

AVISTA UTILITIES

Clean Energy Implementation Plan UE-210628

Appendix H – Washington Regulatory Requirements

October 1, 2021

Washington Regulatory Requirements

Washington UTC recently completed its rule making process for the Clean Energy Implementation Planning. The rules are outlined below in Table 1.9 through Table 1.20. Avista also discusses where in the CEIP document the rule requirement is covered.

Table Error! No text of specified style in document. Filing Requirements

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (1)	File with the commission a CEIP by October 1, 2021, and every four years thereafter. The CEIP describes the utility's plan for making progress toward meeting the clean energy transformation standards, and is informed by the utility's clean energy action plan	This CEIP begins the first CEIP cycle.

Table 2 Interim Targets

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (2)(a)	Propose a series of interim targets that: Demonstrate how the utility will make reasonable progress toward meeting the standards identified in WAC 480-100-610 (2) and (3); Are consistent with WAC 480-100-610(4); and Each utility must propose interim targets in the form of the percent of forecasted retail sales of electricity supplied by non-emitting and renewable resources prior to 2030 and from 2030 through 2045.	Chapter 2 covers the interim targets in the form of percent of forecasted retail sales of electricity supplied by non-emitting and renewable resources.
WAC 480-100-640 (2)(b)	Include the utility's percentage of retail sales of electricity supplied by non-emitting and renewable resources in 2020 in the first CEIP it files.	Chapter 2 includes Avista's percent of retail sales of electricity supplied by non-emitting and renewable resources in 2020.
WAC 480-100-640 (2)(c)	Each interim target must be informed by the utility's historic performance under median water conditions	Interim targets specified in Chapter 2 are informed by the Company's median water conditions.

Table 3 Specific Targets

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (3)(a)	<p>Propose a series of specific targets for energy efficiency, demand response, and renewable energy.</p> <p>The energy efficiency target must encompass all other energy efficiency and conservation targets and goals the commission requires the utility to meet. The specific energy efficiency target must be described in the utility's biennial conservation plan required in chapter 480-109 WAC. The utility must provide forecasted distribution of energy and nonenergy costs and benefits.</p> <p>The utility must provide proposed program details, program budgets, measurement and verification protocols, target calculations, and forecasted distribution of energy and nonenergy costs and benefits for the utility's demand response target.</p> <p>The utility must propose the renewable energy target as the percent of retail sales of electricity supplied by renewable resources and must provide details of renewable energy projects or programs, program budgets as applicable, and forecasted distribution of energy and nonenergy costs and benefits.</p>	Specific energy efficiency targets are described in Chapter 2 while all cost and benefit details are outlined in Chapter 4.
WAC 480-100-640 (3)(b)	The utility must provide a description of the technologies, data collection, processes, procedures, and assumptions the utility used to develop the targets in this subsection. The utility must make data input files that are used to determine relevant targets available in native format and in an easily accessible format as an appendix.	Chapter 2 outlines Avista's assumption and methodology used to determine the Company's specific energy efficiency targets.

Table 4: Customer Benefit Data

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (4)(a)	Identify highly impacted communities using the cumulative impact analysis pursuant to RCW 19.405.140 combined with census tracts at least partially in Indian country;	Chapter 3 identifies Highly Impacted Communities within Avista's service territory
WAC 480-100-640 (4)(b)	Identify vulnerable populations based on adverse socioeconomic factors and sensitivity factors developed through the advisory group process and public participation plan described in WAC 480-100-655, describing and explaining any changes from the utility's most recently approved CEIP	Chapter 3 identifies Vulnerable Populations within Avista's service territory.
WAC 480-100-640 (4)(c)	Include proposed or updated customer benefit indicators and associated weighting factors related to WAC 480-100-610 (4)(c) including, at a minimum, one or more customer benefit indicators associated with energy benefits, nonenergy benefits, reduction of burdens, public health, environment, reduction in cost, energy security, and resiliency. Customer benefit indicators and weighting factors must be developed consistent with the advisory group process and public participation plan described in WAC 480-100-655. The utility should describe and explain any changes in customer benefit indicators or weighting factors from its most recently approved CEIP	Chapter 3 outlines the Company's proposed CBIs associated with energy and nonenergy benefits, reductions of burdens, public health, environmental, reduction in cost, energy security and resiliency.

Table 5: Specific Actions

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (5)	Each CEIP must include the specific actions the utility will take over the implementation period. The specific actions must meet and be consistent with the clean energy transformation standards and be based on the utility's clean energy action plan and interim and specific targets. Each CEIP must present the specific actions in a tabular format that provides the following information for each specific action	Chapter 4 details the Company's Specific Action, in tabular format, that it will take towards meeting the clean energy standards outlined by the CETA legislation.
WAC 480-100-640 (5)(a)	The general location, if applicable, proposed timing, and estimated cost of each specific action or remaining resource need, including whether the resource will be located in highly impacted communities, will be governed by, serve, or otherwise benefit highly impacted communities or vulnerable populations in part or in whole	Chapter 4 outlines the general location, proposed timing, and estimated costs, as applicable, for each specific action.
WAC 480-100-640 (5)(b)	Metrics related to resource adequacy including contributions to capacity or energy needs	Metrics related to resource adequacy are discussed in Chapter 4.
WAC 480-100-640 (5)(c)	Customer benefit indicator values, or a designation as nonapplicable, for every customer benefit indicator described in subsection (4)(c) of this section	CBIs values can be found in chapter 4 and Chapter 6.

