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VIA ELECTRONIC FILING

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Re: Pacific Power's Response to Washington Utilities and Transportation Commission's Notice of Opportunity to File Written Comments in the Rulemaking for Energy Independence Act, WAC 480-109, Docket UE-190652

Pacific Power and Light Company (Pacific Power), a division of PacifiCorp, appreciates the opportunity to provide comments as part of the Clean Energy Transformation Act (CETA) rulemaking process, and commends the inter-agency coordination between the Washington Department of Commerce (Commerce), The Washington Utilities and Transportation Commission (Commission), Washington Department of Health (Health), and the Washington Department of Ecology (Ecology).

On October 4, 2019, the Commission provided notice of opportunity to file written comments to a series of 19 questions to facilitate potential draft rule language and/or revisions to rule to streamline the CETA and EIA legislation.

1. **Do stakeholders have concerns with the additions of the statutory definitions for "energy assistance" and "energy burden" in WAC 480-109-060?**

   No. Pacific Power generally does not oppose the inclusion of the statutory definitions for "energy assistance" and/or "energy burden" originally defined in Chapter 288 of 2019 Laws into WAC 480-109-060.

   With regard to the definition of energy burden, Pacific Power notes that utilities are differently situated within the state, and may have solely electric customers, or electric and gas customers. The company recommends clarification of the definition of energy burden to address what fuel types are being referred to, and to specify that non-utility energy such as combustible vehicle fuel is not included.

2. **Please propose the level of energy burden that should be included within the definition of "Energy assistance need." Please explain and provide justification for your proposal. Industry literature suggests an affordability benchmark as low as six percent of household income**

   Pacific Power proposes an energy burden no greater than 6 percent for utility customers. This is informed by multiple industry studies, including the American Council for and

Energy-Efficient Economy (ACEEE) in their publication "Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low-Income and Underserved Communities."

The proposed definition of "energy burden" would be calculated based on the total home energy bills divided by total gross household income. Pacific Power does not collect customer income and household information therefore does not have the ability to determine energy burden. Instead, the company would propose aligning the definition of energy burden with industry affordability benchmarks from extensive studies such as research conducted by ACEEE.

3. **Please propose a definition of "low-income" based on area median household income or percentage of the federal poverty level. Please explain and provide justification for your proposal. The maximum allowed in Laws of 2019, Chapter 288, § 2(25), is the higher of 80 percent of area median household income or 200 percent of federal poverty level, adjusted for household size. Investor-owned utilities currently use 200 percent of the federal poverty level, adjusted for household size, for the low-income conservation programs.**

Pacific Power proposes a definition of "low-income" defined as a household with income up to 200 percent of the federal poverty level and adjusted for household size with regard to low-income energy efficiency programs. This definition aligns with the eligibility determination used for the company's current low-income energy efficiency program. For low-income assistance programs more generally, the company supports maintaining the current definition of up to 150% of the federal poverty level.

The company partners with local non-profit agencies that administer its low-income energy efficiency program. These non-profit agencies determine whether a customer qualifies for the program and provide weatherization services for qualified low-income homes and apartments.

4. **Do stakeholders have concerns with the proposed changes to WAC 480-109-100(10) addressing funding and programs for low-income energy assistance as described in the Laws of 2019, Chapter 288, §§ 2(16) and 12? Is additional language necessary? If so, please propose alternative rule language.**

Pacific Power does not have concerns with the proposed changes to WAC 480-109-100(10) addressing funding and programs for low-income energy assistance as described in the Clean Energy Transformation Act, Section 12.

Pacific Power's non-profit agency partners (see response to question 3, above) leverage state funds under the Matchmaker Weatherization Program to provide no cost home weatherization work for income qualified customers. The agencies bill Pacific Power 50 percent of total measure cost if Matchmaker funds are available; and 100 percent of total measure cost if Matchmaker funds have been exhausted. Additionally, the company

reimburses its agency partners 15 percent of total measure cost for administrative costs once all major measures have been determined to be cost effective. The company also reimburses repair cost of up to 15 percent of the annual cost of measures installed.

5. **The Laws of 2019, Chapter 288, § 12(2), requires utilities to plan for the provision of energy assistance aimed toward reducing household energy burdens. To the extent practicable, this energy assistance must prioritize low-income households with higher energy burdens. What considerations should the Commission consider in determining what is practicable in the context of low-income conservation?**

   Pacific Power currently collects customer information in accordance with Washington Administrative Code (WAC) 480-100-108, which governs the customer's application for service. Pacific Power collects only the information necessary for an applicant to obtain and attain Customer status. As such, the company does not collect household income, household size and/or customer age. The company is concerned with the imposition of requirements to collect information that is not relevant to providing adequate and safe electric service to customers. Specifically, collection of this information raises concerns with customer privacy.

