Commission not
3 adopt the section of the rules at this time. As
4 detailed in our comments and in the comments of several
5 other stakeholders, the incremental cost calculation
6 contained in the draft rules is inconsistent with the
7 statute, does not meaningfully cap compliance cost, and
8 does not guide utility decision-making with regard to
9 acquisition and compliance decisions.

10 PacifiCorp proposes the Commission adopt a
11 straightforward approach that multiplies the actual
12 Commission basis report revenues immediately proceeding
13 the CEIP filing by 2 percent over four years to allow an
14 8 percent total increase over the four-year compliance
15 period.

16 Like PSE, PacifiCorp appreciates that the
17 draft rules contemplate utilities proposing their own
18 methodology for calculating incremental costs as part of
19 their CEIP, and PacifiCorp is likely to take this
20 approach assuming that the rules are not modified.
21 PacifiCorp cannot support an incremental cost
22 calculation that would allow large rate increases over a
23 single four-year compliance period that would have
24 devastating effects for our customers.

25 Second, PacifiCorp recommends the Commission

1 delete reference to the social cost of greenhouse gasses
2 in the definition of the lowest reasonable cost
3 alternative portfolio. While PacifiCorp accepts the use
4 of the social cost of greenhouse gas as a planning tool,
5 including the social cost of greenhouse gases in the
6 lowest reasonable cost alternative portfolio assumes
7 that there is an actual cost to utility customers
8 associated with greenhouse gas emissions.

9 At this time, there is no such cost and
10 inclusion of the social cost of greenhouse gas in the
11 lowest reasonable cost alternative portfolio
12 inappropriately and asymmetrically inflates the cost of
13 the alternative portfolio while simultaneously making it
14 even more difficult to ascertain the actual cost impact
15 of CETA compliance to customers.

16 Third, PacifiCorp strongly encourages the
17 Commission to delete the requirement in WAC 480-100-650,
18 Subsection 3(a) requiring the utility to provide an
19 attestation that the utility did not use any coal-fired
20 resources to serve Washington load.

21 In the alternative, PacifiCorp recommends
22 the Commission modify the rule language to reflect the
23 statutory requirement to remove coal-fired resources
24 from the utility's allocation of electricity. CETA
25 requires utilities to remove coal-fired generation from

1 their allocation of electricity by 2025. As evidenced
2 by the statutory definition of allocation of
3 electricity, which explicitly references cost and
4 benefits reflected in utility rates, this is exclusively
5 a ratemaking exercise. Any attestation should mirror
6 the statutory language and not read into the statute
7 requirements that do not exist.

8 Notably, in several instances, Staff
9 rejected proposals from stakeholders to modify statutory
10 definitions in the rules, and yet in the case of this
11 critical component, Staff has proposed language that
12 differs significantly from the language in the statute.

13 Finally, PacifiCorp, like several others, is
14 concerned about the overall administrative burden of
15 these rules, and we look forward to working with the
16 Commission, Staff, and stakeholders to find efficiencies
17 in the processes and to hopefully find ways to reduce
18 and minimize the administrative burden.

19 By way of example, PacifiCorp continues to
20 be willing to provide a draft IRP as set forth in the
21 draft rules, but is concerned that the draft IRP process
22 contemplated will not provide meaningful information to
23 the Commission, Staff, or stakeholders, and questions
24 the value of this requirement.

25 Despite the tremendous amount of work that

1 has already been done to implement CETA thus far, we are
2 still in the early stages of grappling with this
3 legislation. I recommend the Commission modify the
4 incremental cost calculation, strike reference to the
5 social cost of greenhouse gases, and accurately reflect
6 the statutory language in WAC 480-100-650 Subsection
7 3(a). PacifiCorp looks forward to continued engagement
8 with the Commission, Staff, and stakeholders as we move
9 forward with implementation of CETA, and I thank you for
10 your time this morning.

11 CHAIR DANNER: All right. Thank you very
12 much. And I will be thinking about platypuses or
13 platypi for a while now.

14 Let me turn to my colleagues. Is there any
15 questions for PacifiCorp?

16 All right. Hearing none, thank you for your
17 comments this morning and thank you for your
18 participation throughout, and we will take these under
19 advisement.

20 Let me next turn to -- I do not see Public
21 Counsel on the sign-up sheet. Is Public Counsel here
22 and wanting to comment this morning?

23 MS. SUETAKE: Yes, Chair Danner, I am here.
24 I -- I apologize for informing Staff sort of late in the
25 game that I was going to be commenting today.

1 CHAIR DANNER: You're up.

2 MS. SUETAKE: Thank you. Good morning,
3 Chair Danner and Commissioners Rendahl and Balasbas. I
4 am Nina Suetake of the Public Counsel Unit. And before
5 I start, I'd like to thank Staff and all of the
6 stakeholders for all the hard work, time, and
7 collaboration that has gone into this rulemaking.

8 Now, Public Counsel is largely supportive of
9 the proposed rules, but have a number of remaining
10 concerns that I'd like to raise today.

11 First, Public Counsel objects to the use of
12 an alternative for the incremental cost calculation
13 methodology as allowed by proposed section 660
14 Subsection 1(c). Public Counsel agrees with the
15 concerns raised by Climate Solutions, NWECC, Renewable
16 Northwest, and the Washington Environmental Council, and
17 proposes the option to use dispersed methods of
18 calculating incremental costs.

19 If the utilities are allowed to use an
20 alternative methodology, at a minimum, the rules should
21 be modified to require the utilities to consider their
22 alternative to the method established in rules.

23 (Brief interruption).

24 MS. SUETAKE: Is that a question?

25 CHAIR DANNER: No.

1 Folks, if you could mute your phones.

2 MS. SUETAKE: Thank you.

3 Second, Public Counsel disagrees with the
4 interpretation of the statute regarding the calculation
5 of a cost threshold for use for the alternative
6 compliance mechanism. As currently drafted, Section 660
7 Sub 2 would compound a utility's CETA-related cost
8 increases for the purposes of the cap, significantly
9 inflate the cost cap well beyond the 2 percent provided
10 in this statute. This statute states that an
11 investor-owned utility must be considered in compliance
12 with the CETA standard if over the four-year compliance
13 period the average annual incremental costs is meeting
14 the standard equals, quote, 2 percent increase of the --
15 its investor-owned utilities, weather-adjusted sales
16 revenue to customers for electric operations above the
17 previous year as reported by the investor-owned utility
18 in its most recent Commission-based report.

