# BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Rulemaking to consider adoption of rules to implement chapter 19.405 RCW and revisions to chapter 80.28 RCW

**DOCKET UE-191023** 

# PUBLIC COUNSEL RESPONSE TO MAY 5TH NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS

June 2, 2020

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#### I. INTRODUCTION

1. Pursuant to the Washington Utilities and Transportation Commission's ("Commission")
Notice of Opportunity to File Written Comments ("Notice") of May 5, 2020, Public Counsel
submits the following comments in response to the questions posed in the Commission's Notice.

#### II. COMMENTS AND ANSWERS TO NOTICE QUESTIONS

#### A. General Comments on Draft Rules

Public Counsel appreciates the thoughtfully drafted rules included with the Commission's Notice. Generally, the rules establish a clear framework for developing Clean Energy Implementation Plans (CEIP), in accordance with Clean Energy Transformation Act (CETA) mandates. In addition to responses to questions posed in the Notice, Public Counsel offers the following general comments on the draft rules.

#### 1. Public participation framework

- 3. Public Counsel appreciates the overall framework for public participation in CEIP development, as outlined in draft WAC 480-100-670. The proposed rules provide a framework for active public engagement and meeting components of CETA's equity mandates. Public Counsel believes the following additions and edits will strengthen the Commission's draft rules.
- 4. As it pertains to the equity advisory group, Public Counsel proposes the following addition to WAC 480-100-670(2):
  - (c) A utility must provide compensation to members of the equity advisory group, unless the member is participating in a professional capacity.

A major barrier to participation in any public process is that individuals do not have leisure time to contribute their expertise. Although it will be important to engage members of various advocacy organizations with the equity advisory board, members of marginalized or highly

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impacted communities served by the utility can provide deeply valuable information based on

their own experiences. Public Counsel views funds used to compensate equity advisory group

members as a cost of compliance with CETA in the same way the utilities account for other

regulatory compliance costs.

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Public Counsel suggests an addition to WAC 480-100-670(5), as follows:

(g) Plans to provide information and data in broadly understood terms through

meaningful participant education.

As the subsection title of WAC 480-100-670(5) states, the intent of the rule is to promote public

participation and education. Under the draft rules, there is no requirement for utilities to include

education for participants in their Public Participation Plan. In order for non-technical experts to

meaningfully participate in the process, complex and technical subjects must be demystified for

those who wish to participate. Without a clear understanding of materials presented, it is

impossible for the public to provide relevant, accurate, and informed feedback. Feedback that is

not relevant, accurate, or informed may introduce unnecessary inefficiency to the process or

produce a plan that results in harm to highly impacted communities.

Public Counsel also offers the following additions to WAC 480-100-670(5) and

WAC 480-100-670(7). As it relates to public engagement plans, the following should be added

to WAC 480-100-670(5):

(h) Plans to provide translation and interpretation services to participants.

Similarly, Public Counsel offers this addition to WAC 480-100-670(7):

(g) Customer notices should be provided in multiple languages, in accordance

with service territory demographics.

Providing printed materials in multiple languages and allowing participation for customers

whose primary language is not English reduces a major barrier to participation. Failure to

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COMMENTS OF PUBLIC COUNSEL DOCKET UE-191023

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provide language and interpretation services can have the impact of exacerbating the very inequities that CETA intends to address. Public Counsel believes that providing the language services described above are the responsibility of utilities and represent a necessary step to comply with CETA's equity provisions. Utilities should examine their customer demographics in order to identify what language needs may exist in the context of a public meeting or written materials.

Finally, Public Counsel believes that utilities must advise participants in their advisory groups and equity advisory groups of their ability to comment on the CEIP. Given that efforts to create more inclusive public participation will likely bring participants who are unfamiliar with utility regulation and UTC practice into the stakeholder process, it is critical that participants are aware of their right to comment on the filing. Public Counsel recommends adding the following subsection to WAC 480-100-670(1):

(g) Utilities must notify advisory group participants of their ability to comment on CEIPs after they are filed.

Similarly, Public Counsel recommends adding the following subsection to WAC 480-100-670(2):

(d) Utilities must notify equity advisory group participants of their ability to comment on CEIPs after they are filed.

#### 2. Public participation and discovery

As discussed, above, Public Counsel appreciates the overall framework for public participation in CEIP development and supports the explicit requirement in the draft WAC for public participation. Public Counsel is concerned, however, that the rules do not specify whether parties will have the ability to conduct discovery during the public comment period after the CEIP is filed. While an informal discovery process and collaborative approach may be

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appropriate during the advisory group and drafting stages, a more formal process to obtain data regarding targets, metrics, costs, and benefits may be necessary during the formal comment period.

