

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	DOCKET UE-190448
PACIFIC POWER & LIGHT COMPANY'S	ORDER 01
Renewable Energy Target Progress Report under RCW 19.285.070 and WAC 480-109-210	APPROVING COMPLIANCE WITH ELIGIBLE RENEWABLE ENERGY TARGET REPORTING REQUIREMENTS FOR 2019

BACKGROUND

- 1 The Energy Independence Act (EIA or Act)¹ requires qualifying electric utilities to obtain certain percentages of their electricity from eligible renewable resources. The Washington Utilities and Transportation Commission (Commission) enforces compliance with the EIA by investor-owned utilities.² Ultimately, the Commission must determine “whether the utility has generated, acquired or arranged to acquire enough renewable energy credits or qualifying generation to comply with its renewable resource target.”³
- 2 The Commission has implemented these requirements by establishing a two-step compliance process.⁴ Because a utility may comply with its renewable portfolio standard (RPS) obligation by using renewable energy credits (RECs) acquired in the year after the target year, ultimate compliance for 2019, for example, may be demonstrated as late as June 1, 2021. Accordingly, there will be two Commission decisions for each year’s compliance: (1) a determination that the Company has enough resources to meet the 9 percent target; and (2) the retrospective compliance decision. Before the Commission is the initial resource-adequacy filing made by Pacific Power & Light Company (Pacific Power or Company) for its 2019 obligation. The Commission will consider Pacific

¹ Chapter 19.285 RCW.

² RCW 19.285.060(6).

³ WAC 480-109-210(3)(b).

⁴ WAC 480-109-210(1) and (6).

Power's compliance with its 2019 target when Pacific Power requests such a finding, which the Company must do through a filing in this docket no later than June 1, 2021.

- 3 On May 31, 2019, Pacific Power filed with the Commission its renewable portfolio standard compliance report for 2019 (2019 RPS Report), which identified a 2019 target of 367,669 megawatt-hours (MWh). On July 2, 2019, Pacific Power filed a revised report adding incremental cost information for the Company's owned eligible resources located outside the Western Control Area (WCA) and facilities from which RECs are purchased. These incremental cost updates did not address contentious incremental cost repowering issues. Pacific Power sought an order from the Commission confirming that the Company has complied with the Commission's EIA reporting requirements and accepting the Company's calculations and eligibility of the renewable resources identified in the RPS Report for 2019.
- 4 On June 10, 2019, the Commission issued a Notice inviting interested persons to file written comments on Pacific Power's RPS Report. During the comment period, the Commission received written comments from Commission staff (Staff), the Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel) and the NW Energy Coalition (NVEC).
- 5 In its written comments, Staff recommended that the Commission reject Pacific Power's 2019 RPS Report and require the Company to refile the report for three reasons. In summary, Staff first argued that Pacific Power had prematurely applied and incorrectly compared incremental costs. Second, Staff opposed Pacific Power's incremental cost calculation because it believed the Company incorrectly used a non-eligible resource of a different, older vintage in its calculation. Third, Staff asserted that Pacific Power has omitted from its 2019 RPS Report incremental cost calculations for its entire eligible resource portfolio.⁵ In addition, Staff argued that Pacific Power's 2019 RPS Report lacks transparency by designating much of the data provided as confidential.
- 6 Both Public Counsel and NVEC commended the Company for meeting its target without relying on alternative compliance mechanisms. But both also shared Staff's concerns regarding the lack of transparency within Pacific Power's report due to the volume of redacted information. Public Counsel signed a nondisclosure agreement to receive the Company's confidential filing, but asserts that the time delay associated with doing so limited stakeholder oversight of Pacific Power's RPS progress. Public Counsel also expressed reservations similar to Staff's related to Pacific Power's confidentiality

⁵ WAC 480-109-210(2)(a)(i) requires the incremental cost calculation for "all eligible resources."

designation of incremental cost calculations. NWECC criticized the number of redactions made by Pacific Power in its report. NWECC recommended that the Commission withhold approval of Pacific Power's 2019 RPS Report and require the Company to re-file a more transparent report.

7 The matter came before the Commission at its regularly scheduled meeting on August 8, 2019. The Commissioners heard from Staff and the Company and asked both parties to collaborate and take 30 days to get the RPS Report into compliance.

