

UTC Comment form for Energy Independence Act Rulemaking, Proposed WAC 480-109, Docket UE-131723

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Comments on behalf of: Puget Sound Energy Commenters: Dan Anderson and Eric Englert E-mail: _____ Phone: _____
Puget Sound Energy

In the first column, fill in the section or subsection of interest in the rule. In the next columns provide the specific text, proposal for change, and rationale.

Comment 1	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-060 (10)	"Distributed generation" means an eligible renewable resource where the generation facility or any integrated cluster of such facilities has a nameplate capacity of not more than five megawatts alternating current. An integrated cluster is a grouping of generating facilities located on the same or contiguous property having any of the following elements in common: Ownership, operational control, or point of common coupling.	"Distributed generation" means an eligible renewable resource where the generation facility or any integrated cluster of such facilities has a generating capacity of not more than five megawatts.	PSE proposed rule text change restores the definition of the RCW.

Comment 2	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-060 (18)	"Pro rata" means the calculation dividing the utility's projected ten-year conservation potential into five equal parts.	"Pro rata" means the calculation used to establish a minimum level for a conservation target based on a utility's projected ten year conservation potential.	<p>The PSE proposed rule text change restores the existing WAC definition.</p> <p>Dividing the ten-year potential is inconsistent with methodologies used by the Council in the development of the 6th Regional Power Plan. The calculation doesn't recognize the differences in availability of resource potentials within the forecast period the rate at which emerging technologies become available in the market, or the barriers to ramping up in hard-to-reach markets.</p>

Comment 3	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-060(19)	<p>"Production efficiency" means investments and actions that save electric energy from power consuming equipment and fixtures at an electric generating facility. The installation of electric power production equipment that increases the amount of power generated for the same energy input is not production efficiency in this chapter or conservation under RCW 19.285.030(4) because no reduction in electric power consumption occurs.</p>	<p>"Production efficiency" means investments and actions that save electric energy from power consuming equipment and fixtures that are powered by the generator at an electric generating facility. The installation of electric power production equipment that increases the amount of power generated for the same energy input is not production efficiency in this chapter or conservation under RCW 19.285.030(4) because no reduction in electric power consumption occurs.</p>	<p>The revised language clarifies the point that some buildings or sites within a generating facility do not get their energy from that generator at that site.</p> <p>This concept was presented to the CRAG in PSE's June 5, 2014 meeting. In order to avoid the potential for double-counting savings, PSE considers production conservation savings to be:</p> <p>“Savings associated with equipment that switches power sources back and forth between the grid and the generator. Thus making the generator more efficient when generating.”</p> <p>“Not equipment constantly powered by the grid as this will not make the generator more efficient. This equipment shall rather be a part of the conservation potential of the utility providing the grid power.”</p>

Comment 4	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-060(20)	Entire “Pursue all” definition	Delete	<p>There is no need to define “pursue all”, in this rule. The language in the entire RCW 19.285.040 section makes clear what utilities are required to do to demonstrate they are pursuing all conservation. This added language seeks to redefine utility requirements under the law to activities beyond approval of conservation forecasts and biennial target and sets a new requirement.</p> <p>PSE discussed the legal issues around this topic in its previously-submitted May 9th comments.</p>

Comment 5	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-060(27)	“Single large facility conservation savings” means cost-effective conservation savings achieved in a single biennial period at the premises of a single customer of a utility whose recent annual electricity consumption prior to the conservation savings exceeded five average megawatts.	“Single large facility conservation savings” means cost-effective conservation savings achieved in a single biennial period at the premises of a single customer of a utility whose annual electricity consumption prior to the conservation savings exceeded five average megawatts.	<p>The “Proposed Rule Text Change” restores the wording of RCW 19.285.040(1)(c)(ii):</p> <p>For the purposes of this subsection (1)(c)(ii), "single large facility conservation savings" means cost-effective conservation savings achieved in a single biennial period at the premises of a single customer of a qualifying utility whose annual electricity consumption prior to the conservation savings exceeded five average megawatts.</p> <p>The draft proposed rule text leaves potential room for mis-interpretation and Stakeholder disagreements. The language should address issues such as:</p> <p>Is this truly a single premises or a single meter? Could it be defined as a single customer’s load on a circuit meeting the 5 aMW threshold like on PSE’s rate Schedule 40? For example, like customers with many facilities which are individually metered. Would retail wheeling customers fit the definition as a customer of a utility?</p> <p>To add clarity, it would be possible to alter the PSE proposed rule text paragraph to include:</p> <p>“...premises of a single customer who participated in a utility conservation program and whose annual...”</p>