- WAC 480-100-660(1) provides for a 60-day, public comment period after the CEIP is filed. The draft rules allow parties to request the commission to modify targets or timelines included in the CEIP.<sup>2</sup> The draft rules, however, place the burden of proof upon the requesting party to demonstrate that the requested targets or timelines are achievable while meeting the requirements of RCW 190.405.060(1)(c)(i)-(iv).<sup>3</sup> The requesting party must prove that the new targets or timelines can be achieved while,
  - (i) Maintaining and protecting the safety, reliable operation, and balancing of the electric system;
  - (ii) Planning to meet the standards at the lowest reasonable cost, considering risk;
  - (iii) Ensuring that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and nonenergy benefits and the reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency; and
  - (iv) Ensuring that no customer or class of customers is unreasonably harmed by any resulting increases in the cost of utility-supplied electricity as may be necessary to comply with the standards.

This gives a significant informational advantage to the utilities. The draft rules, however, do not expressly grant a right to discovery to parties that challenge the targets in the CEIP despite placing the burden of proof upon those parties. Parties would be directly challenging a utility's filed plan, which would be more akin to an adjudication than a simple open meeting process. Without a discovery process, the burden of proof would be unfairly placed upon a party that will

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<sup>&</sup>lt;sup>1</sup> See Draft WAC 400-100-670.

<sup>&</sup>lt;sup>2</sup> Draft WAC 480-100-660(b).

<sup>3</sup> *Id* 

face a significant information gap and little ability to meet that burden.

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Public Counsel, therefore, recommends that the draft rules be modified to include some form of formal discovery process for parties once the CEIP is filed in order for challenging parties to obtain information necessary for their comments and objections to the filed CEIP.

Public Counsel understands that there may be concerns over extending the approval process and potentially disrupting the overlapping timelines between IRPs, CEIPs, and RFPs. Public Counsel, therefore, is not recommending a fully litigated, adjudication process with a lengthy discovery process or evidentiary hearings at this time. The discovery process could be limited by a specified number of rounds of data requests or by a shortened timeline.

### 3. Metrics for the equitable distribution of benefits

Draft WAC 480-100-650(d)-(f) establishes several important standards under CETA, including that utilities must "ensure the equitable distribution of energy and nonenergy benefits," "ensure long-term and short-term public health and environmental benefits," and "ensure energy security and resiliency." In draft WAC 480-100-655(6), the rules discuss equitable distribution and state that highly impacted communities and vulnerable populations must be identified in the CEIP. In the draft rule addressing the compliance report, utilities are required to "include updated indicator values" and include an analysis of benefits and burdens. What is not included in the draft rules are specific metrics against which the utilities should measure their efforts toward equity. Public Counsel believes that the inclusion of metrics will be helpful for utilities and other stakeholders so that all entities understand how the utilities will be evaluated. Possible metrics could include energy burden, level of participation in energy assistance, level of public participation and outreach, rates of shut offs or connectedness. We look forward to reviewing

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other stakeholders' comments on metrics that should be included.

### **B.** Answers to Notice Questions

- 1. As stated in the Issues Discussion, draft WAC 480-100-600, Definitions, is a set of definitions that will apply to both the IRP and CEIP rules as first proposed in the IRP rulemaking, Docket UE-190698. We are interested in hearing responses to the draft's use of the term "resource" throughout these draft rules, in particular, if its use is consistent with your understanding of the term and is appropriate for these rules.
- 12. Public Counsel believes that the term "resource" should be defined to avoid unintended limitations on what is considered a resource in terms of developing CEIPs, as well as providing flexibility for future resource technology developments. As referenced in the current draft rules, "resource" could be interpreted to include generation, conservation, and demand response, but should not be limited to this interpretation. For example, "resource" could also be interpreted to include distributed generation. Public Counsel therefore suggests including the following definition in WAC 480-600, Definitions: "Resource" means any acquisition made in order to meet customer demand or operational requirements.
  - a. "Lowest reasonable cost." Does the use of the term "resource" in this definition limit the types of costs that are included in an assessment of "lowest reasonable cost"?
- 13. Per Public Counsel's comment above, ambiguity created by the term "resource" in the definition of "lowest reasonable cost" could be mitigated by providing an explicit definition of "resource."

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b. "Resource need." Is it appropriate to include "delivery system infrastructure needs" in the definition of "resource need"?

