

UTC Comment form for Energy Independence Act Rulemaking, WAC 480-109, Docket UE-131723

Submit this form by 5 PM Monday, Dec. 2, 2013 via the Commission’s Web portal at www.utc.wa.gov/e-filing or by e-mail to records@utc.wa.gov.

Comments on behalf of: Avista Corp Commenter: Linda Gervais E-mail: Linda.Gervais@avistacorp.com Phone: 509-495-4975
Name of Organization or “self”

In the first column, fill in the section or subsection of interest in the rule. In the next columns provide the specific text, proposal for change, and rationale.

Comment 1	Current Text	Proposed Text	Rationale for proposed change
Regarding WAC 480-109-07 WAC 480-109-010 WAC 480-109-040		Any proposed new language regarding conservation should be subject to a CR-101 workshop prior to implementing a CR-102 process.	Extensive discussion has occurred on all aspects of the conservation portion of WAC 480-109 (see 2008 rulemaking, six 2011 Conservation Working Group meetings, substantial number of utility Advisory Group meetings, and Commission guidance on three Biennial Conservation Plans for each electric utility). Because of multiple prior Commission orders—in light of extensive discussions to date—in informal discussions through CR-101 processes should be facilitated prior to proposing modified agency rules adding new or substantially revised conditions.

Comment 2	Current Text	Proposed Text	Rationale for proposed change
<p>Regarding WAC 480-109-07 WAC 480-109-010 WAC 480-109-040</p>		<p>Requests for “statewide consistency” regarding conservation should be subject to a CR-101 workshop prior to implementing a CR-102 process</p>	<p>The passage of time since the January 1, 2010 effective date for the conservation portion of WAC 480-109 and since the 2011 Conservation Working Group meetings, may have led to greater convergence of individual utility requirements (i.e., “conditions”). Examples may include: reporting in general, claiming Northwest Energy Efficiency Alliance (NEEA) savings, and evaluation, measurement, and verification (EM&V) protocols.</p> <p>Given potential convergence, Avista respectfully requests informal discussions through CR-101 processes be facilitated prior to proposing modified agency rules that would address heretofore divergent treatment of utility-specific issues.</p>

Comment 3	Current Text	Proposed Text	Rationale for proposed change/Response
<p>RPS Question #1 What verification of contracts for renewable resources, system dispatch data, or other information should the Commission require regulated utilities to file when requesting an order of compliance with renewable portfolio standards?</p>			<p>Avista believes that it should be required to submit, as part of the compliance filing, a list of renewable resources, WREGIS certificate numbers, and the appropriate documentation form outlining REC's it is receiving from contractual relationships. Contracts, system dispatch data, and further detail can be made available upon request and is available for Commission Staff to audit at the Company's offices.</p>

Comment 4	Current Text	Proposed Text	Rationale for proposed change
<p>RPS Question #2 - The definition of an eligible renewable resource at RCW 19.285.030(11)(b) includes electricity produced by incremental efficiency improvements to Northwest hydroelectric plants. What methods and documentation should the Commission require of an electric utility that is claiming incremental hydroelectric generation efficiency improvements as eligible renewable resources?</p>			<p>As outlined in previous Commission orders and agreed upon by the RPS workgroup convened under Docket UE-110523, the Company believes that the three methodologies are adequate and shall continue to be allowed for calculating incremental hydro for compliance.</p> <p>Avista agrees with Commission Staff and others that it is acceptable to have a look back calculation every five years to verify the chosen method is properly accounting for the incremental hydro. However, there should be no financial penalty for any changes compare to historical averages.</p> <p>Company's claiming incremental hydro to meet compliance shall make their models available for Commission Staff to audit upon request. After the 2012 filing, Avista met with Commission Staff to demonstrate the Company's model and address any questions at the time. The Company believes this interaction with Commission Staff is the proper way to address any questions or concerns.</p>