Comment 6	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-060(30)	“Transmission voltage” means an electric line normally operated at or above 100,000 volts.	Delete section	It is unclear why this definition is being proposed, as it may be inconsistent with classification of transmission voltage used for FERC rates. For example, PSE’s transmission facilities are defined as ‘55 kV and above’ based on PSE’s approved Petition for Reclassification of Facilities

Comment 7	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
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<p>Regarding WAC 480-109 (1)(a)(iv)</p>	<p>Continuously review and update as appropriate the conservation portfolio to adapt to changing market conditions and developing technologies. A utility must research emerging conservation technologies, and assess the potential of such technologies for implementation in its service territory.</p>	<p>Strike highlighted portion in “Draft Proposed Rule Text”.</p>	<p>It is unclear how this rule change would increase the efficiency or effectiveness in the practical implementation of the EIA.</p> <p>It is unclear as to what constitutes “research and “assess the potential”. Does this imply that non-commercial technologies need to be in IRP? That is not consistent with Council methodology.</p> <p>The term “emerging” can also be misinterpreted, and it has an impact on the Conservation Potential Assessment development, as the IRP is limited to measures that are commercially available, rather than those that are “emerging”.</p> <p>From RCW 19.280.030, Development of a resource plan – Requirements of a resource plan:</p> <p>“b) An assessment of commercially available conservation and efficiency resources. Such assessment may include, as appropriate, high efficiency cogeneration, demand response and load management programs, and currently employed and new policies and programs needed to obtain the conservation and efficiency resources;”</p> <p>The proposed language is ambiguous and may lead to mis-interpretations and stakeholder disagreement.</p>
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Comment 8	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109 (1)(c)	A utility must implement pilot projects when appropriate and expected to produce cost-effective savings, as long as the overall portfolio remains cost-effective.	A utility may implement pilot projects when they are expected to produce cost-effective savings within the current or immediately subsequent biennium, as long as the overall portfolio remains cost-effective.	<p>With no timeframe of metrics indicated, the proposed language may be ambiguous and may lead to mis-interpretations and stakeholder disagreement.</p> <p>It is unclear as to how a utility would prove that a pilot program is expected to produce cost-effective savings, and what the consequences would be if a pilot did not, in fact, produce cost-effective savings, despite forecasts.</p>

Comment 9	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-109 (2)(b)	This projection must be derived from the utility's most recent IRP, including any information learned in its subsequent resource acquisition process, or the utility must document the reasons for any differences. When developing this projection, utilities must use methodologies that are consistent with those used by the Northwest Conservation and Electric Power Plan.	<p>This projection must be derived from the utility's most recent IRP, including any information learned in its subsequent resource acquisition process, or the utility must document the reasons for any differences. When developing this projection, utilities must use methodologies that are consistent with those used by the council's most recent Northwest Conservation and Electric Power Plan, meaning specifically that utilities must utilize the following approach in developing the potential:</p> <ul style="list-style-type: none"> (i) Technical Potential: An estimate of the amount of conservation potential available without regard to market barriers; (ii) Achievable Potential: The subset of Technical Potential the utility could expect to achieve given market barriers; (iii) Economic Potential: The subset of Technical Potential that is cost effective. (iv) Avoided energy portfolio costs must reflect the 10% credit from the Northwest Power Act 	PSE's proposal provides clarity and removes potential ambiguity, which may lead to mis-interpretation of the rule.