   Pacific Power suggests that the Commission instead consider how non-profit agencies – in addition to the Washington Department of Commerce – that administer low income programs could collaborate with utilities to identify and prioritize low-income household with high energy burdens, including the development of calculations for eligibility.

6. **The Commission proposes to eliminate incremental hydropower method three and its associated five-year evaluation from its rules (see WAC 480-109-200(7)(d) and (e)). A recent analysis by Avista Utilities showed method three overestimated incremental generation. The Commission subsequently approved Avista's switch from method three to method one. Since no investor-owned utility currently uses method three, the Commission believes it reasonable to remove it from the rules. Additionally, while the proposed rules would allow the transfer of incremental hydropower renewable energy credits (RECs) per statute (see RCW 19.285.040(2)(e)(ii)(B)), this transferability would only apply to bundled RECs that cannot be calculated using method three because method three does not deal with real-time generation. Do stakeholders have concerns about deleting method three and its associated five-year evaluation?**

   Pacific Power does not have concerns about the commission removing incremental hydropower calculation method three or its associated five-year evaluation under WAC 480-109-200 (7)(d) and (e). The company performs its incremental hydropower calculation consistent with method two, as identified in WAC 480-109-200(7)(c).

   The company uses the same methodology to certify these facilities with the Oregon Department of Energy and calculate the percentage of the incremental energy for the Oregon renewable portfolio standard program.

7. **Do stakeholders have concerns with the additions of the statutory definitions for "carbon dioxide equivalent" and "greenhouse gases"?**

   Pacific Power does not have any concerns with adding the statutory definitions for "carbon dioxide equivalent" and/or "greenhouse gases" to WAC 480-109.

8. **Electric utilities currently report their carbon dioxide emissions through the energy emissions intensity reports required by WAC 480-109-300. The Laws of 2019, Chapter 288, § 7, requires reporting of "metric tons" of "carbon dioxide equivalent," which is further defined in the Laws of 2019, Chapter 288, § 2(22). Do stakeholders have concerns with the changes proposed in WAC 480-109-300? If so, please provide alternative rule language or justifications for retaining the existing language.**

   Pacific Power does not have any concerns with the changes proposed in WAC 480-109-300 to incorporate the reporting requirements of "metric tons" and "carbon dioxide equivalent."

9. **The Laws of 2019, Chapter 288, §§ 2 and 7, define "greenhouse gas" and "carbon dioxide equivalent." However, the Laws of 2019, Chapter 288, § 7, does not provide a default emissions rate for greenhouse gas emissions other than carbon dioxide from unspecified electricity. How should the Commission's rules specify an emissions rate for greenhouse gas emissions other than carbon dioxide from unspecified electricity? What data source(s) and methodology should the Commission use to establish a default emissions rate from greenhouse gases other than carbon dioxide?**

   Pacific Power recommends alignment with California Air Resources Board default emission factor of 0.428 MT CO_2e / MWh, which Oregon may also be adopting. Having a standard default emission factor between California, Oregon and Washington will be helpful and will provide consistent results for comparative analysis.

10. **The Laws of 2019, Chapter 285, § 15, requires natural gas companies to put a price-per-ton cost on greenhouse gas emissions, including "emissions occurring in the gathering, transmission, and distribution" processes. Should WAC 480-109-300 include language requiring electric companies to report on greenhouse gas emissions occurring during the gathering of fuel for electricity generators?**

    No, the administrative code should not include language requiring electric companies to report on greenhouse gas emissions occurring during the gathering of fuel for electricity generators.

    A requirement limited solely to electric utilities would be unduly burdensome and would not provide a meaningful or comprehensive view of such emissions. Such reporting would exclude emissions associated with fuel gathering for electricity production by

independent power producers or other entities that would not have a reporting requirement under this section of the Commission's regulations.

Additionally, Pacific Power is concerned that modifying WAC 480-109-300 to require electric companies to report emissions during the gathering of fuel for electricity generation could lead to double-counting of emissions in some cases. Certain generation facilities are located behind a local distribution company line. In these cases, emissions would be reported by the natural gas company and the electric utility.

Due to the minimal benefit of such a reporting requirement relative to the burden, and the potential for double counting of emissions, Pacific Power recommends the Commission not include language in WAC 480-109-300 to require electric companies to report on greenhouse gas emissions occurring during the gathering of fuel for electricity generators.

11. **Do stakeholders have concerns with any of the proposed changes to chapter 480-109 WAC described in Attachment A?**

    Yes. With respect to WAC 480-109-060 (12)(e)(ii) “The qualifying utility owns the facility in whole or in part or has a long-term contract with the facility of at least twelve months or more;”

    The language “or more” has been added and is duplicative of the existing “at least” qualifier. Pacific Power respectfully suggests no changes to the current language, allowing it to read “The qualifying utility owns the facility in whole or in part or has a long-term contract with the facility of at least twelve months.”