19 On its face, the statute is clear that the
20 average cost increase is to be compared to fixed dollar
21 amount in time, mainly the weather-adjusted sales
22 revenue as reported in most recent Commission-based
23 report. The statute does not say a 2 percent increase
24 over the weather-adjusted sales revenue for all years
25 combined plus an additional 2 percent each year, nor

1 does it say cumulative 2 percent increase or carry over
2 the cost from year to year.

3 Arguments in favor of the compounded cap
4 states that the intent is evidenced in the phrase 2
5 percent increase above the previous year. It is not
6 enough, however, to cherry-pick language in the statute
7 to rationalize the interpretation. At the very least,
8 the public deserves a full explanation as to why this
9 provision, which on its face reads as a hard 2 percent
10 cost cap, should be interpreted in this manner,
11 particularly given that this cost cap could have a
12 significant impact on customer rates.

13 Putting the issue of statutory
14 interpretation aside, the proposed methodology creates a
15 threshold that assumes that for this purpose of
16 calculating that threshold, CETA costs do not change
17 over the four years. All potential CETA costs are baked
18 into the threshold amount in a cumulative manner over
19 the four years. This assumes that all investments will
20 be made for four or more years which may or may not be
21 the case for operational maintenance costs or for costs
22 for low [inaudible] equity-focused projects.

23 Additionally, this methodology does not
24 explain what should happen to this threshold amount if a
25 utility has the GRC in the middle of a four-year period

1 that then incorporates CETA costs to a utility's actual
2 weather-adjusted sales revenue. Each year's threshold
3 is calculated as a 2 percent cap on revenue amount to
4 the prior year and is carried forward and included in
5 the threshold amount for each subsequent year. It is
6 unclear if after a GRC the threshold amount would be
7 adjusted downward to account for the fact these costs
8 are now included in rates in the actual weather-adjusted
9 sales revenue or whether these costs will remain in the
10 threshold as well as the sales revenue -- as well as the
11 sales revenue to be double-counted yet again in the
12 subsequent years. Public Counsel did not raise a sole
13 objection to the proposed methodology, and we urge the
14 Commission to give this matter additional scrutiny.

15 Third, proposed section 645 allows for the
16 initiation of an adjudication or brief adjudicative
17 proceeding to consider the CEIP filing, or CEIP filing,
18 sorry. AWEC raised objections to the use of a brief
19 adjudicative proceeding for addressing concerns for the
20 CEIP. Public Counsel agrees with AWEC and does not
21 believe that a brief adjudicative proceeding is the
22 appropriate vehicle for these issues nor does the APA
23 allow for the use of a brief adjudicative proceeding.

24 And then finally, regarding the issue of
25 compensation for equity advisor groups. Public Counsel

1 would like to thank Staff for their diligence about and
2 willingness to discuss this issue. We recognize a
3 significant discussion is necessary to develop a
4 compensation framework that we may not have time for in
5 this round of rules. Public Counsel, however, strongly
6 believes that basic rule on -- that requires utilities
7 to compensate equity advisory group members should be
8 included in the rules at this time with the
9 understanding additional guidance can be provided later
10 after additional workshops and discussions.

11 Short of including a rule at this time,
12 Public Counsel alternatively requests the development of
13 specific next steps that will be undertaken to address
14 the need to compensate equity advisory group members in
15 order to ensure the participation needed to help the
16 utilities meet the equity requirements of CETA.

17 Thank you. That is all my comments at this
18 time.

19 CHAIR DANNER: Thank you very much.

20 Are there any questions for Public Counsel?

21 All right. Hearing none, thank you so much.

22 Let me move, then, to Katie Ware from
23 Renewable Northwest.

24 MS. WARE: Good morning, Chair Danner and
25 Commissioners, and thank you for the opportunity to

1 speak on behalf of my organization. My name is Katie
2 Ware. I'm the Washington policy manager for Renewable
3 Northwest, an advocacy organization with a vision that
4 every home, business, and vehicle in the Northwest be
5 powered by renewable, affordable, carbon-free
6 electricity.

7 First, I'd like to thank the Commission and
8 Staff for their dedicated efforts to engage stakeholders
9 and develop a strong set of proposed rules in these
10 combined dockets. We are overall very impressed with
11 how the rules have evolved and we'd like to again show
12 support for the Commission's robust reporting
13 requirements, which effectively aligns integrated
14 resource planning with clean energy implementation
15 planning.

16 We also support the proposed rule's
17 inclusion of the social cost of greenhouse gasses in
18 utilities' baselines during integrated resource planning
19 and thus consideration of the incremental cost of
20 compliance. To that end, we also support the proposed
21 rules standardized methodology for calculating the
22 incremental cost of compliance threshold, a methodology
23 well aligned with the statute.

24 So with the elimination of draft WAC
25 480-100-660 Sub 1(c) which would allow a utility to

1 propose its own alternative methodology for performing
2 this calculation, we would support the rule's
3 implementation of incremental cost of compliance
4 provision. We continue to recommend the Commission
5 consider more detailed language regarding resource
6 adequacy requirements as resource adequacy concerns
7 provide a potential off-ramp from substantive CETA
8 compliance, and those concerns should be limited to true
9 reliability concerns, not consequences of outdated
10 approaches to resource adequacy.

11 We look forward to continued participation
12 as a stakeholder in rulemakings and processes to
13 implement CETA including near term discussions around
14 resource adequacy, consecutive contracts for unspecified
15 resources, and the use of electricity from clean
16 resources as it relates to CETA's greenhouse gas neutral
17 standard.