Comment 10	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109 (2)(c)	The projection must include a list of each measure used in the potential, its unit energy savings value, and the source of that value.	The projection must include a list of each measure used in the potential.	<p>The IRP’s Appendix N: Demand Side Resources, provides a detail list of measures in Volume II, including unit savings for the measures as conceived in the IRP.</p> <p>The source of the unit savings is documented in individual measure workbooks and is available when requested. However, a measure can have multiple sources for data and so providing that in the report will result in addition of hundreds of pages and also significant amount of effort to collate all the sources from various measure workbooks.</p> <p>An additional consideration is that, although the CPA informs the two-biennial target, for which conservation programs are designed, unit savings values may not transfer easily from the CPA to program values, as the program delivery mechanism can influence the unit savings.</p> <p>The CPA does not incorporate program delivery methods, which can impact the unit savings metric. For example, the CPA looks at CFL potential based on available sockets and unit savings reflect that, however, in program design we could use direct install programs or upstream retail channels for delivery of CFL, the unit savings per CFL for each delivery mechanism will differ.</p>

Comment 11	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109 (3)(c)	<p>Excess conservation. No more than twenty-five percent of any biennial target may be met with excess conservation savings allowed by this subsection.</p> <p>Excess conservation may only be used to mitigate shortfalls in future biennium and may not be used to adjust a utility's ten-year conservation potential or biennial target. The presence of excess conservation does not relieve a utility of its obligation to pursue the level of conservation in its biennial target.</p>	If it is necessary to repeat the language in the RCW, please reference 19.285.040(1)(c)(i)	<p>The proposed language is in appears to be inconsistent with the RCW, which states:</p> <p>“Except as provided in (c)(ii) and (iii) of this subsection, beginning on January 1, 2014, cost-effective conservation achieved by a qualifying utility in excess of its biennial acquisition target may be used to help meet the immediately subsequent two biennial acquisition targets, such that no more than twenty percent of any biennial target may be met with excess conservation savings.</p>

Comment 14	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-100(4)	A utility retains the responsibility to demonstrate the prudence of all conservation expenditures, as required by RCW 19.285.050(2).	A utility must demonstrate the prudence and cost-effectiveness of its conservation programs to the Commission after the savings are achieved.	<p>The proposed language seems to imply that RCW 19.285.050(2) is stating and requiring that ‘the utility retains the responsibility to demonstrate the prudence of all conservation expenditures’, when it actually says:</p> <p>An investor-owned utility is entitled to recover all prudently incurred costs associated with compliance with this chapter. The commission shall address cost recovery issues of qualifying utilities that are investor-owned utilities that serve both in Washington and in other states in complying with this chapter.</p>

Comment 15	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
<p>Regarding WAC 480-109-100(5) both (a) and (b)</p>	<p>(5) Energy savings. A utility must use unit energy savings values and protocols approved by the regional technical forum or by commission order. The commission will consider a unit energy savings value or protocol that is:</p> <p>(a) Based on generally accepted impact evaluation data or other reliable and relevant data that includes verified savings levels; and</p> <p>(b) Presented to its advisory group for review. The commission retains discretion to determine an appropriate value or protocol.</p>	<p>Revise text to match current conditions (6)(b) and (6)(c) in Attachment A of Order 01, Docket UE-132043 (adapted for WAC use):</p> <p>Except as provided in Paragraph (6)(c) below, a Utility must use the Council’s Regional Technical Forum’s (“RTF’s”) “unit energy savings” (“UES”) and approved methods and protocols for electricity measures, and distribution efficiency.</p> <p>(c) If a Utility uses savings estimates, methods or protocols that differ from those established by the RTF, such estimates, methods or protocols must be based on generally accepted impact evaluation data and/or other reliable and relevant source data that has verified savings levels, and be presented to the CRAG for comment.</p>	<p>The rule language seems to indicate that it will be necessary for PSE to--after the Commission has already approved its biennial plan and biennial electric target--seek approval from the CRAG and the Commission to implement new measures. This will be an onerous process and may severely impact PSE’s ability to efficiently run conservation programs.</p> <p>It is unclear as to how utilities would present measures to the Commission for approval, or how it will issue its measure approval; in a biennial target filing Order, an annual target filing Order, etc?</p>

