



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

621 Woodland Square Loop S.E. • Lacey, Washington 98503

P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 664-1160 • TTY (360) 586-8203

June 12, 2020

NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS
(By 5 p.m., Monday, June 29, 2020)

Re: Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act, Docket UE-191023

TO ALL INTERESTED PERSONS:

On January 15, 2020, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to promulgate new rules to implement certain sections of the Clean Energy Transformation Act (CETA or Act),¹ centered on the implementation of Chapter 19.405 RCW and revisions to Chapter 80.28 RCW. The Commission filed the CR-101 under Docket UE-191023.

On May 5, 2020, the Commission circulated initial discussion draft rules prepared by Commission staff (Staff) in this docket and received comments on June 2, 2020. The Commission is reviewing and evaluating these comments and anticipates circulating revised Staff draft rules for comment. As part of that process, the Commission seeks additional comment on how to interpret certain statutory language and structure compliance with particular provisions of the Act.

ISSUE DISCUSSION

RCW 19.405.040(1)(a) provides that to comply with standards in the Act, a utility, in part, must “use electricity from renewable resources and nonemitting electric generation in an amount equal to one hundred percent of the utility’s retail electric loads over each multiyear compliance period.” Staff’s initial draft rules did not explicitly address how utilities can comply with this use requirement. Draft rules prepared by the Department of Commerce, however, provide

¹ E2SSB 5116, Laws of 2019, ch. 288.

guidance to the consumer-owned utilities on this issue. The Commission seeks responses from interested parties on how investor-owned utilities should comply with this requirement.

Staff's preliminary interpretation of RCW 19.405.040(1)(a)(ii) is that "use" means delivery to retail customers of "bundled" renewable and nonemitting electricity. Staff bases its interpretation on the juxtaposition of requirements in RCW 19.405.040(1)(a) and RCW 19.405.040(1)(b). RCW 19.405.040(1)(b) allows a utility to satisfy up to twenty percent of its compliance obligation with alternative compliance options. RCW 19.405.040(1)(b)(ii) identifies unbundled renewable energy credits as an alternative compliance option, so long as the nonpower attributes associated with the renewable energy credit (REC) are not double counted. This implies that if unbundled RECs were sufficient to meet the eighty percent compliance obligation, they would not be considered "alternative" options within the law.

QUESTIONS FOR CONSIDERATION

1. Do you agree with Staff's preliminary interpretation? Please explain why or why not and how the term "use" should be interpreted.
2. If Staff's preliminary interpretation were memorialized in rule, how should the Commission require a utility to demonstrate that it delivered "bundled electricity" to its customers and ensure that the nonpower attributes are not double counted either within Washington programs or in other jurisdictions, as required by RCW 19.405.040(1)(b)(ii)? Please explain your position on each of the compliance options provided below:
 - a. The source and amount of all power injected into the bulk electric system is known and documented at the time retail load is being served. In setting the requirements for demonstrating compliance with RCW 19.405.040(1)(a), should that information and supporting documentation be required? If not, why not?
 - b. Is it possible to use the utility's fuel mix disclosure, as required by RCW 19.29A.060, to demonstrate compliance with Staff's preliminary interpretation of RCW 19.405.040(1)(a)? How would the Commission ensure that the nonpower attributes are not double counted?
 - c. If the Commission relied on utility attestation for compliance with RCW 19.405.040(1)(a), what underlying documents would the utility rely on to make that attestation?
 - d. Do you propose another alternative? If so, please describe it and how it complies with the letter and the spirit of the Act.

WRITTEN COMMENTS

The Commission gives notice of the opportunity to submit written comments in response to this Notice no later than **5 p.m., Monday, June 29, 2020.**

Pursuant to WAC 480-07-250(3), written comments must be submitted in electronic form, specifically in searchable .pdf format (Adobe Acrobat or comparable software). As provided in WAC 480-07-140(5), those comments must be submitted via the Commission's web portal at www.utc.wa.gov/e-filing. If you are unable to submit documents via the portal, you may submit your comments by email to the Commission's Records Center at records@utc.wa.gov or by mailing or delivering an electronic copy to the Commission's Records Center on a flash drive, DVD, or compact disc that includes the filed document(s). Comment submissions should include:

- The docket number of this proceeding (Docket UE-191023).
- The commenting party's name.
- The title and date of the comment or comments.

The Commission will post on its web site all comments that are provided in electronic format. The web site is located at <http://www.utc.wa.gov/191023>.

If you have questions regarding this rulemaking, you may contact Staff lead Brad Cebulko at (360) 259-5315, or by email at bradley.cebulko@utc.wa.gov.

MARK L. JOHNSON
Executive Director and Secretary