18 Thank you again for your time this morning,
19 and that concludes my remarks.

20 CHAIR DANNER: Thank you very much,
21 Ms. Ware.

22 Commissioners, are there any questions for
23 Renewable Northwest?

24 All right. Hearing none, thank you so much.

25 Let me turn now to Doug Howell from the

1 Sierra Club, are you there?

2 MR. HOWELL: Yes, I am. Can you hear me?

3 CHAIR DANNER: Yes, good morning.

4 MR. HOWELL: Good morning. Thank you so
5 much. And thank you, Chair Danner and Commissioners
6 Rendahl and Balasbas for all the work on this. We know
7 well that the CETA rules have put a tremendous amount of
8 pressure on the Utility Commission. You've had to
9 adjust all your schedules because of it. It is a
10 landmark rule and a law and it merits all the work that
11 you've done, a big shout-out to Brad Cebulko and the
12 team for all the work that you've done. We know this
13 has been tremendously time-consuming.

14 Also appreciate some of the previous remarks
15 about [inaudible.] It is going to be -- it's going to
16 need to be. And so we don't -- we don't see a whole lot
17 of huge changes now happening on the last day as you
18 move to adoption. So I wanted to take this opportunity
19 to take stock of some of the most important things that
20 now we have to make good on the promise of CETA going
21 forward, and the thing that raises the most concern for
22 us is new gas. And a few things about that.

23 You know, the history of the coal plant is
24 that we invested in them and we were too slow to realize
25 that they were becoming obsolete. And along that,

1 turned into stranded assets and it made it very
2 difficult for us to be managing our debt schedule. If
3 we see new gas, we're headed into the same thing. We're
4 really looking at a scenario here where we could be
5 seeing a bunch of stranded assets and that's going to be
6 very costly.

7 There's another piece about gas that we need
8 to take note of. Puget Sound Energy last December did
9 an assessment about social cost of carbon and did a
10 modest increase of upstream emissions with that. It
11 really changed the wholesale cost of gas around 350 per
12 thousand cubic feet, million [inaudible] cubic feet
13 roughly to about \$11. That translates to \$78 a megawatt
14 hour just for fuel. We did a calculation with a more
15 robust upstream and it was -- it changed it to 15 for
16 the cost of wholesale cost of gas making it closer to
17 \$100 just for fuel.

18 Those costs are real. In fact, what we know
19 about climate science over the past few decades is that
20 our estimate of cost impact have always been low. And
21 the International Panel of Climate Change continues to
22 increase what they believe are real costs. 74 bucks a
23 ton in reality is lower than the cost of impacts that
24 are actually happening. And that really should be
25 signalling to us that we take a robust inclusion of the

1 social cost of carbon knowing that even the cost we put
2 on it now, the price now, is probably low. So we really
3 encourage that to happen.

4 And then when you couple that with the
5 upstream emissions, which the state is currently doing
6 [inaudible] greenhouse gas accounting project or
7 program, that, in fact, that those impacts of greenhouse
8 gas are going to be far greater than we anticipate on
9 climate. That between the stranded cost we really need
10 to think twice about going forward with any new gas
11 whatsoever, which brings me to then how we are going to
12 make good on the rules being adopted.

13 The first step will be integrated resource
14 plan. Even absent CETA, we should be seeing great
15 increases in clean energy in our IRPs going forward. We
16 should be seeing much greater energy efficiency,
17 significant increases in demand response, an aggressive
18 acquisition of renewables and storage systems to
19 integrate that. And if we don't, then we're going to be
20 seeing too many of those costs be uploaded and
21 transferred into the Clean Energy Implementation Plan
22 and potentially distorting what those real costs would
23 be.

24 The preliminary view of what we're seeing
25 from the integrated resource plan is that the utilities

1 are not stepping up to be doing the robust work they
2 need to be doing on clean energy even if we didn't have
3 CETA. So we encourage the Commission going forward to
4 get that very, very hard scrutiny and make sure that it
5 is sufficient and the initial times are [inaudible] not.

6 Then we are going to quickly shift into the
7 Clean Energy Implementation Plan and we are going to
8 need an equal level of intense scrutiny, and with that,
9 we want to encourage and ensure that we have robust
10 public participation in this Clean Energy Implementation
11 Plan because that will be our first chance to make good
12 on the promise of CETA.

13 We've got so much work to do and you have
14 already done so much work, but we are hopeful that we
15 can deliver on the promise of CETA. Thank you for all
16 that you've done.

17 CHAIR DANNER: All right. Thank you very
18 much, Mr. Howell.

19 Commissioners, are there any questions for
20 the Sierra Club?

21 Hearing none, appreciate it.

22 Kelly Hall from Climate Solutions, are you
23 there?

24 MS. HALL: I am here.

25 CHAIR DANNER: Great.

1 MS. HALL: Good morning, Chair Danner,
2 Commissioner Rendahl, and Commissioner Balasbas. I'm
3 Kelly Hall, senior policy manager at Climate Solutions,
4 and first, I just want to reiterate a lot of comments
5 that have already been made and thank the Commission and
6 numerous Staff members who have put just an enormous
7 amount of time and effort into these rules, especially
8 on this.

9 There's a very tight timeline that was
10 written into the law. This is an incredibly important
11 transformation law, and at Climate Solutions, we really
12 believe that a clean grid is the foundation to achieving
13 our greenhouse gas emissions goals. So in order to
14 ensure this transition, we really need strong rules that
15 protect current and future ratepayers.

16 So overall, we are very supportive of the
17 rules and do support adoption. First, I just want to
18 highlight support for the robust planning process, which
19 we do think is really important in effectuating a
20 transition that is going to last over three decades.

21 Secondly, we strongly support the rules of
22 specificity around the social cost of carbon that it
23 must be included in the baseline or business as usual
24 scenario when comparing that scenario to alternative
25 compliance scenarios. This is a real damage cost of

1 utility operations that impact Washington ratepayers,
2 and so we do believe and agree with Staff that it should
3 be incorporated into the business as usual planning
4 scenarios.

5 Lastly, we do strongly support the clarity
6 on the cost protection formula. We believe that the
7 formula does meet the intent of the law because the
8 statute does call for a 2 percent average annual
9 increase over the previous year, which to us does
10 indicate that it does compound over time.

11 We also want to emphasize, as Renewable
12 Northwest did, the importance of having specificity and
13 consistency in rules. So while we support the
14 consistency around the formula, we do have concerns
15 about the rules allowing for utilities to propose an
16 alternative methodology because it could reduce the
17 consistency across utilities in that calculation.