Comment 16	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-100(6)	A utility may count as conservation savings a portion of the electricity output of a high efficiency cogeneration facility in its service territory that is owned by a retail electric customer and used by that customer to meet its heat and electricity needs. Heat and electricity output provided to anyone other than the facility owner is not available for consideration in determining conservation savings. High efficiency cogeneration savings must be certified by a professional engineer licensed by the Washington department of licensing.	A utility may count as conservation savings a portion of the electricity output of a high efficiency cogeneration facility in its service territory that is owned by a retail electric customer and used by that customer to meet its heat and electricity needs. Heat and electricity output provided to anyone other than the facility owner is not available for consideration in determining conservation savings. High efficiency cogeneration savings must be verified by a professional engineer licensed by the Washington department of licensing.	Does the Commission mean to indicate by the word “certified” that it will require stamped calculations, or will it require verification of savings? As most of PSE’s Energy Efficiency Energy Management Engineers are licensed Professional Engineers, PSE understands that the Commission will accept savings that are <i>verified</i> by a PSE EME, as is its standard practice for all commercial and industrial projects.

Comment 17	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
<p>Regarding WAC 480-109-100(8)</p>	<p>(b) Low-income programs. (i) A utility must evaluate low-income conservation programs for cost-effectiveness using the savings-to-investment ratio, as described in the <i>Weatherization Manual For Managing the Low-Income Weatherization Program</i>. A utility may also evaluate low-income conservation programs using a cost-effectiveness test consistent with that used by the council. (ii) A utility may exclude low-income conservation programs from portfolio-level cost-effectiveness calculations. However, a utility must count savings from such programs toward meeting its target. (iii) A utility must require the implementing agency of a low-income conservation program to evaluate each residence with the savings-to-investment ratio, as described in the <i>Weatherization Manual For Managing the Low-Income Weatherization Program</i>.</p>	<p>(i) A utility must base its low-income program cost-effectiveness reporting on data provided by low-income agencies. This data may be based on the SIR method for priority matrix measures and measures recommended by TREAT models. (ii) A utility may exclude low-income conservation programs from portfolio-level cost-effectiveness calculations. However, a utility must count savings from such programs toward meeting its target. (iii) A utility must require the implementing agency of a low-income conservation program follow Department of Commerce policies and procedures, as described in the <i>Weatherization Manual For Managing the Low-Income Weatherization Program</i>.</p>	<p>The suggested revisions in Commission’s “current text”, would add layers of review and processing, thus increasing administrative cost to the LIW program. As a result, fewer low-income customers may be served. The increased cost would be driven by the following issues.</p> <p>(1) Converting the cost-effectiveness calculation methodology for Low Income Weatherization may necessitate the development of an entirely new tracking and reporting system, which may require significant programming and staff resources. Such a program may be difficult to implement on a practical level in a timely manner. Additionally, this will also cause agency confusion, as two sets of data—that will require additional validation—will be necessary during any system transition. This may shift focus from outreach to customers and diverting efforts to building this system.</p> <p>(2) Department of Commerce already verifies the application of the SIR model by low-income agencies. Requiring utilities to also perform the test on each measure would be redundant. Furthermore, the Department of Commerce does not require the reporting of TREAT models for every residence if installed measures are in the DOE priority matrix of measures.</p> <p>Provided that PSE can obtain access to the values maintained in the priority matrix, PSE would defer to DOE figures--which are national (priority matrix) and not as applicable for the PSE territory--rather than PSE Deemed or RTF USE values.</p> <p>Currently, low-income agencies use PSE and RTF deemed savings values, which maximize their efficiency and allow for consistent and accurate savings reporting. If low-income agencies were required to perform TREAT modeling for each project, the cost-effectiveness of the program would be put at risk by causing an increase in agency administrative burden.</p> <p>(3) It is unclear as to what the Commission would require to prove compliance with revised low-income cost-effectiveness methodology. It is unclear as to how PSE would vet the savings values produced by TREAT models. The administrative program costs may significantly increase if PSE Staff is required to validate and vet the costs and savings in each submitted TREAT models.</p>

Comment 18	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-110(1)(c)	Independent third-party evaluation of portfolio-level biennial conservation achievement.	Independent third-party review of portfolio-level biennial conservation achievement.	Although it considers evaluation studies, the third party reviews savings, rather than evaluates savings.

