Attachment A to AWEC's January 14, 2025 Comments in Docket U-240281 Proposed ISP

WAC 480-95-090 Cost Test.

~~(1) **Definitions.**~~

Commented [SJM1]: Consistent with AWEC's written comments, AWEC does not believe that it is either necessary or ideal to define these terms.

~~(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)~~(1) **Applicability**.

Commented [SJM2]: AWEC largely agrees with edits proposed by PSE, which are included here. AWEC's proposed subsection (d) would require PSE to include an explanation of its inclusion/consideration of each component in subsection (2), not just a subset.

(a) Each large combination utility shall apply the cost test at the portfolio level in its filing of an integrated system plan pursuant to RCW 80.86.020~~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 in its filing of an integrated system plan pursuant to RCW 80.86.020~~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)~~(c) ~~Each large combination utility shall apply the cost test to demonstrate~~to assist the Commission in determining whether ~~that~~ the ISP is in the public interest, according to ~~WAC 480-95-060(4)~~RCW 80.86.020(11).

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~~(e)~~(d) Each large combination utility shall demonstrate the ISP complies with WAC 480-95-090 (2)~~(a) through (d)~~, by providing, at minimum, a narrative description explaining how the ISP complies.

(2) **Cost Test.** The cost test shall consist of two components: The Planning Cost Test and the Customer Cost Test.

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~~(3)~~(a) The Planning Cost Test. The Planning Cost Test shall account for the following costs and benefits for each year of the study period:

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~~(a)~~(i) Utility system impacts:

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~~(i)~~A. All electric utility system impacts affected by the resources in each portfolio

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~~(ii)~~B. All gas utility system impacts affected by the resources in each portfolio

~~(iii)~~C. 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)~~(ii) Greenhouse gas emissions

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~~(c)~~(iii) Environmental impacts

~~(d)~~(iv) Health and safety concerns

~~(e)~~(v) Reliability

~~(f)~~(vi) Resiliency impacts

~~(g)~~(vii) Security of supply

~~(h)~~(viii) Washington State Economic development net of Washington State Economic Losses associated with the impact of increased utility rates on consumer spending and business investment.

~~(i)~~(ix) Rate impacts.

Commented [SJM3]: Rate impacts by customer class are imperative. Stakeholders and the Commission should have the information and opportunity to understand how different portfolios impacts not just overall utility rates, but rates for each customer class. Without this information, AWEC does not believe that the Commission can meet its obligation to under RCW 80.86.020(11)(g)(iii) to ensure that the ISP results in a reasonable cost to customers.

~~(i)~~A. Forecasted rates shall be estimated separately for the electric utility

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and the gas utility, by customer class.

~~(ii)~~B. Forecasted rates shall be estimated for ~~all customers~~each customer class on average for each ISP portfolio.

~~(iii)~~C. Forecasted rates shall be estimated for each year in the study period by dividing the revenue requirements by the utility retail sales, per customer class.

~~(iv)~~D. Rate impacts will be determined by comparing the forecasted rates for each portfolio to the forecasted rates of a reference portfolio, by customer class.

~~(j)~~(x) Bill impacts.

~~(i)~~A. Bill impacts shall be estimated separately for the electric utility and the gas utility.

~~(ii)~~B. Bill impacts shall be estimated for ~~all customers~~each customer class on average for each utility portfolio.

~~(iii)~~C. 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)~~(xi) Equity impacts as required in WAC 480-95-030(12)(j) and WAC 480-95-030(13)(d).

~~(l)~~(xii) Other fuels

A. Other fuels shall include all fuels not sold by large combination utilities including, but not limited to, propane, wood, gasoline, and diesel.

~~(i)~~(b) Customer Cost Test. The ISP shall include a base case scenario developed using traditional planning methods. The base case scenario shall not include incremental costs associated with implementing RCW 80.86.020. If the rate impacts associated with the preferred portfolio in the ISP are forecast to be a cumulative 4% or greater over the plan period for any customer class, the large combination utility must identify in its ISP options that would allow the Commission to approve an ISP with an amended preferred portfolio that results in forecast rate impacts to each customer class that are no more than 4% greater than the base case scenario over the plan period.

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