

**Dockets UE-030311/UG-030312 - Attachment A**

**Dockets UE-030311/UG-030312 – Electric/gas Least Cost Planning rulemakings  
Stakeholders’ comments to CR-102 proposed language**

**1. COMMON TO ELECTRICITY AND GAS**

<b>EXTERNALITIES</b>	
<b>Stakeholder</b>	<b>Comment</b>
<b>NW Energy Coalition / Renewable Northwest Project</b>	Open an investigation at the conclusion of this procedure to examine the range of appropriate values for CO <sup>2</sup> that utilities should use in their IRPs in order to provide consistency to the estimates used by the companies.
<b>Public Counsel</b>	Language should be more specific. Ratepayers should not be held liable for future CO <sup>2</sup> mitigation cost that are well recognized in the market but which were not incorporated into utility decision making in the IRP and RFP process.  Public Counsel will contest prudence and request disallowance of future CO <sup>2</sup> mitigation costs in rates if IRP and RFP evaluations fail to consider cost risks of CO <sup>2</sup> mitigation.
<b>Andy Silber</b>	The State should publish a cost for emission of CO <sup>2</sup> and other pollutants, a natural gas price model over the horizon of planning, and other inputs to the planning process. The state should set the cost of emission based on the true cost derived from the best available science. This cost would include the cost of habitat and human health degradation. The full cost of CO <sup>2</sup> mitigation or the cost set by the market in Europe or Japan could be used instead of estimates.  Utilities would be responsible for the things that varied from utility to utility (i.e. load growth, transmission constraints), and for putting together the lowest cost plan under the assumptions outlined by the state.

<b>RISK</b>	
<b>Stakeholder</b>	<b>Comment</b>
<b>NW Energy Coalition</b>	<p>The portfolio selected by the utility should balance the costs and risks of various options.</p> <p>See proposed language in attachments B [Integrated Resource Planning Requirements for Natural Gas Utilities, subsections 480-90-238 (1), (2)(b) and (3)(e)] and C [Integrated Resource Planning Requirements for Electric Utilities, subsections 480-100-238(1), (2)(b), and (3)(e)].</p>
<b>Public Counsel</b>	<p>There is need to consider ratepayers' risk.</p> <p>There needs to be a clearer distinction between risk and "lowest reasonable cost," since cost is a scalar describing economic, social or environmental price, while risk is a probability distribution describing chances of multiple future scenarios.</p> <p>See proposed language changes in Attachments B [Integrated Resource Planning Requirements for Natural Gas Utilities, subsections 480-90-238 (2)(a), c, and (d), and new proposed (3)(j)] and C [Integrated Resource Planning Requirements for Electric Utilities, subsections 480-100-238 (2)(a), c, and (d), and new proposed (3)(i)]</p>
<b>ENFORCEMENT</b>	
<b>Stakeholder</b>	<b>Comment</b>
<b>Public Counsel</b>	<p>Adopt at least one of the following enforcement strategies:</p> <ul style="list-style-type: none"> <li>• \$1,000 fine per day late, in accordance with RCW 80.04.380,</li> <li>• Petitions for power cost adjustments will not be considered until LCP plan is filed,</li> <li>• No company petition considered until LCP plan filed, and</li> <li>• Any resource acquisition which occurs when a utility does not have an acknowledged plan in effect would carry a rebuttable presumption of imprudence</li> </ul>

<b>PLANNING CYCLES</b>	
<b>Stakeholder</b>	<b>Comment</b>
<b>NW Natural</b>	<p>A strict 2-year cycle may lead to a misallocation of Company's and Staff's resources.</p> <p>Adopt the date of plan acceptance as the anniversary date for the IRP planning cycle.</p> <p>Allow for a 1 year waiver accompanied by an annual action plan update on the first and subsequent anniversaries of the acknowledgement of the previous plan.</p>
<b>Public Counsel</b>	<p>The short-term and long-term components of the plan should be defined as having two- and twenty-year horizons with exceptions available on a case-by-case basis and with the option, at the utility's discretion, of having additional timelines.</p> <p>The two-year horizon allows the utility's IRP to overlap the typical time frame of utility trading floor short-term contract purchases.</p> <p>The twenty-year horizon is most similar to standard long-term power purchase agreements (PPA), the expected life of a Combined Combustion Gas Turbine, coal plant, or wind plant, and transmission upgrades and expansions. Thus it best encompasses most resources in the candidate portfolio of the IRP.</p> <p>The ability to lengthen and shorten the time horizon may lead to time horizons being chosen to include or exclude a significant resource event, skewing the resource-load balance. The use of specific uniform planning horizons commits each utility to a significant and clearly stated plan objective avoiding any of the above irregularities.</p> <p>See proposed language changes in Attachments B [Integrated Resource Planning Requirements for Natural Gas Utilities, subsections 480-90-238 (3)(g) and (h)] and C [Integrated Resource Planning Requirements for Electric Utilities, subsections 480-100-238 (3)(f) and (g)].</p>

## 2. ELECTRICITY ONLY

<b>TRANSMISSION</b>	
<b>Stakeholder</b>	<b>Comment</b>
<b>Avista PSE</b>	The proposed language in subsection (3) (d) [An assessment of transmission system capability and reliability.] raises the possibility of conflict with the FERC’s Standard of Conduct (SOC) rules. These rules limit Marketing and Energy Affiliate employees’ access to information about the transmission system, information that is available to all customers on Open Access Same-time Information System (OASIS). Employees of the Transmission Provider are similarly prohibited from disclosing information off-OASIS to Marketing and Energy Affiliate employees. Without access to a free exchange of transmission information, a utility cannot meaningfully assess the viability of transmission enhancements.
<b>NW Energy Coalition</b>	Language on assessment of transmission and distribution should be more explicit.
<b>FLEXIBILITY AND CONSISTENCY WITH OTHER STATES</b>	
<b>Stakeholder</b>	<b>Comment</b>
<b>PacifiCorp</b>	Keep the rule flexible and consistent with those of other states to facilitate the work of multi-state companies.
<b>RESOURCE ALTERNATIVES</b>	
<b>Stakeholder</b>	<b>Comment</b>
<b>Climate Solutions</b>	The rule must be more clear and explicit in requiring a thorough examination of non-wires and smart energy alternatives to traditional infrastructure improvements.

### 3. GAS ONLY

<b>GAS PROCUREMENT</b>	
<b>Stakeholder</b>	<b>Comment</b>
<b>NW Natural</b>	Changes in gas procurement strategies should be addressed in gas cost tracking filings, no in an IRP.