Comment 19	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
<p>Regarding WAC 480-109-110(1)(d) and (f) (both related to CPA and IRP development)</p>	<p>Development of conservation potential assessments, as required by RCW 19.285.040 (1)(a) and WAC 480-109-100(2).</p> <p>And</p> <p>The data sources and values used to develop and update supply curves.</p>	<p>May elect to also participate in the development of conservation potential assessments, as required by RCW 19.285.040(1)(a) and WAC 480-109-100(2).</p> <p>And</p> <p>May also review the data sources and values used to develop and update supply curves.</p>	<p>Condition (3)(a)(ii) in Attachment A of Order 01, Docket No. UE-132043 addresses PSE’s advisory groups, including the CRAG and IRPAG:</p> <p>“...Puget Sound Energy shall continue to use its (CRAG), initially created under Docket UE-011570 and UG-011571, and its Integrated Resource Advisory Group, created under WAC 480-100-238.</p> <p>The full condition discusses PSE’s CRAG and IRPAG, and introduces its sub-parts thus:</p> <p>“... The advisory Groups shall address, but are not limited to, ...”</p> <p>This requirement would put a new burden on the CRAG. It is unreasonable to expect that members of both the IRPAG and CRAG will be required to advise PSE on the CPA & IRP, when many on the CRAG already participate in the IRPAG process.</p> <p>The suggested revision will clarify that CRAG members *may* participate in the IRPAG process if they elect to.</p>

Comment 20	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-110(3)	A utility must provide its conservation advisory group an electronic copy of all conservation filings that the utility intends to submit to the commission at least thirty days in advance of the filing. The filing cover letter must document the amount of advance notice provided to the conservation advisory group.	Except as provided in WAC 480-109-120 (reporting), and with the exception of conservation recovery filings, a utility will provide its advisory group an electronic copy of all conservation-related tariff filings that the utility intends to submit to the commission [sic] at least two months prior to the requested effective date. When extraordinary circumstances dictate, a utility may provide its advisory group with a copy of the filing concurrent with the commission [sic] filing.	<p>The proposed language would add inefficiencies to filing processes that PSE already follows, imposes extra requirements, and removes allowances for extraordinary circumstances.</p> <p>For instance, the current draft language does not take into account PSE’s Schedule 120 filing, which is already made 60 days prior to its effective date, giving the CRAG plenty of time to review the contents. Similarly, condition (8)(d) in Attachment A of Order 01 in Docket No UE-132043 already prescribes the Biennial Conservation Plan deliverable dates.</p>

Comment 21	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-110(4)	A utility must notify its conservation advisory group of public meetings scheduled to address its conservation programs, its conservation tariffs, or the development of its conservation potential assessment.	A utility will notify its conservation advisory group of public meetings that the utility schedules to discuss the development of its conservation potential assessment or integrated resource plan.	<p>“Public meetings” is vague and may lead to Stakeholder misunderstandings. Commission open meetings are “public meetings”, as are Department of Commerce meetings, etc.</p> <p>The proposed text is more specific, indicating that a utility must notify its conservation advisory group of any public meetings that the utility schedules for conservation topics specifically. This will prevent misunderstandings.</p>

Comment 22	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-120(1)(b)(i)	A request that the commission approve its ten-year achievable conservation potential and biennial conservation target.	A request that the commission approve its ten-year economic cost-effective conservation potential and biennial conservation target.	The two-year target is not developed from the “achievable” conservation potential. Rather, the two-year target is developed from the economic, cost-effective potential.

