AMENDATORY SECTION (Amending Docket No. UE-990473, General Order No. R-482, filed 5/3/01, effective 6/3/01)

WAC 480-100-238 ((~~Least cost~~)) Integrated resource planning. (1) Purpose ((~~and process~~)). Each electric utility regulated by the commission has the responsibility to meet its ((~~load~~)) system demand with a least cost mix of generating resources and ((~~improvements in the efficient use of electricity. Therefore, a "least cost plan" must be developed by each electric utility in consultation with commission staff. Provision for involvement in the preparation of the plan by the public will be required. Each planning cycle must begin with a letter to the utility from the commission secretary. The content and timing of and reporting for the least cost plan and the public involvement strategy must be outlined in a work plan developed by the utility after consulting with commission staff.~~)) conservation. In furtherance of that responsibility, each electric utility must develop an "integrated resource plan."

(2) Definitions.

((~~"Least cost plan"~~)) (a) "Integrated resource plan" or "plan" means a plan describing the mix of generating resources and ((~~improvements in the efficient use of electricity~~)) conservation that will meet current and future needs at the lowest reasonable cost to the utility and its ratepayers.

(b) "Lowest reasonable cost" means the lowest cost mix of resources determined through a detailed analysis of a wide range of commercially available sources. At a minimum, this analysis must consider resource cost, market-volatility risks, demand-side resource uncertainties, resource dispatchability, resource effect on system operation, the risks imposed on ratepayers, public policies regarding resource preference adopted by Washington state or the federal government and the cost of risks associated with environmental effects including emissions of carbon dioxide.

(c) "Conservation" means any reduction in electric power consumption that results from increases in the efficiency of energy use, production, or distribution.

(3) ((~~Each electric utility must submit to the commission on a biennial basis a least cost plan that~~)) Content. At a minimum, integrated resource plans must include:

(a) A range of forecasts of future demand using methods that examine the ((~~impact~~)) effect of economic forces on the consumption of electricity and that address changes in the

number, type((~~,~~)) and efficiency of electrical end-uses.

(b) An assessment of ((~~technically feasible improvements in the efficient use of electricity,~~)) commercially available conservation, including load management, as well as an assessment of currently employed and new policies and programs needed to obtain the ((~~efficiency~~)) conservation improvements.

(c) An assessment of ((~~technically feasible~~)) a wide range of commercially available generating technologies ((~~including renewable resources, cogeneration, power purchases from other utilities, and thermal resources (including the use of combustion turbines to utilize better the existing hydro system)~~)).

(d) An assessment of transmission system capability and reliability.

(e) A comparative evaluation of the cost of generating resources (including transmission and distribution) and improvements in ((~~the efficient use of electricity based on~~)) conservation using a consistent method((~~, developed in consultation with commission staff, for calculating~~)) to calculate cost-effectiveness.

((~~(e) The~~)) (f) Integration of the demand forecasts and resource evaluations into a long-range (e.g., ((~~twenty-year) least cost~~)) at least ten years; longer if appropriate to the life of the resources considered) integrated resource plan describing the mix of resources that will meet current and future needs at the lowest reasonable cost to the utility and its ratepayers.

((~~(f)~~)) (g) A short-term ((~~(e.g., two-year)~~)), two-year plan outlining the specific actions ((~~to be taken by~~)) the utility ((~~in implementing the long-range least cost~~)) will take to implement its integrated resource plan.

(h) A report on the utility's progress towards implementing the recommendations contained in its previously filed plan.

(4) ((~~All plans subsequent to the initial least cost plan must include a progress report that relates the new plan to the previously filed plan.~~

~~(5)~~)) Timing. Unless otherwise ordered by the commission, each electric utility must submit a plan within two years after the date on which the previous plan was filed with the commission. Not later than twelve months prior to the due date of a plan, the utility must provide a work plan for informal commission review. The work plan must outline the content of the integrated resource plan to be developed by the utility and the method for assessing potential resources.

(5) Public participation. Consultations with commission staff and public participation are essential to the development of an effective plan. The work plan must outline the timing and extent of public participation. In addition, the commission will hear comment on the plan at a public hearing scheduled

after the utility submits its plan for commission review.

(6) The ((~~least cost~~)) commission will consider the information reported in the integrated resource plan((~~, considered with other available information, will be used to~~)) when it evaluates the performance of the utility in rate and other proceedings((~~, including the review of avoided cost determinations, before the commission~~)).