18 We do still believe that there are some
19 improvements that could be made to the rules in the
20 future. We believe the definition of lowest reasonable
21 cost should incorporate equity and public health as a
22 part of that standard, would like to see some more
23 specificity around exactly how the social cost of carbon
24 is applied in planning to ensure consistency, again,
25 across the utilities, and we would have liked to have

1 seen a bit more guidance on how utilities develop their
2 interim and specific targets.

3 Lastly, we do look forward to continuing to
4 engage with the Commission and stakeholders on the
5 interpretation of use and feel this is a very important
6 part of the rules to ensure that customers are actually
7 supplied a hundred percent renewable energy and
8 nonemitting resources by 2045.

9 Again, we support the adoption of these
10 rules today and again we just want to thank you and all
11 the staff for the attention to detail and hard work that
12 has been put into these rules thus far. And that
13 concludes my remarks.

14 CHAIR DANNER: Thank you very much.

15 Commissioner, any questions for Kelly Hall?

16 All right. Hearing none, thank you so much.

17 Tyler Pepple from Alliance of Western Energy
18 Consumers, are you there?

19 MR. PEPPLER: I am here. Good morning, Chair
20 Danner. I'm going to turn my camera on because I took
21 the trouble to get out of my sweatpants today and I want
22 credit for that.

23 CHAIR DANNER: Well, that's why I have my
24 camera on too, although I'm not wearing a necktie, so
25 congratulations to you for going the -- going the extra

1 step.

2 MR. PEPPLER: Thank you. That's why I turned
3 the camera on.

4 So I appreciate the opportunity to provide
5 comments on behalf of AWEC today. I think that
6 you'll -- you'll not be surprised to learn that AWEC
7 continues to have several concerns to the proposed
8 rules. And I think, you know, the issue from sort of a
9 high level is it feels like the rules always seem to err
10 on the side of forcing investments and increasing costs
11 rather than protecting customers from the excessive rate
12 increases, prioritizing oversight a process rather than
13 operational flexibility for the utilities and making
14 CETA implementation more complex rather than simplify.

15 And this is even done through what AWEC
16 would consider to be some questionable interpretations
17 of the law. I think, you know, one example is the
18 incremental cost of compliance, which Avista and
19 PacifiCorp and Public Counsel have already touched on.
20 And I won't reiterate what they said, just say that AWEC
21 agrees with them and would support Avista's suggestion
22 to continue discussions on that proposal.

23 You know, another example is as PacifiCorp
24 mentioned how the rules treat the elimination of coal
25 from rates in 2025. You know, the -- there's a very

1 specific definition of what allocation of electricity
2 means and the rules interpret that a delivery to load
3 requirement, which we think leaves that definition out
4 of the statute.

5 And on top of this, there's been what has
6 come across as a troubling resistance providing
7 customers with the protections that the Administrative
8 Procedure Act guarantees when it comes to review and
9 approving the utility's CEIPs. As AWEC has argued
10 several times now, the APA requires a full adjudication
11 prior to approval of a CEIP. And we appreciate the
12 movement the rules have made on this issue, but there
13 still seems to be an attempt to provide an escape hatch
14 of sorts in the rule's allowance for a brief
15 adjudicative proceeding, quote/unquote, if appropriate.

16 Now, we argued in our last set of comments
17 why a brief adjudicative proceeding is not legally
18 authorized for CEIPs, but the rules nevertheless
19 maintain this option. And the rationale given in the
20 comment matrix was that the Commission might choose to
21 hold a brief adjudicative proceeding if only one or two
22 narrow issues are contested. But the response to that
23 is, you know, how will you know what issues are
24 contested when you open the proceeding. All we have to
25 do is show up and say we want an adjudicative

1 proceeding, which is what the rules currently require.
2 And if you -- and even if you did know the universe of
3 potentially contested issues in a CEIP, it still
4 wouldn't meet the requirements for a brief adjudicative
5 proceeding because you have to have specifically
6 identified the CEIP in your procedure rules as
7 ineligible for the brief adjudicative process, which you
8 haven't done.

9 Now, underlying the debate we've had on this
10 issue seems to be sort an insufficient understanding of
11 why the adjudicative process exists and why it matters.
12 It is there to ensure due process, that the rights of a
13 person are not impacted without giving them the ability
14 to challenge the evidence, present their own evidence,
15 and have a decision rendered based on a record.

16 Through the CEIP process, customers are
17 looking at potentially substantial rate impacts over
18 several decades on top of rate impacts associated with
19 non-CETA-related investments. These customers are
20 captive to the utilities. If their rates increase too
21 much, they can't go to some other provider for
22 electricity. The only recourse they have is to avail
23 themselves of the administrative process and the rights
24 and protections it provides.

25 Now, I would say that just because you open

1 a full adjudicative proceeding does not mean that all is
2 lost and you must hold a full 11-month adjudication for
3 every CEIP. There are plenty of examples of
4 adjudications that settle early. That can certainly
5 happen here too, but let the process play out as it was
6 intended to and uncontroversial CEIPs will take care of
7 themselves.

8 Now, I'll close just by noting what I think
9 you already know, which is that AWEC's members compete
10 in a global economy and they are members of AWEC because
11 their energy costs are one of, if not the, highest costs
12 they have. Their ability and tolerance for absorbing
13 increases to their electricity rate is not unlimited.
14 At some point that they determine that they can no
15 longer be profitable in this state, they will either
16 shut down or shift production elsewhere, and that is not
17 a cost-free consequence. Not only that it results in
18 greater carbon emissions, production shifts to a
19 location where the electricity mixed at a higher carbon
20 intensity, but the fixed cost of the utility will also
21 be shifted to other customers.

22 In some cases, that would not be a minor
23 cost shift. Some of these customers represent as much
24 as 10 percent of the utilities' entire load in
25 Washington. If that load disappears, the cost impact to

1 other customers will be substantial.

2 So as we go forward and you're asked to
3 evaluate the utilities' proposed investments in the
4 CEIPs through a full adjudicative process, we implore
5 you to keep the cost at the cost impact to customers
6 foremost at your deliberations. That concludes my
7 comments. Thank you.