Comment 23	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-120(1)(b)(iv)	A description of the technologies, data collection, processes, procedures and assumptions the utility used to develop the figures in (b)(iii) of this subsection.	A summary overview of the technologies, data collection, processes, procedures and assumptions the utility used to develop the figures in (b)(iii) of this subsection.	PSE ensures that the CRAG is well-informed on program design by consistently provides a significant amount of summary-level descriptions in its Conservation Plans, Annual Reports, and CRAG meetings.

Comment 24	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-120(1)(b)(vi)(B)	The evaluation, measurement, and verification budget	Where individually identifiable, the evaluation, measurement, and verification budget	<p>Although PSE provides specific Evaluation and Verification Team budgets, it isn't possible to provide a separate measurement budget. These budget items don't fully represent all of the EM&V efforts expended by PSE Staff; these functions quite often occur throughout the program management functions and within different organizations.</p> <p>For instance, Energy Management Engineers conduct both evaluations and verifications of all custom conservation projects as a standard business practice. However, it would be impractical to separately budget for these functions.</p> <p>In order to provide a transparent view of PSE's EM&V expenditures, and consistent with condition (6)(f), PSE has consistently identified its Evaluation and Verification Team budget proportion of the overall Portfolio in its Exhibit 1: Savings and Budgets document since 2011.</p>

Comment 25	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-120(3)(b)(ii)	Planned and claimed electricity savings from conservation, including a description of the source of any variance between the planned and actual savings.	Planned and claimed electricity savings from conservation, including a high-level discussion of the key sources of variance between the planned and actual savings.	<p>A description of “any” variance will be onerous and increase Program Staff’s administrative burden, thus reducing their ability to acquire cost-effective conservation.</p> <p>PSE already reports summary-level or key highlights of budget-and savings variances in its Annual Reports.</p>

Comment 26	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
<p>Regarding WAC 480-109-120(3)(b)(iv)</p> <p>(With reference also to 480-109-120(4)(b)(iv))</p>	<p>An evaluation of portfolio- and program-level cost-effectiveness of the actual conservation savings.</p>	<p>A reporting of portfolio- and program-level cost-effectiveness of the actual conservation savings.</p>	<p>In the current text reflecting the proposed requirement, the term “evaluation” is ambiguous. Does Commission staff mean to require a complete impact evaluation of all programs within the portfolio? Or, simply a report/calculation of the portfolio and program-level cost-effectiveness, including the UC and TRC, as is already provided by PSE as its Exhibit 2 each Annual Report?</p> <p>Additionally, the language in subpart (iv) is different from that in 480-109-120(4)(b)(iv), which appears to be the same requirement, only on a biennial application.</p> <p>PSE recommends copying the language in 480-109-120(4)(b)(iv) to subsection 480-109-120(3)(b)(iv).</p>

Comment 27	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-120(3)(c)	A utility must file a conservation report with the department as described in WAC 194-37-060, and file a copy of that report with the commission in the same docket as its current biennial conservation plan.	A utility must file a conservation report with the commission in the same docket as its current biennial conservation plan.	<p>Reports are provided to, rather than filed with the Department of Commerce.</p> <p>It is unclear as to why the rule referencing a public utility requirement has been added. Other than increasing a utility's administrative burden, it is unclear as to how the proposed rule will increase the efficiency or effectiveness of implementing the EIA.</p>

Comment 28	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-120(4)(b)(v)	An independent third-party evaluation of portfolio-level biennial conservation savings achievement.	An independent third-party review of portfolio-level biennial conservation savings achievement, as deemed necessary by a utility's advisory group.	Although it may reference certain evaluation studies, PSE's Biennial Electric Conservation Accomplishment Review is not an evaluation.