    Alternatively, if the change is deemed necessary, please provide additional clarification as to the meaning of the inclusion of the modifier “or more.”

12. **Do stakeholders have suggestions to simplify or clarify the language? If so, please cite the specific rule and propose alternative rule language.**

    Yes. Pacific Power notes that there seems to be slightly differing definitions for the following items defined in 480-109 WAC and Chapter 288 of 2019 Laws:

    Distributed Energy Resources/Distributed Generation: 480-109-060 WAC lists distributed generation to refer to an eligible renewable resource where the generation facility or integrated cluster of such facilities has a nameplate capacity of not more than five megawatts alternating current. An integrated cluster is a grouping of generating facilities located on the same or contiguous property having any of the following elements in common: ownership, operational control, or point of common coupling.

    Chapter 288 of 2019 laws defines a distributed energy resource to mean non-emitting electric generation or renewable resource or program that reduces electric demand, manages the level or timing of electricity consumption, or provides storage, electric

energy, capacity, or ancillary services to an electric utility and that is located on the distribution system, any subsystem of the distribution system, or behind the customer meter including conservation and energy efficiency.

Pacific Power requests clarification regarding whether the definition of distributed generation in 480-109-060 WAC and the definition of distributed energy resource in Chapter 288 of 2019 laws are similar enough to warrant modification of the definition in 480-109-060 WAC to match the definition in Chapter 288 of 2019 laws. If these definitions are not viewed as materially similar, Pacific Power requests clarification regarding how they may differ in practice between the two laws.

13. Do stakeholders believe a workshop is necessary for this rulemaking?

Yes. Pacific Power recognizes that in a collaborative policy process such as the implementation of CETA, need for a workshop(s) to discuss a discrete number of issues could be extremely helpful. To date, the Washington Department of Commerce has held numerous workshops to discuss potential changes and implementation strategies of the Clean Energy Transformation Act, and these workshops have proved helpful.

However, it should be noted that a workshop—or series of workshops—will work best if they build on the CETA-EIA streamlining process that Department of Commerce is already conducting, and are supplemented by on-the-record comments by parties. Providing a combination of written and in-person interaction helps to build a record while allowing for opportunities to share ideas and collaborate.

Pacific Power recognizes that new technologies are entering into the planning and operational horizons. In its 2019 integrated resource plan (IRP), PacifiCorp identified nearly 600 megawatts of battery storage in its preferred portfolio by 2023 and 2,800 megawatts by 2038. PacifiCorp recognizes a need for guidance on eligibility and calculation of incremental cost for new technologies such as battery storage and renewables coupled with battery storage and would appreciate the opportunity to discuss this with the other utilities in a workshop forum.

A potential timeline for comments/workshops as part of this rulemaking could work as follows:

Event	**Potential Timeline**
CR-101 filed	October 4, 2019
Opening Comments	November 4, 2019
Workshop to address comment responses: low-income programs	Within 60 days
Workshop to address comment responses: GHG policy	Within 60 days

Reply Comments	30 days after second workshop
CR-102	TBD

14. Are there other definitions from Laws of 2019, Chapter 288, that the Commission should include in chapter 480-109 WAC?

Pacific Power does not recommend the specific inclusion of other definitions at this time. However, to the extent that there is a definition within 480-109 WAC that is superseded by a definition in Chapter 288 of 2019 laws, it should be updated within 480-109 WAC for the purpose of clarity.

Also, Pacific Power notes that the following relevant definitions appear to be unique to either Chapter 288 of 2019 laws or 480-109 WAC

480-109 WAC	Chapter 288, 2019 Laws
"high-efficiency cogeneration"	"allocation of electricity"
"incremental cost"	"alternative compliance payment"
"nonpower attributes"	"coal-fired resource"
"system cost"	"demand response"
	"energy transformation project"
	"greenhouse gas content calculation"
	"thermal renewable energy credit"
	"unbundled renewable energy credit"
	"non-emitting resource"

15. Should this rulemaking establish protocols for designating confidential information in utilities' annual RPS reports? If so, how should the language in chapter 480-109 WAC be revised to address such protocols?