8 CHAIR DANNER: All right. Thank you very
9 much, Mr. Pepple.

10 Commissioners, any questions for AWEC?

11 All right. I am hearing none, so thank you
12 again, and I appreciate your -- your dressing up for us
13 this morning.

14 So, Court Olson, are you there?

15 MR. OLSON: I am sir.

16 CHAIR DANNER: Good morning.

17 MR. OLSON: Good morning. Thank you,
18 Commissioners and the UTC Staff for this opportunity to
19 comment. My name is Court Olson and I live in Bellevue,
20 Washington. For context, I'll give you a little
21 background. I'm proud to say I have three degrees in
22 engineering and construction management and I'm a
23 project management and billing consultant to commercial
24 building owners. Also a regular PSE IRP meetings
25 participant, and I have a pretty extensive background in

1 energy efficiency.

2 I have about a dozen brief points to make
3 today to share with you. First is just a general
4 concern about the potential for investor-owned utilities
5 to gain the law and rules as I'm sure you are concerned
6 about as well. In general, there needs to be less
7 profit motivation for adding generation and transmission
8 capabilities and more financial incentive provided for
9 utilities to reduce peak load and demand. While I don't
10 see that in the CETA rules, I hope in long range view,
11 we can -- we can move toward those kinds of incentives
12 for utilities.

13 I have concern about load forecasting of the
14 utilities and the inflation of demand growth when we
15 know the trend in buildings is a downward trend as the
16 energy code tightens every three years. Our new
17 buildings are going to be less and less demanding
18 energy.

19 PSE has repeatedly shown the tendency to
20 overstate future power demands and pursue generation in
21 transmission infrastructure building when it hasn't
22 really proven to be necessary. This happened in several
23 of the past IRPs.

24 Another point, there has been use of
25 historical weather data that doesn't take into account

1 the ongoing warming trend that will surely continue into
2 the future. So rules should address this and the demand
3 forecasting that utilities do.

4 I also have concern that PSE in particular
5 is not adequately and rapidly ramping up demand response
6 capabilities that would keep peak demand growth in check
7 and avoid the necessity for building more
8 infrastructure.

9 Another concern I have is about the IRP
10 process changing from every two years to every four
11 years. Since we have a very critical need to move
12 rapidly on this transition to clean energy, it seems all
13 the more important to maintain a two-year IRP review
14 process.

15 Another concern is about the missing
16 definition of greenhouse gas neutral in the 2030 rule.
17 I think this needs to be more carefully defined.

18 Another concern is about a definition of
19 cost-effective and least cost comparison. In my
20 traditional engineering economy education, the formula
21 for the time value of money needs to be adjusted today
22 to have a very low or even negative discount rate when
23 it comes to greenhouse gas emission benefits in the
24 comparison of options. I don't see that in the rules
25 and I strongly urge you to consider inserting that.

1 Another concern is about the lowest
2 reasonable cost definition, and the -- those
3 calculations must include the social cost of carbon as
4 some other speakers have already said today and I'm sure
5 you have other comments to that effect. As I read it,
6 this is in the rules, now, but the social cost of
7 greenhouse gas emissions is not specifically and clearly
8 stated in the definition of lowest reasonable cost. So
9 I hope you can put that in.

10 Finally, one other concern, I -- I wonder
11 how an -- a utility would actually be required to
12 respond to public comment. In my experience with the
13 past three IRPs and Puget Sound Energy, I've seen
14 questions that aren't really answered by the utility and
15 they're sometimes circumvented. So I -- I think the
16 value of public comment is then being eroded. I know
17 that puts a big burden on the UTC to make sure these
18 questions or comments are fully addressed, but if not,
19 we are just not having a good interactive experience
20 with our for-profit utilities.

21 That concludes my comments today. I really
22 appreciate the opportunity to address you folks, and I
23 really appreciate all of the hard work you're doing to
24 implement the CETA legislation, which is certainly going
25 to have to continue over the next several years. Thank

1 you so much.

2 CHAIR DANNER: All right. Thank you very
3 much, Mr. Olson.

4 Are there questions from Commissioners?

5 All right. I'm hearing none, thank you,
6 Mr. Olson. I appreciate it.

7 Kevin Jones, are you on the line?

8 MR. JONES: Yes, I am. Can you hear me
9 okay?

10 CHAIR DANNER: Yes, we can. Thank you.

11 MR. JONES: Chair Danner and Commissioner
12 Rendahl, Balasbas, and folks assembled today, appreciate
13 the opportunity to provide comment on the adoption
14 hearing for the rules. I agree with previous comments,
15 it's a huge undertaking in order to pull together this
16 degree of complexity and scope. So appreciate the
17 opportunity to -- to continue to comment and participate
18 in the process.

19 Couple things that I would like to mention
20 that are concerns that come to my -- you know, that I
21 would like to bring to our attention, the latest set of
22 rules removed public participation language in favor of
23 advisory group language. See this in 480-100-630. I
24 believe the intent is good, to help to focus on where
25 utilities must be paying attention to inputs, technical

1 inputs as well as public inputs.

2 My concern is that any -- any attempts or
3 any inclusion as systemic exclusionary language in our
4 policies is a step in the wrong direction. So I would
5 be very cautions about surveying how advisory groups are
6 created and formed and make sure that access is really
7 very open so that it is not exclusionary and to make
8 sure to take action through advisory rules if it turns
9 out to be.

10 Another item that I would like to raise to
11 attention is in the review of the IRP. I understand the
12 move to review the draft IRP and I'm concerned about
13 lack of -- what I understand is a lack of acknowledgment
14 of the utilities' final IRP as in these current set of
15 rules. I think that as others who participate in IRP
16 meetings oftentimes issues go unresolved, partly because
17 of -- of a lack of really engaging on the issues that
18 are brought up from the public. This merely defers them
19 into a more complex CEIP adjudicated process and I think
20 it's in our best interest to try to resolve those issues
21 and concerns before we get to that point in the process.

22 Cost of -- we've heard referred to the cost
23 cap today. I really prefer to think of this as a cost
24 of compliance obligation, and in Senate Bill 5116
25 Section 6(3)(a), I read that to say that a utility must

1 be found in compliance if over the four-year compliance
2 period their average annual incremental cost of meeting
3 CETA standard equals a 2 percent increase in
4 weather-adjusted sales. This language tells me that a
5 utility fails to be in compliance if they fail to spend
6 2 percent of their weather-adjusted sales revenue. So I
7 would like us to think about this as not a cost cap,
8 it's not a limit on what utilities can spend, it's an
9 obligation on what utilities must spend to be found in
10 compliance.