Comment 29	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-120(6)	All current and historical plans and reports required in this section must be posted and maintained on the utility's web site and a copy of any report must be provided to any person upon request.	A summary of the last two conservation plans and conservation accomplishment reports required in this section must be posted and maintained on the utility's web site.	<p>Annual and biennial conservation plans often contain confidential and sensitive data, not intended for public publication. The current text is also ambiguous in its reference to plans and reports.</p> <p>Enacting this requirement may result in a reduction of the amount of detail provided to the CRAG in annual plans and reports, in order to protect commercially sensitive or Company confidential information—such as labor rates, employee expenses, etc.</p>

Comment 30	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
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Regarding WAC 480-109-130(1)	Utilities must file with the commission for recovery of expected conservation cost changes and amortization of deferred balances. A utility must include its conservation recovery procedures in its tariff.	Utilities must file with the commission for recovery of all expected conservation costs and other approved costs and amortization of deferred balances. A utility may include its conservation recovery procedures in its tariff, or other rate recovery mechanisms as allowed in RCW 80.28.303 <i>et. seq.</i>	<p>Not sure how this proposed rule would interact or co-exist with existing settlement agreements. There are currently non-conservation costs being recovered through the existing rider mechanism – this language would need to accommodate that.</p> <p>Unclear how multi-year programs would be funded under this language.</p> <p>This rule needs to work in conjunction with RCW 80.28.303.</p> <p>“Conservation recovery procedures” are outlined in accounting petitions; this term is likely too vague to require to be included a tariff schedule. Actual accounting procedures are likely better left in accounting rules, rather than tariff schedule sheets.</p>
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Comment 31	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-130(3)	A utility may not accrue interest or incur carrying charges on deferred conservation cost balances. Utilities must base conservation recovery rates on budgeted conservation measure costs for the future year with revisions to recover only actual measure costs of the prior year. Utilities must also include the effects of variations in actual sales on the recovery of conservation costs in the prior year.	A utility may not accrue interest or incur carrying charges on deferred conservation cost balances. Utilities shall base conservation recovery rates on forward-looking budgeted conservation program costs for the future year with a subsequent true-up to recover only actual program costs of the prior year. Utilities must also include the effects of variations in actual sales on the recovery of conservation costs in the prior year.	Clarify programs versus measures and highlight the forward-looking nature of the cost recovery.

Comment 32	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-200	Renewable portfolio standard.	Delete the phrase “portfolio standard”: “Renewable resource” or “Renewable energy target”.	<p>The phrase “renewable portfolio standard” does not appear anywhere in the law and is not defined therefore this term should not be introduced into the rule.</p> <p>The phrase “portfolio standard” does not appear anywhere in the law and is not defined therefore this term should not be introduced into the rule.</p> <p>The actual term used in the law (RCW 19.285.045) is “Renewable Energy Target”, this term should be used consistently throughout the rules.</p>

Comment 33	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-210 and all sections and subparts	Renewable portfolio standard.	Delete the phrase “portfolio standard”: “Renewable resource” or “Renewable energy target”.	<p>The phrase “renewable portfolio standard” does not appear anywhere in the law and is not defined therefore this term should not be introduced into the rule.</p> <p>The phrase “portfolio standard” does not appear anywhere in the law and is not defined therefore this term should not be introduced into the rule.</p> <p>The actual term used in the law (RCW 19.285.045) is “Renewable Energy Target”, this term should be used consistently throughout the rules.</p>

