

VIA E-MAIL

**Comments of Climate Solutions on the Washington Utilities and Transportation Commission Rulemaking Regarding Proposed Revisions to Electric and Gas Least-Cost Planning Rules**

Submitted by Barry Pfundt, Program Coordinator, Climate Solutions  
September 28, 2005

**Docket No. UE-030311, electric least-cost planning (WAC 480-100-238)**

Thank you for the opportunity to provide comments on behalf of Climate Solutions with regards to the draft least-cost planning rules. Climate Solutions submitted written comments on May 13, 2005. We continue to support the Commission's efforts to update these rules and are pleased to participate in the process.

Climate Solutions is a non-profit organization ([www.climatesolutions.org](http://www.climatesolutions.org)) working to help the Pacific Northwest to be a world leader in practical, profitable solutions to global warming. We are coordinating a coalition of stakeholders that has identified smart energy, the convergence of digital information technology and electrical power, as one of the region's most significant economic development opportunities. Adopting policies that enable Washington to realize the full potential of smart energy technology will benefit both utilities and their customers while improving the health of our state's economy and environment.

We appreciate the efforts of the Commission to incorporate our comments and those of the Northwest Energy Coalition concerning the role of transmission and distribution in Integrated Resource Planning (IRP); however, the rules must be more clear and explicit in requiring a thorough examination of non-wires and smart energy alternatives to traditional infrastructure improvements. Doing so enables utilities to consider all available options when upgrading system capacity—ultimately reducing their costs and lowering rates charged to consumers.

Areas where we have specific concerns about the proposed rules are in Subsections (3) (d), (e), and (f) of the proposed amended WAC 480-100-238.

1. We recommend that the power distribution system be included in the assessment of capability and reliability in Subsection (3) (d). The distribution system provides significant opportunities for the implementation of smart energy technologies, which can increase capability and reliability while minimizing the need for more costly infrastructure projects. Accordingly, we would suggest that the subsection be revised to read, "An assessment of transmission **and distribution** system capability and reliability." (Our proposed new text is in bold.)
2. In Subsection (3) (e), it is important not only that transmission and distribution costs are considered when comparing generating resources, but also that smart energy improvements to transmission and distribution, as well as other non-wires alternatives, are assessed as options in and of themselves when evaluating the cost-effectiveness of different methods to meet consumer's electrical power needs. Accordingly, we would suggest that the subsection be revised to read, "A comparative evaluation of the cost of

generating resources (including transmission and distribution) **and with the cost of** improvements in conservation, **transmission, and distribution**, using a consistent method to calculate cost-effectiveness.” (Our proposed new text is in bold.)

3. Finally, we encourage the Commission to incorporate transmission and distribution investments into the planning component of the IRP. Accordingly, we would suggest that Subsection (3) (f) be revised to read, “Integration of the demand forecasts **with the transmission and distribution assessment** and resource evaluations into a long-range (e.g., at least ten years; longer if appropriate to the life of the resource considered) integrated resource plan describing the mix of **transmission and distribution infrastructure and** resources that will meet current and future needs at the lowest reasonable cost to the utility and its ratepayers.” (Our proposed new text is in bold.)

We again appreciate this opportunity to submit comment and assist the Commission’s rulemaking deliberations.