11 I do agree that we need to keep an eye on
12 the process for calculation. It's quite complex as we
13 all know. And I think it's something we should be
14 very -- pay much attention to.

15 The last comment is social cost of
16 greenhouse gas. The reference to RCW 19.280.030
17 Subparagraph 3 does not in my opinion provide sufficient
18 guidance for how social cost of greenhouse gas is
19 applied as a cost adder. We've seen some creative
20 accounting I will call it from some of our utility
21 involvement and at -- at issue I believe is that the
22 social cost of greenhouse gas must be applied to the
23 operation or the variable side of -- of the operation of
24 the utility. And we've -- we've -- actually one of our
25 colleagues has posted analysis showing how application

1 of greenhouse gas to the fixed -- as a fixed cost is not
2 really in compliance with the intent of the law.

3 So appreciate the opportunity to provide
4 comments. I look forward to continuing on as well.
5 Thanks for your time.

6 CHAIR DANNER: All right. Thank you very
7 much.

8 Are there any questions for Mr. Jones?

9 All right. Hearing none, Jane Linley, are
10 you on the line?

11 MS. LINLEY: Hello, Commissioner Danner. I
12 am.

13 CHAIR DANNER: All right. Good morning.

14 MS. LINLEY: Morning. So hello,
15 Commissioners. Thank you so much for providing this
16 hearing. My name is Jane Linley, and I live on
17 Bainbridge Island. And Kevin Jones and Court Olson
18 stole a lot of my thunder, so instead of just repeating
19 exactly what they said, I just wanted to echo what Doug
20 Howell said earlier. I think it's really critical that
21 we see changes related to CETA in the next IRP such as
22 increases in demand response and the acquisition of
23 renewable resources.

24 So that is all I'm going to add and I just
25 want to thank you for considering my concerns.

1 CHAIR DANNER: All right. Thank you very
2 much. Appreciate your participation.

3 Commissioners, any questions for Ms. Linley?

4 All right. Hearing none, thank you again
5 for your participation this morning.

6 Eleanor Bastian, are you there?

7 MS. BASTIAN: Good morning, yes, I am.

8 CHAIR DANNER: Good morning.

9 MS. BASTIAN: So thank you, Commissioners
10 Danner, Rendahl, and Balasbas, the Staff and the fellow
11 stakeholders here today. My name is Eleanor Bastian and
12 I'm the climate and clean energy policy manager at the
13 Washington Environmental Council. The Washington
14 Environmental Council is a state-wide nonprofit that
15 works to protect and restore the environment for all
16 Washingtonians.

17 We work in collaboration and coordination
18 with other environmental organizations, environmental
19 justice organizations, tribal nations, labor unions,
20 businesses, and more to effect change. We have engaged
21 along with these partners in this rulemaking process for
22 the last 18 months and thank the UTC for today's
23 flexibility in accepting written comments. There is
24 tremendous interest and excitement across Washington and
25 the hundred percent clean transformation.

1 The Clean Energy Transformation Act is a
2 breakthrough climate law and it mandates coal-free
3 electricity by 2026, a hundred percent greenhouse gas
4 neutral electricity by 2030, and a hundred percent
5 greenhouse gas-free electricity by 2045. All achieved
6 in a way that advances equity and creates good jobs
7 here.

8 This law calls on utilities to advance
9 equity in the transformation because communities of
10 color and people with lower income have borne greater
11 burdens and seen fewer benefits from our electricity
12 system. Communities of color and people with lower
13 incomes have been excluded from engagement and
14 decision-making in how we power our communities.

15 The legislature tasks the UTC with a
16 critical role in the success of this historic law
17 setting reporting, planning, and compliance rules for
18 the journey to hundred percent clean and making sure
19 investor-owned utilities across the state are planning
20 and taking equitable actions. We applaud the Commission
21 for their leadership in this critical role so far.

22 These rules are a strong start for our
23 state's journey towards a hundred percent clean and
24 equitable electricity by 2045. The rules establish
25 clean energy transformation standards for the first time

1 and set up clear processes and requirements to meet
2 them. The rules give strategic direction to utilities
3 to ensure all customers are benefitting from this
4 transformation.

5 In order to achieve a transformation, we are
6 going to need communication, consistency, flexibility,
7 and accountability. I think these rules keep us on that
8 path. We urge the Commission to adaptably manage these
9 rules.

10 In particular, we support the direction
11 given in the rules to measure increases in spending to
12 meet the law on a compounding basis. We urge the
13 Commission to examine closely utility incremental cost
14 cap methodologies to ensure these rules do not create a
15 loophole.

16 We also urge the Commission to actively
17 manage how utilities measure the use of electricity
18 under law -- under the law and not rely on guidance for
19 implementation.

20 With the -- with the hundred percent clean
21 law in these rules, we have a real opportunity to make
22 progress. Thank you for your efforts. Working
23 together, we will confront the challenges of directing
24 climate change in a way that invests in people and
25 builds a better life for everyone in our state.

1 This concludes my comments.

2 CHAIR DANNER: Thank you very much for your
3 comments this morning.

4 Are there any questions for Eleanor Bastian?

5 All right. I am hearing none. Joni Bosh,
6 are you there?

7 MS. BOSH: Yes, can you hear me?

8 CHAIR DANNER: Yes, I can. Good morning.

9 MS. BOSH: Thank you. Good morning,
10 Chairman Danner and Commissioners Rendahl and Balasbas.
11 For the record, I'm Joni Bosh, a senior policy associate
12 with the Northwest Energy Coalition. The Coalition
13 supports the rules before you today. We appreciate the
14 progress that has been made since this rulemaking began
15 and thank Staff for their diligence and thoughtful
16 efforts.

17 We note a number of positive changes that we
18 support such as the inclusion of the customer benefit
19 indicators, the framework for determining attributable
20 incremental cost, the inclusion of the social cost of
21 greenhouse gases and the baseline scenarios, and the
22 standardized detailed incremental cost calculation
23 methodology. While the incremental cost calculation was
24 a contentious issue, we think the rule reflects the
25 intention of the act.