Comment 34	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
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<p>Regarding WAC 480-109-210(2)(a) All sections and subparts</p>	<p>“Incremental Cost Calculation”, all sections and subparts.</p>	<p>Delete section</p>	<p><u>Incremental Cost of Eligible Renewable Resources Compliance Provision</u> PSE continues to be confused about the changes WUTC Staff is proposing for calculating incremental cost of renewable resources. Staff’s proposal will make the calculations complicated and make it difficult for utilities to project whether the incremental cost compliance provision will affect a future compliance year. Furthermore, we believe that Staff’s proposal will make compliance unnecessarily volatile, as hydro conditions, market gas prices, and ultimately electric market prices vary from year-to-year. In the past two compliance filings, the WUTC has accepted PSE’s estimated long-term incremental cost of renewable calculation. Such calculations have been based on information consistent with the time the decision to acquire the renewable resources was made. In addition to being used in WAC 480-109 compliance filings, PSE’s approach has been included in the 2011 and 2013 IRP filings to ensure the Company’s resource plans are consistent with the compliance provision in WAC 480-109-030(1). Staff’s proposal would essentially require utilities to mark renewable resources to market each year. This could lead to a utility using the alternative compliance provision in one year, then potentially not being able to use the alternative compliance provision in the subsequent year—even if loads were unchanged and no additional renewable resources had been acquired. A low wind year would reduce the MWh of wind, while capital costs would be unchanged. Similarly, high hydro conditions or low gas prices in one year could significantly reduce the value of the energy produced by a wind farm. Either situation could show a utility is over the four percent of its total annual retail revenue requirement. The following year, the opposite market conditions could prevail; i.e., high wind, low hydro, and/or high gas prices would increase the value of renewable resources. This could show utilities under the four percent of its total annual retail revenue requirement. In discussions with Staff, they have stated numerous times that such look-back would not be grounds for revisiting prudence (although that may not be clear in these new proposed rules); however, if a utility expects to use the alternative compliance provision under normal conditions and doesn’t acquire renewable resources, then market prices happen to fall significantly, the utility could find itself short on compliance RECs. PSE is currently working on recalculating the incremental cost of renewable resources, as proposed by WUTC Staff in their draft rules. The Company will submit supplemental comments including an updated incremental cost of renewable resources analysis. PSE hopes this analysis will determine whether the concerns above are just hypothetical concerns, or if Staff’s proposal would put PSE close to the use of the alternative compliance provision.</p>
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Comment 35	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
<p>Regarding WAC 480-109-210(2)(d) All sections and subparts</p>	<p>“Eligible resources”, all sections and subparts.</p>	<p>Delete section</p>	<p>The law does not require a list of eligible renewable resources.</p> <p>The principal function of the annual reporting is to report on what RECs and MWhs the utility actually used to comply with a specific past target year, therefore it is not necessary to list all eligible renewable resources.</p> <p>The major eligible renewable resources will go through the ratemaking process (GRC, PCORC) first before they are used for compliance with the law. This has been WUTC precedent and allows a full discovery process. There is no compelling reason given to deviate from this existing process now.</p>

Comment 36	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
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<p>Regarding WAC 480-109-210(2)(f), and all sections and subparts.</p>	<p>“Sales”, all sections and subparts.</p>	<p>Delete section</p>	<p>The law does not require that a utility disclose this detailed level information.</p> <p>The law does not require that a utility expose this proprietary confidential information as part of this report.</p> <p>The principal function of the annual reporting is to report on what RECs and MWhs the utility actually used to comply with a specific past target year, therefore it is not necessary to details about all sales of RECs.</p> <p>The disposition of proceeds from the sales of RECs is already handled by commission-approved accounting petition. There is no compelling reason given to deviate from this existing process now.</p>
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Comment 37	Draft Proposed Rule Text	PSE Proposed Rule Text Change	Rationale for proposed change
<p>Regarding WAC 480-109-210(6) and all sections and subparts.</p>	<p>“Final compliance report”, all sections and subparts.</p>	<p>Delete section</p>	<p>The law already has a requirement to file annual reports. The law already requires a utility to report on how it complied with a specific past target year (or two past target years).</p>

Comment 38	Current Text	PSE Proposed Rule Text Change	Rationale for proposed change
Regarding WAC 480-109-300	Energy and emissions intensity metrics	Strike this entire section	<p>This data--in various forms--is already provided to, or is available to the Commission in other Dockets or reports. PSE questions additional reporting requirements that aren't specifically enumerated in RCW 19.285.</p> <p>Specific metrics that PSE questions are the:</p> <ul style="list-style-type: none"> a. MWh per Gross Domestic Product for the Metropolitan Statistical Areas representative of the utility service area, b. MWh per capita, <p>which will require the use and interpretation of non-utility data, potentially leading to disputes of conclusions. The "unknown generation sources" section, as written, lacks any established methodology.</p> <p>It is recommended that Washington agencies work to bring utilities some concepts and calculations to consider prior to enacting this rule. This is the only way to achieve a starting point to provide constructive evaluation of reporting metrics.</p> <p>There is also no discussion as to what will be done with the data. There are no benchmarks against which to compare. What will the level of follow-up be if data appears to be inconsistent with expectations?</p>