14. Public Counsel believes it is appropriate to include the term "delivery system infrastructure needs" in the definition of "resource need." However, Public Counsel recommends that the rules define "delivery system infrastructure."

c. "Integrated resource plan." Is it appropriate to include "delivery system infrastructure needs" in the definition of "integrated resource plan"?

15. Public Counsel believes it is appropriate to include "delivery system infrastructure needs" in the definition of "integrated resource plan." As noted above, however, "deliver system infrastructure needs" should be defined.

d. Do changes to the integrated resource planning statute, RCW 19.280, especially the additions of RCW 19.280.100 (Distributed energy resources planning) and RCW 19.280.030(2)(e) affect the definition of "resource"? Does the term "resource" refer to more than just energy and capacity resources for meeting (or reducing) customer demand for electricity?

No. The term "resource" can be broadly defined to include any resources procured by utilities or customers to meet system demands. Public Counsel again recommends providing a clear definition of resource to clearly iterate that all generation, including distributed energy resources, must be considered for planning purposes.

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2. The purpose of CETA is to transition the electric industry to 100 percent clean energy by 2045. To achieve this policy, each utility must fundamentally transform its investments and operations. In draft WAC 480-100-650, Clean energy standard, the discussion draft states that "planning and investment activities undertaken by the utility must be consistent with the clean energy standards [Chapter 19.405 RCW]." While RCW 19.405 refers to the percentage of retail sales served by nonemitting and renewable resources as the "standard," the draft rule describes a clean energy standard that incorporates the additional requirements found in the statute. Is this term useful in clarifying the rule? If not, please recommend an approach for including the additional requirements from the statute.

17. Public Counsel believes that the expanded definition of "clean energy standard"

described in WAC 480-100-650 is useful as it outlines the goals of RCW 19.405 in one section and leaves the specific requirements for subsequent sections. This provides a clear, hierarchical organization to the new rules and requirements. The only potential concern is that references to "clean energy standard" may be confused with other uses of the word "standard," but the draft rules are generally clear which standard it is referring to (e.g., clean energy standard, renewable energy standard, lowest reasonable cost standard). The draft rules are also consistent with the use of the full term "clean energy standard" when referring to WAC 480-100-650, which minimizes any potential confusion.

3. The proposed rules make a distinction between determining whether the planning and investment activities undertaken by the utility are in compliance with the clean energy standards of CETA and approving the specific actions the utility undertakes to comply with the clean energy standards. In draft WAC 480-100-650, the discussion draft requires that all planning and investment activities undertaken by the utility must be consistent with the clean energy standards.

The question states that draft WAC 480-100-650 requires all planning and investment activities to be consistent with clean energy standards, but this statement is not reflected in the

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text of draft WAC 480-100-650.<sup>5</sup> As currently written, WAC 480-100-650(1) lists the clean energy standards established by Chapter 19.405 RCW. Draft WAC 480-100-650(2) requires that utilities adaptively manage their planning and investment activities, but does not specifically link the management of those activities to the clean energy standards listed in subsection 1. The link between these two sections could be strengthened by including a reference to the clean energy standards in subsection 2. For example, the first sentence of subsection 2 could read:

Each utility must continuously review and update as appropriate its planning and investment activities to adapt to changing market conditions and developing technologies in compliance with the clean energy standards in subsection 1.

a. Should the commission determine whether all the activities, rather than the planning and investment activities, undertaken by the utility are consistent with the clean energy standards?

The aim of this question is unclear to Public Counsel. Using the phrase "all activities," rather than "planning and investment activities" would potentially broaden the scope of the rule and could allow the Commission to review some type of activity that might not be typically categorized as a planning or investment activity. But it is unclear if the Commission is interested in broadening the scope of the rule.

It is unclear to Public Counsel what other activities, aside from planning and investment activities, are contemplated by this question and would be potentially reviewed for consistency with the clean energy standards. We look forward to reviewing the comments of other stakeholders.

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<sup>&</sup>lt;sup>5</sup> The statement that the draft "rules should be interpreted to ensure that planning and investment activities undertaken by a utility must be consistent with the clean energy standards" does appear in the draft Purpose section on page one of the proposed WACs.

# b. Does the draft rule need to more clearly delineate the review of activities as being separate from the approval of the specific actions?