The company supports having discussions regarding confidentiality as part of this rulemaking to resolve Staff and stakeholder concerns raised in recent annual RPS reports. However, it is the company's position that reliance on existing procedures for protecting confidential information, including the process for challenges to these designations, is appropriate in the context of RPS reports. Protocols for designating confidential information in the annual RPS reports are governed by the Commission's rules set forth

in WAC 480-07-160, which apply to all proceedings before the commission. These rules include a provision that allows the Commission or any party to a proceeding an opportunity to challenge the designation of materials as exempt, confidential, or highly confidential.[1] In addition, the Revised Code of Washington (RCW) 80.04.095 provides the process for protection of any information designated as confidential when a public records request is submitted to the Commission requesting such information. Any establishment of a separate protocol under WAC 480-109 specifically for RPS reports would be duplicative and could create conflict with existing law. This could cause confusion and inconsistencies because the information provided in RPS reports is also filed with the Commission as part of other proceedings including general rate cases. It would be inappropriate to have two sets for rules applicable to this information depending on the format it is filed in.

It is also important to note that the existing process keeps the burden of justifying any designation of confidential on utilities (including Pacific Power). Under the existing process, the Commission or any party to the proceeding can challenge the designation based on the information provided by the company at the time of filing while allowing the company to respond and defend its determination. This process is therefore based on facts and law and creates a set of precedent for what information can and should be protected in Commission proceedings. This precedent is helpful to utilities and stakeholders alike because it sets expectations for future proceedings that parties can rely on. Using this process also allows these determinations to be made on a case-by-case basis. The company makes its determinations on a case-by-case basis before requesting protective treatment of information filed with the Commission and this ultimately allows for greater transparency because it allows for more fluid categories of confidential information based on the most current circumstances.

In an effort to further the goal of public access and transparency, however, the company suggests that a modification that could be made specifically with respect to RPS reports to provide further explanation or justification for what information is considered confidential. The company is open to discussion with respect to what this process might incorporate the RPS reports.

16. **Should the Commission consider changes to WAC 480-109-200 addressing incremental cost calculation for eligible renewable resources? Specifically, what modifications to the language in chapter 480-109 WAC do you propose to address potential upgrades or renovations to existing eligible renewable resources?**

Pacific Power reiterates its response to question 13.

[1] *See*, *e.g.*, WAC 480-07-160(4)(e).

17. **The Laws of 2019, Chapter 288, § 10, requires the Commission and the Department of Commerce to adopt rules that "streamline" the implementation of this statute with chapter 19.285 RCW. Given that the Commission and the Department will be conducting several rulemakings resulting from enacted legislation in the next few years, should this streamlining be addressed in the current rulemaking or should streamlining take place closer to the point when both agency's finalize rulemakings implementing statutory changes? What sections of rules in WAC 480-109 should be subject to streamlining?**

    The multi-agency workplan issued in August 2019 listed at least 15 discrete workgroups and/or rulemakings that will be conducted throughout the next three years by the Washington Utilities and Transportation Commission, the Washington Department of Commerce, the Washington Department of Health, and the Washington Department of Ecology. It is likely that there will be significant overlap and interaction between these rulemakings and workgroups, with outcomes that are highly dependent.

    Although Pacific Power does not have a strong preference regarding when the "streamline" occurs per Chapter 288 of CETA, it notes that there will be significant policy, rule, and compliance obligation changes between now and the end of the rulemakings in 2022. Entities currently participating in the Washington Department of Commerce rulemaking on compliance and long-term planning have referenced the need for "best effort" standards in these first planning and compliance filings.

    In light of the potentially significant statewide policy changes, it may be beneficial to conduct a streamlining process closer to the point when both agencies finalize the rulemakings to implement statutory changes. At that time, the company will have had the benefit of the multi-agency rulemaking process, as well as, the experience of the first utility planning and compliance filings. This should provide stakeholders with more meaningful information to base any suggestions for streamlining planning, reporting, and compliance under WAC 480-109.

18. **The Laws of 2019, Chapter 288, § 6(a)(i), requires specific targets for energy efficiency, demand response, and renewable energy. Should planning and reporting requirements for energy efficiency integrate the planning and reporting requirements for demand response and other distributed energy resources? If so, how? Should any of this be addressed in chapter 480-109 WAC?**

    Yes. Demand response is in the company's conservation potential assessment, as well as in the IRP. The requirements for energy efficiency, demand response, and distributed energy resources are extremely similar, and to the extent that Pacific Power already has platforms and processes, the rules should integrate and combine initiatives whenever possible. It is efficient from a planning process, a regulatory process, and a customer-facing process.

19. **Do stakeholders recommend any additional changes to chapter 480-109 WAC in this rulemaking? If so, please explain and provide justification for the change.**

    Pacific Power does not recommend any additional changes to Chapter 480-109 WAC at this time, but reserves its right to provide additional comments during the course of this rulemaking.

It is respectfully requested that all communications related to this proceeding be sent to the following:

By Email: WashingtonDockets@pacificorp.com
IRP@pacificorp.com

Please direct informal inquiries to Ariel Son, Regulatory Affairs Manager, at (503) 813-5410.

Sincerely,

/s/

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