



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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September 30, 2022

**NOTICE REQUIRING PETITIONS REQUESTING APPROVAL
OF FORECASTS PURSUANT TO RCW 70A.65.120**

(Due by 5 p.m. on October 31, 2022)

RE: *Petitions Requesting Approval of Forecasts Pursuant to RCW 70A.65.120*

TO ALL INVESTOR-OWNED ELECTRIC UTILITIES:

In 2021, the state legislature passed and Governor Jay Inslee signed into law the Climate Commitment Act (CCA), Engrossed Second Substitute Senate Bill 5126, which establishes a cap and invest program to help achieve Washington's greenhouse gas limits by 2050.

The CCA directs Washington's Department of Ecology to adopt rules that allocate no-cost allowances to all electric utilities subject to the requirements of Chapter 19.405 Revised Code of Washington (RCW), the Washington Clean Energy Transformation Act (CETA), to mitigate the cost burden of the cap and invest program on electric utility customers.¹

The allocation of the cap and invest program's no-cost allowances to each investor-owned utility must be consistent with a four-year forecast of a utility's supply and demand, approved by the Washington Utilities and Transportation Commission (Commission), as well as the cost burden resulting from the inclusion of covered entities in the first compliance period of the CCA.²

¹ RCW 70A.65.120.

² *Id.*; see Chapter 173-446 WAC.

THE COMMISSION GIVES NOTICE That all investor-owned electric utilities must file with the Commission a petition requesting approval of four-year demand and resource supply forecasts for the years 2023-2027 pursuant to RCW 70A.65.120 as directed in this Notice by 5 p.m. on Monday, October 31, 2022.

The four-year demand forecast should represent the best estimate of the most likely electricity usage during the compliance period, which includes considerations consistent with the public interest such as equity and environmental justice.³ The four-year resource supply forecast should represent the best estimate of the most likely electricity resource mix scenario during the compliance period, including but not limited to using an assumption of average hydroelectric conditions, which includes considerations consistent with the public interest such as equity and environmental justice.⁴ For example, the “high” or “low” demand and resource supply forecasts or projections, as may be identified in an investor-owned electric utility’s Clean Energy Implementation Plan (CEIP) or integrated resource plan (IRP), should not be used as the best estimate of the most likely usage or resource mix without sufficient justification.

Both the demand and resource supply forecasts must be derived from sources that most accurately and best predict the manner in which each investor-owned electric utility will comply with CETA. An investor-owned electric utility may use the following as sources for their forecasts of demand and resource supply: a CEIP; an IRP that complies with the Energy Independence Act (EIA) and is consistent with or serves as the basis for a CEIP;⁵ materials supporting such a CEIP or IRP; or, other sources the use of which are supported in detail, both quantitatively and narratively, by an investor-owned electric utility to produce the best estimates for the first compliance period under the CCA (2023 through 2027).⁶

The Commission requests that each investor-owned electric utility address thoroughly in its petition whether the Commission should permit annual updates to the four-year demand and resource supply forecasts.

AMANDA MAXWELL
Executive Director and Secretary

³ See RCW 70A.65.005; RCW 70A.65.060; RCW 19.405.060. Note that any forecast included in a CEIP filed with the Commission should already incorporate equity considerations.

⁴ See *supra* n. 3.

⁵ See Chapter 19.280 RCW.

⁶ Commission approval of any forecasts based on a filed, but not approved CEIP or IRP for purposes of approving forecasts for determining no-cost allowances under the CCA does not imply nor should be considered to be approval of any CEIP or element of a CEIP currently pending before the Commission.