Yes, Public Counsel believes there could be additional clarity in the rules regarding the review of activities. The Commission is required to approve, reject, or approve with conditions each utility's CEIP.<sup>6</sup> The CEIP must identify specific actions that the utility will take, consistent with the clean energy standards.<sup>7</sup> To implement the required review of the CEIPs and specific actions, the draft rules set out a process for review and approval in draft WAC 480-100-660(2). Proposed WAC 480-100-655 sets out all of the components that utilities would be required to include in their CEIPs, such as interim targets to meet the clean energy standards; specific targets for energy efficiency, demand response, and renewable energy; and specific actions the utility will take during the implementation period to meet the various measures. Specific actions seem to be addressed in the rules.

However, the review of activities, as opposed to specific actions, is not addressed in statute. In the draft rules, "activities" seems to refer to the investment and planning activities mentioned in proposed WAC 480-100-650(2) on adaptive management and proposed WAC 480-100-675(3)(c) on projected incremental costs. How will review differ from approval? What precedential value will the review of activities have, if any? The draft rules could specify what the review of activities means and what impact the review will have on the utilities and the CEIP process to provide clarity for utilities and stakeholders.

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<sup>&</sup>lt;sup>6</sup> RCW 19.405.060(1)(c).

<sup>&</sup>lt;sup>7</sup> RCW 19.405.060(1)(b)(iii). COMMENTS OF PUBLIC COUNSEL DOCKET UE-191023

- 4. RCW 19.405.060 requires a utility to file a CEIP by January 1, 2022. However, Staff is proposing a timeline that requires utilities to file CEIPs in advance of January 1. Draft WAC 480-100-655 requires utilities to file a CEIP by October 1, 2021, and draft WAC 480-100-670(4) requires the utility to provide a draft of the CEIP to its advisory group two months before filing it with the Commission. The purpose of Staff's proposed timeline is to align the CEIP with the existing process established for reviewing utility biennial conservation plans, as required by the EIA. As indicated in the Issue Discussion section, Staff's intent is to reduce the number of utility filings so that the CEIP can satisfy both the EIA and CEIP conservation target setting requirements. Staff also believes that approving the CEIP earlier will give the utility more certainty of its requirements and better enable utility planning. Please respond to the merits of this proposed timeline.
- 23. Public Counsel believes that this timeline is reasonable. To the extent practicable, filings should be streamlined in terms of filing dates to reduce duplicative filings. RCW 19.405.060 establishes a deadline for filing, so it does not preclude the Commission from requiring utilities from filing prior to that date. Staff's proposal is reasonable and does not impose an unduly burdensome timeline for filing.
  - 5. RCW 19.405.060(1)(b)(iii) refers to "demonstrating progress toward" meeting the clean energy standards and interim targets.
    - a. Is it clear from the draft rules that such a demonstration within a four-year compliance period would encompass compliance with the various components of the statute?
- The statement of purpose in draft WAC 480-100-6XX implies that compliance with these rules demonstrates compliance with RCW 19.405, but the draft rules do not appear to expressly state that such a demonstration within a four-year compliance period would encompass compliance with the statute. For additional clarity, draft WAC 480-100-655(2) could be modified to state.

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With each CEIP, each utility must propose a series of interim targets that demonstrate reasonable progress towards meeting the clean energy standards. <u>Meeting the targets set</u> forth below in subsections a-d will demonstrate compliance with RCW 19.405.

b. Is it clear from the draft rules that some components of the statute (e.g., RCW 19.405.030 and RCW 19.405.040(8)) would be evaluated relative to the four-year compliance period rather than relative to 2030 or 2045?

The draft WAC 480-100-655 generally conveys the idea that components of the statute will be evaluated relative to the four-year compliance period. However, draft WAC 480-100-655(6) should be modified to make it clearer that each CEIP, every four years, should include a showing regarding the equitable distribution of benefits. The modified language should state, "Equitable distribution. Each The CEIP must." This mirrors the language used in draft WAC 480-100-655(5), (7), and (8), which all use the phrase "Each CEIP must..."

### 6. Interim targets

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a. Draft WAC 480-100-655(2)(b) requires utilities to propose interim targets for meeting the 2045 standard under RCW 19.405.050. Noting that RCW 19.405.060(1)(a)(ii) requires utilities to propose interim targets for meeting the standard under RCW 19.405.040 but not .050, is it appropriate for the Commission to establish interim targets for making progress toward meeting the standard in .050?

Public Counsel believes that the Commission has the discretion to establish interim targets. RCW 19.405.060(1)(a)(ii) requires utilities to propose interim targets for greenhouse gas neutrality, but does not specifically require interim targets for non-emitting and renewable resources. The Commission was granted rulemaking authority to implement CETA under RCW 19.405.100(2). Public Counsel believes that the establishment of interim targets for non-emitting and renewable energy resources will be useful for utilities and the Commission to understand each company's progress toward the ultimate goal. In addition, companies will likely be setting these goals as part of their IRPs. As we noted in our February 28, 2020, comments, any renewable energy targets in a CEIP should be based upon the company's most recent IRP.

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With a four-year cycle and two-year update for IRPs, the targets for renewable energy resources could be set at two-year intervals.<sup>8</sup>

- b. Draft WAC 480-100-665(1)(b) requires utilities to meet their interim targets. However, RCW 19.405.090 does not establish penalties for interim targets. Is it appropriate for the commission to enforce compliance with the interim targets through its own authority?
- Public Counsel believes it is appropriate for the Commission to enforce its rules, and it has authority to do so under RCW 80.04.110. Moreover, RCW 80.04.380 authorizes the Commission to penalize public service companies for violations of "order, rule, or any direction, demand, or requirement of the Commission." RCW 19.405.100(2) provides the Commission the authority to implement and enforce CETA through the adoption of rules applicable to utilities. Proposed WAC 480-100-680 addresses the procedure for enforcement actions, including possible penalties. The Commission should consider enforcement on a case by case basis, depending on the facts at issue and the applicable statutes and administrative rules. For additional clarity, the Commission could include a reference to its policy statement on enforcement from Docket A-120061 to address when they would consider enforcement action.
  - 7. Chapter 19.405 RCW requires the utility to demonstrate its compliance with RCW 19.405.040(1) and 050(1) using a combination of nonemitting and renewable resources. Because there are additional requirements in the statute, draft WAC 480-100-665 requires the utility to report more than just its nonemitting and renewable resources. Is the reporting under draft WAC 480-100-665 necessary and appropriate?
  - The reporting requirements established in draft rule WAC 480-100-665 are reasonable, necessary, and appropriate. The Commission was granted authority to take necessary steps and promulgate rules to implement CETA, in concert with other state agencies. Reporting with the

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<sup>&</sup>lt;sup>8</sup> Public Counsel Response to January 15 Notice of Opportunity to File Written Comments at 3, *Rulemaking to consider adoption of rules to implement chapter 19.405 RCW and revisions to chapter 80.28 RCW* (Feb. 28, 2020) (Docket UE-191023).

detail required in draft WAC 480-100-665 is a logical extension of the targets utilities are required to meet in RCW 19.405.040(1) and 050(1).

- 8. RCW 19.405.040(1)(a)(ii) establishes multiyear compliance periods between 2030 and 2045. RCW 19.405.060(1)(a)(ii) requires the utility to propose interim targets during the years prior to 2030 and between 2030 and 2045. Draft WAC 480-100-655(2), uses the term "implementation period" to avoid confusion with the compliance periods in the statute. It also requires a series of interim targets for 2022 to 2030 and 2030 to 2045. Does the draft rule clearly demonstrate that intent? Is this approach appropriate?
- The term "implementation period," as used in draft WAC 480-100-655(2), is a reasonable and clear way to convey the idea of the four-year intervals over which utilities must meet their interim targets. Draft WAC 480-100-655(2) also seems clear with respect to the 2022 to 2030 time period and 2030 to 2045 time period.
  - 9. In draft WAC 480-100-665, Reporting and compliance, the discussion draft implies that the utility must demonstrate that the utility has met both its interim and specific targets while also demonstrating that it is making progress towards meeting its clean energy standards, as described in draft WAC 480-100-650. It is possible that a utility could demonstrate that it will likely meet the clean energy standards, or is meeting the clean energy standards, but may not meet a specific target. Should the Commission always issue a penalty to a utility for failing to meet a specific target or should it take into consideration the utility's achievement for the clean energy standard, interim target, and other specific targets?
- Public Counsel believes that the Commission should issue penalties when appropriate after considering the statues and administrative rules at issue and the facts of the particular matter. RCW 19.405.100(2) authorized the Commission to "adopt rules to ensure the proper implementation and enforcement" of CETA. Proposed WAC 480-100-680 addresses enforcement of the rules related to the CEIPs and sets out the possible enforcement actions the Commission may take. The Commission can determine when a penalty is appropriate and should use its discretion to do so.

