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September 14, 2020

Via E-filing

Mr. Mark L. Johnson
Executive Director
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
P. O. Box 47250
Lacey, WA 98503

Attn: Filing Center

RE: In the matter of Amending, Adopting, and Repealing WAC 480-107, Relating to
Purchases of Electricity Docket No. UE-190837

Dear Mr. Johnson:

Please find the Comments of the Northwest & Intermountain Power Producers Coalition
in the above-referenced docket.

Thank you for your assistance. Please do not hesitate to contact me with any questions.

Sincerely,



Irion A. Sanger

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**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

In the matter of Amending, Adopting,
and Repealing WAC 480-107, Relating
to Purchases of Electricity

DOCKET NO. UE-190837

NORTHWEST & INTERMOUNTAIN
POWER PRODUCERS COALITION
COMMENTS

I. INTRODUCTION

The Northwest & Intermountain Power Producers Coalition (“NIPPC”) appreciates this opportunity to submit comments on the Washington Utilities and Transportation Commission’s (the “Commission”) rulemaking regarding updating its purchases of electricity rules in WAC 480-107. NIPPC has participated throughout this proceeding by submitting multiple rounds of extensive comments on this matter, and these comments cite back to those previous submissions where appropriate. However, the comments below are limited to the two Questions for Consideration in the Commission’s August 14, 2020, Notice of Opportunity to File Written Comments:

1. Draft rule WAC 480-107-007 defines repowering. Is the definition clear and do the rules succeed in assuring that a utility’s decision to rebuild generation it owns is evaluated on an equal basis with other alternatives available in the market?
2. Draft rule WAC 480-107-010(1)(b) requires a utility to issue a Request for Proposal (“RFP”) if “the utility’s two-year IRP update demonstrates a new or unfilled resource need of 80 MW compared to the utility’s most recently filed IRP.” Please provide comments on whether you support or oppose this provision and why?

In response, NIPPC believes that:

1. The WAC 480-107-007 definition of repowering is sufficiently clear. Therefore, as part of the overall and improved RFP rules, the repowering definition may help ensure that a utility will fairly consider other alternative energy resources in addition to its own when there is an unfilled or new resource need.
2. WAC 480-107-010(1)(b) should require a utility to issue an RFP if the utility's two-year IRP update demonstrates a new or unfilled resource need of 80 MW compared to the utility's most recently filed IRP. However, NIPPC believes that a 50 MW threshold would be more impactful.

II. COMMENTS

A. The Repowering Definition Is Sufficiently Clear

The repowering definition is sufficiently clear, which could help a utility fairly consider whether to “repower” its investor-owned resources to meet its load or purchase power from other market resources.

The only area in which NIPPC identifies any potential lack of clarity is the term “routine major maintenance.” Under the rule, “routine major maintenance” does not fall under the repowering definition, whereas “refurbishment” does. It is possible that a utility could categorize a refurbishment as “routine major maintenance.” Doing so would relieve the utility of its requirement to submit its repowering project as a bid in the RFP.¹ Therefore, NIPPC recommends either defining “routine major maintenance” or providing guidance to the utilities, which could occur in the “Staff Response” in the “Summary of

¹ Commission's Notice, 2nd Discussion Draft Rules at WAC 480-107-024(2) (Aug. 14, 2020).

Comments,” typically prepared by Staff in these rulemakings. Such guidance could also be helpful in the Commission’s order that adopts the new rules.

B. Utilities Should be Required to Issue an RFP if its Two-Year IRP Demonstrates a New or Unfilled Resource Need of 80 MW Compared to the Utility’s Most Recently Filed IRP

NIPPC supports the requirement that a utility must issue an RFP when its two-year IRP update demonstrates a combined new or unfilled resource need greater than 80 MW compared to the utility’s most recently filed IRP.² Requiring this RFP issuance will help prevent utility bias towards selecting its investor-owned generating resources to meet its load. It will likewise force the utility to fairly consider other alternative resources available in the market, which is one of the outcomes the Commission aims to achieve in this proceeding.

NIPPC previously addressed this issue in several of the comments it submitted for this docket, but it advocated for a 50 MW threshold instead.³ NIPPC maintains that a 50 MW threshold represents a significant resource and that this threshold would further mitigate any potential influence of utility bias. However, the 80 MW threshold and requiring the issuance of an RFP will be a significant improvement. Regardless of whether the threshold for issuing an RFP is set at 50 MW or 80 MW, the rules should require the utility to issue an RFP when its two-year IRP update demonstrates a combined new or unfilled resource need greater than the threshold for issuing an RFP (which would either be 50 MW or 80 MW depending on the specific rule adopted by the Commission).

² *Id.* at WAC 480-107-010(1)(b).

³ NIPPC Comments at 8-11, 22-23 (Nov. 2, 2016); NIPPC Comments at 12-14, 30-31 (Sep. 21, 2018); and NIPPC Comments at 3-4 (June 29, 2020).

III. CONCLUSION

The proposed repowering definition is sufficiently clear for language in an administrative rule. Still, the Commission and Staff could provide more guidance in the rulemaking record and/or order to help better assure that a utility more equally considers other resources before effectively repowering its own. Furthermore, the Commission should require utilities to issue an RFP when its two-year IRP demonstrates a new or unfilled resource need of a certain threshold compared to the utility's recently filed IRP. NIPPC continues to appreciate these opportunities to comment on the draft rules and looks forward to any further engagement on these issues.

Dated this 14th day of September 2020.

Respectfully submitted,

Sanger Law, PC



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