8 Staff and the Company collaborated, as requested, and on August 23, 2019, Pacific Power re-filed its annual RPS Report. 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, and contracted wind and solar resources.

^c Includes contracted solar resources.

9 Staff reviewed the information in the revised report and concluded that the Company correctly calculated its 2019 RPS target and has acquired sufficient resources to meet that target.

10 Staff determined that Pacific Power's incremental cost calculations exclude planned repowering upgrades and thus conform with WAC 480-109-210(2)(a). The Company's 2019 incremental cost calculation is approximately \$1.89 million, or 0.574 percent of its revenue requirement. Staff determined that 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.

11 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 recommends the Commission address outstanding confidentiality items in the upcoming EIA rulemaking.⁶

12 Finally, Staff determined that Pacific Power will need to document the use of its 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 that information there. In the final 2019 compliance report, Pacific Power must list details about program usage.⁷

13 Staff recommends that the Commission issue an order in this docket finding that:

1. The 2019 renewable energy target for Pacific Power is 367,669 megawatt-hours.
2. Pacific Power 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'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 must provide details about which certificates were used for its various renewable energy programs.⁸

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

⁶ See Docket UE-190485, 2019-2022 Energy Legislation Implementation Plan (August 27, 2019).

⁷ As required by WAC 480-109-210(2)(d)(i).

⁸ WAC 480-109-210(2)(d)(i). Each certificate in the Western Renewable Energy Generation Information System (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.

DISCUSSION

15 Based on the information that Pacific Power provided in its revised report filed on
August 23, 2019, the Commission accepts Pacific Power's calculation of 367,669 MWh
as the Company's renewable energy target for 2019 and determines that Pacific Power
has identified sufficient resources to be able to meet that target.

16 The Commission will make its final determination about whether Pacific Power has met
its 2019 target when the Company requests such a finding, no later than June 1, 2021. To
assist Staff with determining whether Pacific Power's resources meet EIA eligibility
requirements, Pacific Power must provide details about which certificates were used for
its various renewable energy programs, as required by WAC 480-109-210(2)(d)(i), in its
final compliance report for 2019.

FINDINGS AND CONCLUSIONS

- 17 (1) The Commission is an agency of the state of Washington vested by statute with
the authority to regulate the rates, regulations, practices, and accounts of public
service companies, including electric companies.
- 18 (2) Pacific Power is an electrical company and a public service company subject to
Commission jurisdiction.
- 19 (3) Pacific Power serves more than 25,000 customers within the State of Washington
and is a "qualifying utility" within the meaning of RCW 19.285.030(18).
- 20 (4) By January 1, 2019, Pacific Power had acquired sufficient eligible renewable
resources to supply at least 9 percent of its load for the remainder of 2019.
- 21 (5) Pacific Power has met the reporting requirements of RCW 19.285.070 and
WAC 480-109-210. These reporting requirements include Pacific Power's plan
for meeting its RPS obligation for the remainder of 2019.
- 22 (6) Pursuant to WAC 480-109-210(4), Pacific Power must provide a summary of its
RPS Report to its customers, by bill insert or other suitable method, within 30
days of the date of this Order.
- 23 (7) Pursuant to WAC 480-109-210(6), Pacific Power must file a report no later than
June 1, 2021, that lists the certificate numbers in WREGIS for every megawatt-
hour and renewable energy credit that PSE retired to meet the January 1, 2019,
target.

ORDER

THE COMMISSION ORDERS:

- 24 (1) The Commission accepts the calculation of 367,669 MWh as the 2019 renewable energy target for Pacific Power & Light Company.
- 25 (2) Pacific Power & Light Company has identified eligible renewable resources sufficient to supply at least 9 percent of its load for 2019.
- 26 (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.
- 27 (4) Pacific Power & Light Company's final compliance report must list certificate numbers for every renewable energy credit that Pacific Power & Light Company retired in the Western Renewable Energy Generation Information System and details about which certificates were used for its various renewable energy programs in 2019.
- 28 (5) The Commission Secretary is authorized to accept or approve a filing that complies with the requirements of this Order.

DATED at Lacey, Washington, and effective September 12, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner