

Agenda Date: September 12, 2019
Item Number: A2

Docket: UE-190448
Company: Pacific Power & Light Company

Staff: Jim Woodward, Regulatory Analyst

Recommendation

Issue an Order in Docket UE-190448 finding:

1. The 2019 renewable energy target for Pacific Power & Light Company is 367,669 megawatt-hours.
2. Pacific Power & Light Company has demonstrated that, by January 1, 2019, it acquired 367,669 megawatt-hours of eligible renewable resources sufficient to supply 9 percent of its load for 2019.
3. Pacific Power & Light Company's re-filed report dated August 23, 2019, complies with the June 1, 2019, reporting requirements pursuant to WAC 480-109-210.
4. In the final compliance report for 2019 required by WAC 480-109-210(6), Pacific Power & Light Company must provide details about which certificates were used for its various renewable energy programs.¹

Background

In 2006, Washington voters approved Initiative 937, also known as the Energy Independence Act (EIA). Codified in RCW 19.285 and Chapter 480-109 WAC, the EIA created a renewable portfolio standard (RPS) that requires electric utilities with more than 25,000 customers to serve 9 percent of their 2019 retail load with eligible renewable resources and to file an annual compliance report (RPS report) by June 1 of each year.² The Washington Utilities and Transportation Commission's (commission) rules further require a final compliance report, filed no later than two years after the initial report.

After working with commission staff (staff), Pacific Power & Light Company (Pacific Power or company) re-filed its annual RPS report on August 23, 2019, addressing the majority of the issues raised by staff at the August 8, 2019, Open Meeting.³

¹ WAC 480-109-210(2)(d)(i). Each certificate in WREGIS may be retired by Pacific Power for only one purpose. Retirement may be under the Blue Sky voluntary renewable energy program authorized by RCW 19.29A.090, or it may be retired for RPS compliance, but not both. If Pacific Power reports on certificates that have not yet been retired, they could also be characterized as owned by the customer.

² RCW 19.285.040; RCW 19.285.070; WAC 480-109-200(1).

³ See Docket UE-190448, Commission Staff Revised Open Meeting Memo (August 8, 2019).

Discussion

Based on the information that Pacific Power provided in its revised report, staff believes that the company correctly calculated its 2019 RPS target, and has acquired sufficient resources to meet that target.

Table 1 summarizes Pacific Power's 2019 target and the total amount of resources the company had acquired by January 1, 2019. It includes the company's excess RECs from 2018 that could be used toward its 2019 target, the company's projected 2019 generation, and Pacific Power's plan to use 2020 RECs generated from contracted solar resources for 2019 compliance.

Table 1: Pacific Power's 2019 Renewable Resource Target and Compliance Plan

2019 Target (MWh)	2018 RECs^a	2019 RECs^b	2020 RECs^c	Total Compliance Resources (MWh)
367,669	69,298	292,799	5,572	367,669

^a Includes contracted wind and solar resources.

^b Includes incremental eligible hydropower, company owned wind resources, contracted wind and solar resources.

^c Includes contracted solar resources.

Incremental costs: Staff is pleased Pacific Power's incremental cost calculations now exclude planned repowering upgrades and thus conform with rule. The company's 2019 incremental cost calculation is approximately \$1.89 million or 0.574 percent of revenue requirement. The RPS report contained sufficient information to review incremental cost calculations, including a completed version of the template developed by staff during the 2016 RPS process.

Confidentiality: Although select confidentiality issues remain, staff believe Pacific Power has demonstrated a good faith effort bringing the company's 2019 RPS report into compliance. Staff plan to address outstanding confidentiality items in the upcoming EIA rulemaking.⁴

Documentation of certificate use: Pacific Power will need to document its use of the company's renewable resources under various renewable energy programs for EIA eligibility purposes. Because the statute explicitly disallows any resources used for voluntary renewable energy programs in RCW 19.29A.090, the commission requires the companies to include some information about the usage of the certificates. While the rule requires this information in the annual report, staff believes inclusion in the final compliance report is more helpful, and asks the commission to require the company to include the information there. In the final 2019 compliance report, Pacific Power must list details about program usage.⁵

⁴ See Docket U-190485, 2019-2022 Energy Legislation Implementation Plan (August 27, 2019).

⁵ As required by WAC 480-109-210(2)(d)(i).

Public Comments

The Northwest Energy Coalition (NWECC) filed public comments regarding Pacific Power's revised report on August 29, 2019. NWECC's comments align with staff that select transparency issues remain with Pacific Power's report. However, like staff, NWECC prefers to note these concerns now and to resolve outstanding confidentiality issues ahead of next year's 2020 RPS season.

Conclusion

Issue an order as described in the recommendations section of this memo.