1 We support these rules even as we recognize
2 that they are just the first iteration in the inevitable
3 evolution that will occur as the IRP, CEIPs and CEAPs
4 are developed and implemented. We expect that several
5 points will be revisited as the first planning cycle
6 unfolds and after the first compliance period.

7 We hope that at some point in the next few
8 years there will be a serious comparison of the various
9 social cost of greenhouse gas methodologies used by the
10 utilities and their impacts on planning outcomes, an
11 analysis of how well non-energy benefits are captured in
12 planning, and frankly a change that requires all future
13 scenarios, not just one, to incorporate the best
14 available science regarding climate change impacts.
15 That's 620(10)(b).

16 A few points could benefit now from
17 Commission guidance and we respectfully request that the
18 adoption order provide such guidance on several issues
19 that we noted in our comments of November 12th, 2020,
20 which I won't repeat here. But we are also concerned --
21 and it may take more than guidance -- about the
22 alternative incremental cost calculation option at
23 480-100-660(1)(c) that's been mentioned several times
24 today.

25 It was only introduced in the final draft of

1 the rules, and so we request the Commission allow a
2 utility to use an alternative approach in the first
3 planning cycle only if the utility also conducts the
4 prescribed calculation that is in 651 above it in order
5 to provide a side-by-side comparison of the impact of
6 the two approaches. I think that would give the public
7 and the Commission a lot of useful information on how to
8 address incremental costs.

9 So I thank you for this opportunity to
10 comment. The Coalition looks forward to working on
11 remaining rules over the next year with other
12 stakeholders and resolving some continuing issues such
13 as those concerning the use of electricity,
14 demonstrating consistent compliance with the interim and
15 specific targets, and updating resource adequacy
16 methodologies. And thank you all for so patiently
17 listening this morning.

18 CHAIR DANNER: Thank you very much for your
19 comments.

20 Are there any questions for Joni Bosh?

21 Okay. I'm hearing none.

22 Simon ffitich, are you there? Simon ffitich?

23 MR. FFITCH: Good morning, Commissioners.

24 Can you hear me?

25 CHAIR DANNER: Yes, we can.

1 MR. FFITCH: Good morning, Chairman Danner
2 and Commissioners Rendahl and Balasbas. We filed
3 comments on November 12th in this case. And just to get
4 on the record, my name is Simon ffitch and I am here
5 representing The Energy Project, an organization that
6 speaks for low income customers in Washington.

7 I just wanted to highlight one particular
8 issue for you in my comments today, and that relates to
9 the equitable distribution issue, which is one of the
10 chief operating principles of CETA along with the clean
11 energy focus. And I appreciate Puget Sound Energy's
12 emphasis on that in their initial comments and Eleanor
13 Bastian just -- just quite recently also emphasizing
14 that.

15 The problem I want to highlight for you is
16 that I think there is a structural mechanical barrier
17 that needs to be fixed in order to really help implement
18 the equitable distribution requirements. It's -- we've
19 addressed this and I will just underline it again. The
20 problem is that during the CETA -- excuse me, the CEIP
21 review process, which will happen in the fall, and the
22 next cycle is -- let me back up and not just focus on
23 the dates.

24 The basic point here is that the new CEIP as
25 it comes in, comes in six months before the -- any

1 reporting on progress towards -- towards equitable
2 distribution. Under the current rules, there is no
3 interim reporting requirement on equitable distribution
4 process progress. The only reporting that happens comes
5 after the first four years and that is July 1st, 2026.
6 That would be the first time there would be a report by
7 a utility on its progress towards equitable
8 distribution. Again, that's July 1st, 2026.

9 Problem with that is that the next CEIP,
10 after the one that's imminent here in 2021, gets filed
11 six months earlier or even -- actually even earlier than
12 that, October 1st, 2025. So the problem is when that's
13 being considered in fall 2025, the parties, the
14 Commission, the companies will not have the ability to
15 really discuss the progress because there will be no
16 report available to them at that time.

17 We just think that's a real structural
18 barrier to actually achieving a tracking progress in
19 this area, and it's -- we think it's a pretty easy fix.
20 We suggested language to that effect such that when the
21 CEIP is filed, it includes a report on progress in the
22 past four years so that parties could talk about that as
23 they're crafting the new CEIP.

24 We recognize that the Staff has not accepted
25 that recommendation, and of course we would like the

1 Commission to reconsider that and think about including
2 our recommended language out of our comments. We have a
3 proposed change and amendment to -- to the rule 640 Sub
4 6 there for your consideration. If the Commission is
5 not comfortable doing that right now, we would at least
6 request this issue be addressed in the -- in the
7 adoption order.

8 One of the comments that's been made about
9 this is that this is an iterative process and we can
10 figure these things out as we go along. That's a fair
11 point. We agree with that conceptually. However,
12 there's a lot of time here involved. This is four years
13 down the road already before we even get to take a look
14 at this issue. And if we're -- we sort of get to 2025,
15 early 2026 and realize, hey, yeah, this is a real
16 problem, basically fixing the process at that point
17 could potentiality put you in another four-year wait to
18 get a better set of reporting progress on equitable
19 distribution. So you could be potentially talking about
20 eight years before you really get this problem fixed.
21 And that's the concern I wanted to highlight for you
22 today.

23 Other than that issue, we support strongly
24 the rules that are before you today. We think there's a
25 lot of good components to it and we've highlighted those

1 in our comments. So with that, I'll -- I'll finish and
2 be available for any questions.

3 CHAIR DANNER: All right. Thank you very
4 much, Mr. ffitich.

5 Commissioners, are there any questions for
6 Simon ffitich?

7 Okay. Hearing none, Elliot Weinstein, are
8 you there?

9 MS. WEINSTEIN: Yes, I am. Can you hear me?

10 CHAIR DANNER: Yes, good morning.

11 MS. WEINSTEIN: Good morning. My name is
12 Elliot Weinstein and I'm testifying in the capacity as a
13 PSE ratepayer. I appreciate that the Commission this
14 morning reiterated its requirement to act in the public
15 interest under RCW 80.01.040 when it regulates
16 utilities. To meet this standard, utilities must
17 prudently manage their financial transactions so that
18 they charge ratepayers only enough to have fair, just,
19 reasonable, and sufficient rates.