Comment 5	Current Text	Proposed Text	Rationale for proposed change
<p>Regarding WAC 480-109-007(9)</p> <p>SB 5575 - Biomass</p>	<p>(9) "Eligible renewable resource" means:</p> <p>(a) Electricity from a generation facility powered by a renewable resource other than fresh water that commences operation after March 31, 1999, where:</p> <p>(i) The facility is located in the Pacific Northwest; or</p> <p>(ii) The electricity from the facility is delivered into Washington state on a real-time basis without shaping, storage, or integration services; or</p> <p>(b) Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest or to hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest, where the additional generation in either case does not result in new water diversions or impoundments</p>	<p>(9) "Eligible renewable resource" means:</p> <p>(a) Electricity from a generation facility powered by a renewable resource other than fresh water that commences operation after March 31, 1999, where:</p> <p>(i) The facility is located in the Pacific Northwest; or</p> <p>(ii) The electricity from the facility is delivered into Washington state on a real-time basis without shaping, storage, or integration services; or</p> <p>(b) Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest or to hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest, where the additional generation in either case does not result in new water diversions or impoundments; and</p> <p>(c) Qualified biomass energy.</p>	<p>The proposed text was adopted by the legislature as part of Engrossed Substitute Senate Bill 5575 during the 2012 Regular Session. Avista believes this language should be added to the WAC.</p>

Comment 6	Current Text	Proposed Text	Rationale for proposed change
<p>Regarding WAC 480-109-007(18)</p> <p>SB 5575 - Biomass</p>	<p>(18) "Renewable resource" means:</p> <ul style="list-style-type: none"> (a) Water; (b) Wind; (c) Solar energy; (d) Geothermal energy; (e) Landfill gas; (f) Wave, ocean, or tidal power; (g) Gas from sewage treatment facilities; (h) Biodiesel fuel as defined in RCW 82.29A.135 that is not derived from crops raised on land cleared from old growth or first-growth forests where the clearing occurred after December 7, 2006; and (i) Biomass energy based on animal waste or solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include: <ul style="list-style-type: none"> (i) Wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; (ii) Black liquor by-product from paper production; (iii) Wood from old growth forests; or (iv) Municipal solid waste. (j) Eligible renewable resources produced by biomass facilities should be based on the portion of the fuel supply that is made up of eligible biomass fuels. 	<p>(18) "Renewable resource" means:</p> <ul style="list-style-type: none"> (a) Water; (b) Wind; (c) Solar energy; (d) Geothermal energy; (e) Landfill gas; (f) Wave, ocean, or tidal power; (g) Gas from sewage treatment facilities; (h) Biodiesel fuel as defined in RCW 82.29A.135 that is not derived from crops raised on land cleared from old growth or first-growth forests where the clearing occurred after December 7, 2006; or (i) biomass energy. 	<p>The proposed text was adopted by the legislature as part of Engrossed Substitute Senate Bill 5575 during the 2012 Regular Session. Avista believes this language should be added to the WAC.</p>

Comment 7	Current Text	Proposed Text	Rationale for proposed change
<p>Regarding WAC 480-109-007 – NEW TEXT</p> <p>SB 5575 - Biomass</p>		<p>“Biomass Energy”</p> <p>(a) "Biomass energy" includes:</p> <ul style="list-style-type: none"> i. Organic by-products of pulping and the wood manufacturing process; ii. Animal manure; iii. Solid organic fuels from wood; iv. Forest or field residues; v. Untreated wooden demolition or construction debris; (vi) food waste and food processing residuals; vi. Liquors derived from algae; vii. Dedicated energy crops; and (ix) yard waste. <p>(b) "Biomass energy" does not include:</p> <ul style="list-style-type: none"> i. Wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; ii. Wood from old growth forests; or iii. Municipal solid waste. <p>"Qualified biomass energy" means electricity produced from a biomass energy facility that:</p> <ul style="list-style-type: none"> (a) Commenced operation before March 31, 1999; (b) Contributes to the qualifying utility's load; and (c) Is owned either by: <ul style="list-style-type: none"> i. A qualifying utility; or ii. an industrial facility that is directly interconnected with electricity facilities that are owned by a qualifying utility and capable of carrying electricity at transmission voltage. 	<p>The proposed text was adopted by the legislature as part of Engrossed Substitute Senate Bill 5575 during the 2012 Regular Session. Avista believes this language should be added to the WAC.</p>