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10. RCW 19.280.030(3) specifies when an electric utility must consider the social cost of greenhouse gas emissions when developing integrated resource plans and clean energy action plans. Draft WAC 480-100-675(1)(a) proposes rules that would require utilities, when calculating the incremental cost of compliance, to include in their alternative lowest reasonable cost and reasonably available portfolio the social cost of greenhouse gas emissions, or SCGHG, in the resource acquisition decision. Please comment on (1) whether the inclusion of the SCGHG is required by statute, (2) if not, whether it is still appropriate for the rules to require the SCGHG in the alternative lowest reasonable cost and reasonably available portfolio, and (3) how inclusion of the SCGHG affects the calculation of the incremental cost of compliance.

Public Counsel believes the inclusion of the social cost of greenhouse gas (SCGHG) in the alternative lowest reasonable cost and reasonably available portfolio is required by statute. RCW 19.280.030(3) requires the utilities to consider the social cost of greenhouse gas (SCGH) emissions when developing integrated resource plans and evaluating and selecting intermediate and long term resource options through the use of a SCGHG cost adder. This means that any future resource portfolio a utility contemplates will be developed using this cost adder. The alternative lowest reasonable cost and reasonably available portfolio is intended to act as the baseline portfolio that the utility would have developed in the absence of the clean energy standards. The baseline portfolio should therefore be developed as realistically as possible and in compliance with all other resource planning requirements, namely the requirement to use the SCGHG adder. It would be impossible to avoid accounting for SCGHG in incremental costs of compliance, given the requirement to account for SCGHG in resource planning and subsequent acquisitions.

Public Counsel is concerned, however, that the draft rules are not explicit regarding the use of the social cost of greenhouse gas adder, which may lead to confusion regarding the use of the SCGHG adder in the development of total cost calculations used to compare portfolios. If the

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<sup>&</sup>lt;sup>9</sup> RCW 19.280.030(3).

<sup>&</sup>lt;sup>10</sup> See Draft WAC 480-100-675(1). COMMENTS OF PUBLIC COUNSEL DOCKET UE-191023

SCGHG adder is included in the total cost of the resource portfolios in the incremental cost comparison, it could distort the results of the cost comparison. Public Counsel is also concerned that the SCGHG adder may be used to inflate the total cost of resources that will be recovered from ratepayers. The SCGHG adder should only be used to determine the resource mixes in the baseline portfolio and the projected and actual portfolios. The SCGHC should not be used as an adder when calculating forecast or actual costs. To clearly separate the use of the SCGHG adder for portfolio development from the use of the adder in total portfolio costs or the costs charged to ratepayers, Public Counsel recommends the following modification to draft WAC 480-100-675(1)(a):

- (a) The resource mix included in The alternative lowest reasonable cost and reasonably available portfolio must include the SCGHG in the recourse acquisition decision be developed using the SCGHG adder in accordance with RCW 19.28.030(a). The SCGHG adder should not be added to the cost of resources when comparing the cost of actual or forecast portfolios against the alternative lowest reasonable cost and reasonably available portfolio. The SCGHG adder cannot be used to determine the cost of resources for cost recovery purposes.
- 11. Draft WAC 480-100-675(4), reported actual incremental costs requires the presentation of capital and expense accounts to be reported by Federal Energy Regulatory Commission (FERC) account. For the purpose of reporting electric retail revenues, should the Commission require utilities to use a standard list of FERC accounts as part of the incremental cost calculation?
  - a. If yes, please use the table provided below for discussion purposes to indicate if there are any FERC accounts listed that should not be included? Conversely, are there any FERC accounts that are not listed that should be included? Please include comment on the rationale to either include or exclude a particular FERC account.
  - b. If no, please provide the challenges encountered by a standard FERC account listing.
- 33. Public Counsel believes that the reporting of electric retail revenues for the incremental costs calculation should be standardized across all the utilities. Public Counsel, however, does

not have an opinion at this time as to whether FERC accounts are the correct categorization to use or which specific FERC accounts should be included. Public Counsel looks forward to additional discussion on this topic.

#### III. CONCLUSION

Public Counsel appreciates the opportunity to provide comments on these Notice questions. We look forward to reviewing other parties' comments and participating in further discussions on these topics. If there are any questions regarding these comments, please contact Nina Suetake at <a href="mailto:nina.suetake@atg.wa.gov">nina.suetake@atg.wa.gov</a>, Corey Dahl at <a href="mailto:corey.dahl@atg.wa.gov">corey.dahl@atg.wa.gov</a>, or Stephanie Chase at <a href="mailto:stephanie.chase@atg.wa.gov">stephanie.chase@atg.wa.gov</a>.

Dated this 2nd day of June, 2020.

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