20 As you know, if not for the Commission's
21 intervention in accord with the statute, we ratepayers
22 are at the mercy of private investor-owned utility
23 monopolies. We can't take our business elsewhere, even
24 though a primary duty of these privately owned companies
25 is to get the highest possible return for its

1 shareholders. Therefore, when these utilities testify
2 about energy costs, they focus on the costs to the
3 ratepayers, dumping it on them as opposed to lower
4 shareholder profit.

5 In addition, I exhort the Commission to
6 require utility transparency in the area of public
7 disclosure. Please require that data disclosed by
8 utilities be provided and in easily accessible format.
9 The rules don't require this.

10 I am a retired member of the Washington
11 State Bar, and in our court system at all levels it's
12 required that data be easily accessible. And this has
13 been the case for over 30 years as the bedrock of civil
14 procedure. And I'd also add as a charter member of the
15 New York bar, it's the same in New York as well at all
16 levels.

17 So please require that in the course of
18 utilities disclosing data to the public, it's -- it not
19 be in the stack of unreadable data or -- or things that
20 are so disorganized that the public or other groups
21 cannot see the details of this. This is an old
22 discovery tactic that was -- what's the word --
23 corrected in -- in the '70s. And I -- I remember. I'm
24 old enough.

25 So thank you for listening to my testimony,

1 and I appreciate all that you've done. Bye-bye.

2 CHAIR DANNER: Thank you so much for your
3 comments this morning.

4 Are there any questions for Ms. Weinstein
5 this morning?

6 Okay. I am hearing none. That brings us to
7 the end of those who have signed up on our sign-in
8 sheet. I want to make sure that we are getting everyone
9 who wishes to comment this morning. So what I am going
10 to do is quickly go through the alphabet and see if
11 there is anybody on the call who has not commented this
12 morning but would like to.

13 So if your last name begins with A through F
14 and you would like to comment this morning and have not
15 done so, please identify yourself.

16 All right. Anyone with the last name
17 beginning G through L?

18 Anyone with the last name beginning M, N, O,
19 P, Q?

20 Anyone with the last name beginning R, S, T?

21 Anyone with the last names beginning U
22 through Z?

23 All right, then. I am putting out a last
24 call, is there anyone who has not commented this morning
25 who wishes to do so?

1 Okay. Hearing nothing, that brings us to
2 the end of our comment hearing today. At this point,
3 let me turn to my Commissioners.

4 Commissioners, it is my intent that we take
5 these comments under advisement. We have one more
6 comment -- written comment coming in I understand. So
7 I -- I think my recommendation is that we adjourn. Is
8 there any closing comments you would like to make? Now
9 is an opportunity to do so. Commissioner Rendahl or
10 Commissioner Balasbas?

11 COMMISSIONER RENDAHL: This is Commissioner
12 Rendahl and I too will show my camera to show that I
13 actually did get dressed up today. I very much
14 appreciate all of the comments today and all the
15 comments we've heard and read previously and all the
16 participation and the discussion.

17 As we've heard, some of the topics in this
18 monumental law, CETA, are difficult and create some
19 implementation issues. Some of them we will continue to
20 work on, the use issue in particular, equity issues, and
21 participation will be continuing topics that we will be
22 working on.

23 I appreciate all the thoughts this morning
24 and support all of the engagement and passion that
25 everyone has brought to this process and particularly

1 want to thank the Staff for their hard work during this
2 really difficult time, managing everything that they
3 have to get us to this point. So thank you to the Staff
4 and all the stakeholders for your efforts getting us to
5 this point.

6 CHAIR DANNER: All right. Thank you.

7 Commissioner Balasbas, anything you want to
8 add before we close?

9 COMMISSIONER BALASBAS: Yes. Good morning,
10 Chair Danner. I will also turn on my camera briefly
11 here this morning. I, like you, Chair Danner, I'm not
12 wearing a necktie, I'm also not wearing a coat either,
13 but I do have it available if needed.

14 But I also want to thank all the commenters
15 this morning and for everyone's engagement in this
16 process. We -- we do have -- we do have a very I would
17 say comprehensive set of rules in front of us for this.
18 I do think there are still some issues with some of the
19 areas of the rules that I'm hopeful that we can continue
20 to work on in the future. And I agree with your
21 recommendation, Chair Danner, that we take all the
22 comments heard this morning under advisement and that we
23 would also adjourn the hearing and again thank everyone
24 for participating.

25 CHAIR DANNER: Thank you very much,

1 Commissioner.

2 So we're coming to a close. I want to thank
3 everyone on the staff of the UTC and in the Utilities
4 and Transportation Division of the Attorney General's
5 Office for all the work that they have been doing and
6 continue to do in this rulemaking. We know it has been
7 a lot, and this is on top of a lot of other work that we
8 have been doing. And I want to just really express
9 my -- my deep appreciation for the team that we have at
10 the UTC, which is really terrific.

11 I know that a lot of these issues are very
12 contentious, and there are a lot of good arguments on --
13 on many sides that we have to weigh and we have to come
14 to a conclusion. I want to restate what a lot of the
15 commenters said today, which is a restatement of my
16 earlier comments, that this is an iterative process. We
17 know that there are going to be lessons learned and
18 things that we're going to have to do course corrections
19 going forward.

20 But I also think that right now we are
21 coming -- coming into the finish on these. So we will
22 take the comments that we receive today under
23 advisement. We will come out with our final rules and
24 order in due course. And I want to thank everyone again
25 for the participation not just today, but for the last

1 18 months.

2 And with that, we will be adjourned. So
3 thank you all and have a great day. Thank you.

4 (Adjourned at 11:10 a.m.)

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STATE OF WASHINGTON
COUNTY OF THURSTON

I, Tayler Garlinghouse, a Certified Shorthand Reporter in and for the State of Washington, do hereby certify that the foregoing transcript is true and accurate to the best of my knowledge, skill, and ability.



Tayler Garlinghouse
Tayler Garlinghouse, CCR 3358