

## WAC 480-95-090 Cost Test.

### (1) Definitions.

- (a) “Resiliency” means the ability of a large combination utility’s electric and gas systems to prepare for, mitigate effects on customers, respond to, and recover from system outages during extreme weather, cybersecurity, or other extraordinary events
- (b) “Security of supply” means the use of in-state energy resources and the risks associated with importing energy resources from out of state.

### (2) Applicability.

- (a) Each large combination utility shall apply the cost test at the portfolio level to the electric and natural gas implementation planning requirements as defined in WAC 480-95-040 and long-term planning requirements as defined in WAC 480-95-030.
- (b) Each large combination utility shall apply the cost test consistently to each portfolio developed pursuant to WAC 480-95-030(12).
- (c) Each large combination utility shall apply the cost test consistently to the resource targets developed pursuant to WAC 480-95-040(2) and (3).
- (d) Each large combination utility shall apply the cost test to demonstrate that the ISP is in the public interest, according to WAC 480-95-060(4).
- (e) Each large combination utility shall demonstrate the ISP complies with WAC 480-95-090 (2)(a) through (d), providing, at minimum, a narrative description explaining how the ISP complies.

### (3) Cost Test. The cost test shall account for the following costs and benefits for each year of the study period:

- (a) Utility system impacts:
  - (i) All electric utility system impacts affected by the resources in each portfolio
  - (ii) All gas utility system impacts affected by the resources in each portfolio
  - (iii) Utility system impacts shall account for, at a minimum, market volatility risk, resource uncertainties, resource dispatchability, resource effect on system operation, and the risks imposed on the utility and its ratepayers
- (b) Greenhouse gas emissions
- (c) Environmental impacts
- (d) Health and safety concerns
- (e) Reliability
- (f) Resiliency impacts
- (g) Security of supply
- (h) Economic development
- (i) Rate impacts.
  - (i) Forecasted rates shall be estimated separately for the electric utility and the gas utility.
  - (ii) Forecasted rates shall be estimated for all customers on average for each ISP portfolio.
  - (iii) Forecasted rates shall be estimated for each year in the study period by dividing the revenue requirements by the utility retail sales.

- (iv) Rate impacts will be determined by comparing the forecasted rates for each portfolio to the forecasted rates of a reference portfolio.
- (j) Bill impacts.
  - (i) Bill impacts shall be estimated separately for the electric utility and the gas utility.
  - (ii) Bill impacts shall be estimated for all customers on average for each utility portfolio.
  - (iii) Bill impacts will be represented by comparing the present value of revenue requirements for each year of each portfolio to the present value of revenue requirements of a reference scenario.
- (k) Equity impacts as required in WAC 480-95-030(12)(j) and WAC 480-95-030(13)(d).
- (l) Other fuels
  - (i) Other fuels shall include all fuels not sold by large combination utilities including, but not limited to, propane, wood, gasoline, and diesel.