Table 6 Narrative Description of Specific Actions (Part 1)

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (6)(a)	The CEIP must describe how the specific actions: Demonstrate progress toward meeting the standards identified in WAC 480-100-610 (2) and (3)	Chapter 4 describes how Avista's specific actions demonstrate progress towards clean energy standards.
WAC 480-100-640 (b)	Demonstrate consistency with the standards identified in WAC 480-100-610(4) including, but not limited to: An assessment of current benefits and burdens on customers, by location and population, and the projected impact of specific actions on the distribution of customer benefits and burdens during the implementation period; A description of how the specific actions in the CEIP mitigate risks to highly impacted communities and vulnerable populations and are consistent with the longer-term strategies and actions described in the utilities most recent IRP and CEAP as required by WAC 480-100-620 (11)(g) and (12)(c)	Chapter 3 provides a baseline assessment of current benefits and burdens and the projected impact to customers in Avista's service territory. Chapter 4 details how the specific actions in the CEIP mitigate risks to Named Communities.
WAC 480-100-640 (c)	Are consistent with the proposed interim and specific targets	Can be found in Chapter 2 and Chapter 4.
WAC 480-100-640 (d)	Are consistent with the utility's integrated resource plan	Can be found in Chapter 2 and Chapter 4.
WAC 480-100-640 (e)	Are consistent with the utility's resource adequacy requirements, including a narrative description of how the resources identified in the most recent resource adequacy assessment conducted or adopted by the utility demonstrates that the utility will meet its resource adequacy standard	Chapter 4 includes a narrative description of how the Company will meet its resource adequacy standard.

Table 7 Narrative Description of Specific Actions (Part 2)

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (f)	<p>Demonstrate how the utility is planning to meet the clean energy transformation standards at the lowest reasonable cost including, but not limited to:</p> <p>A description of the utility's approach to identifying the lowest reasonable cost portfolio of specific actions that meet the requirements of (a) through (e) of this subsection, including a description of its methodology for weighing considerations in WAC 480-100-610(4);</p> <p>A description of the utility's methodology for selecting the investments and expenses it plans to make over the next four years that are directly related to the utility's compliance with the clean energy transformation standards, consistent with RCW 19.405.050 (3)(a), and a demonstration that its planned investments represent a portfolio approach to investment plan optimization;</p> <p>Supporting documentation justifying each specific action identified in the CEIP.</p>	Chapter 4 provides a lowest reasonable cost analysis as well as the methodology used for selecting the investments and expenses planned over the next four years. Chapters 2, 3 and 4 detail the methodology used for weighting considerations.

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WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (7)	Each CEIP must include a projected incremental cost as outlined in WAC 480-100-660(4)	Projected incremental costs are described in Chapter 5.

Table 8: Public Participation

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (8)	Each CEIP must detail the extent of advisory group and other public participation in the development of the CEIP as described in WAC 480-100-655 including, but not limited to, the summary of advisory group member comments described in WAC 480-100-655 (1)(i).	Chapter 6 outlines Avista's steps towards effective public participation throughout the development of its CEIP. Advisory group member comments are displayed in Appendix F (filed with Final).

Table 9 Alternative Compliance

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (9)	The utility must describe any plans it has to rely on alternative compliance mechanisms as described in RCW 19.405.040 (1)(b)	Alternative compliance mechanisms are described in Chapter 5.

Table 10: Early Action Coal Credit

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (10)	If the utility proposes to take the early action compliance credit authorized in RCW 19.405.040(11), the utility must satisfy the requirements in that statutory provision and demonstrate that the proposed action constitutes early action by presenting the analysis in subsection (6) of this section both with and without the proposed early action. The utility must compare both the proposed early action and the alternative against the same proposed interim and specific targets.	Early action coal credit compliance is outlined in Chapter 5.

Table 11: Biennial CEIP Update

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640	The utility must make a biennial CEIP update filing on or before November 1st of each odd-numbered year that the utility does not file a CEIP. The CEIP update may be limited to the biennial conservation plan requirements under chapter 480-109 WAC. The utility must file its biennial CEIP update in the same docket as its most recently filed CEIP and include an explanation of how the update will modify targets in its CEIP. In addition to its proposed biennial conservation plan, the utility may file in the update other proposed changes to the CEIP as a result of the integrated resource plan progress report.	The next steps the Company will take after filing its initial CEIP are outlined in Chapter 7.