Comment 8	Current Text	Proposed Text	Rationale for proposed change
Regarding WAC 480-109-020 – NEW TEXT		<p>(5) A utility may, where claiming incremental hydroelectric efficiency improvements from a facility owned by another utility regulated under RCW 19.285 which has received or is expected to receive regulatory approval for its calculation of incremental hydroelectric efficiency improvements, use without further required analysis, its pro rata share of such resource’s incremental hydroelectric efficiency improvements as calculated by the facility owner in meeting its obligations under 480-109-020.</p>	<p>Utilities have significant interests in hydro projects owned by non-UTC-regulated utilities, such as the Mid-C hydro projects. As the UTC-regulated utilities do not own these resources they do not have all of the information to best assess the incremental amounts of electricity. This has led to disagreements and put the UTC-regulated utilities in an awkward position, potentially compromising their compliance. The non-UTC-regulated utilities are regulated by the Auditor under RCW 19.285. Acceptance of the non-UTC-regulated utility’s calculation of incremental hydro, where it has been accepted by the Auditor should be evidence enough of compliance with RCW 19.285.</p>

Comment 9	Current Text	Proposed Text	Rationale for proposed change
<p>Regarding WAC 480-109-020 – NEW TEXT</p> <p>SB 5575 - Biomass</p>		<p>(6)(i) Beginning January 1, 2016, only a qualifying utility that owns or is directly interconnected to a qualified biomass energy facility may use qualified biomass energy to meet its compliance obligation under RCW 19.285.040(2).</p> <p>(ii) A qualifying utility may no longer use electricity and associated renewable energy credits from a qualified biomass energy facility if the associated industrial pulping or wood manufacturing facility ceases operation other than for purposes of maintenance or upgrade.</p> <p>(7) An industrial facility that hosts a qualified biomass energy facility may only transfer or sell renewable energy credits associated with its facility to the qualifying utility with which it is directly interconnected with facilities owned by such a qualifying utility and that are capable of carrying electricity at transmission voltage. The qualifying utility may only use an amount of renewable energy credits associated with qualified biomass energy that are equivalent to the proportionate amount of its annual targets under (b) and (c) of this subsection that was created by the load of the industrial facility. A qualifying utility that owns a qualified biomass energy facility may not transfer or sell renewable energy credits associated with qualified biomass energy to another person, entity, or qualifying utility.</p>	<p>The proposed text was adopted by the legislature as part of Engrossed Substitute Senate Bill 5575 during the 2012 Regular Session. Avista believes this language should be added to the WAC.</p>

Comment 10	Current Text	Proposed Text	Rationale for proposed change
<p>Regarding WAC 480-109-020 – NEW TEXT</p> <p>UE-111663 - Bifurcation of RECs</p>		<p>(8) A qualifying utility that acquires an eligible renewable resource or renewable energy credit may count that acquisition at one and two-tenths times its base value:</p> <p>(A) Where the eligible renewable resource comes from a facility that commenced operation after December 31, 2005; and</p> <p>(B) Where the developer of the facility used apprenticeship programs approved by the council during facility construction.</p> <p>(ii) The Washington state apprenticeship and training council within the department of labor and industries shall establish minimum levels of labor hours to be met through apprenticeship programs to qualify for this extra credit.</p> <p>(iii) An energy Company may only count the extra credit if it uses the underlying renewable energy credit towards its target.</p>	<p>The proposed text regarding the extra apprenticeship credit is part of the RCW however, not included in the WAC. The Company believes this language should be included in the WAC along with a decision on the Extra Credits for Apprentice Labor Provision of RCW 19.285.040(2)(h) in Docket UE-111663.</p>