



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

Agency: Washington Utilities and Transportation Commission

Subject of possible rule making: The Washington Utilities and Transportation Commission (Commission) commences this inquiry to examine whether the Commission should consider adopting new regulations relating to the acquisition of renewable resources by Washington's investor-owned electric utilities. In addition to exploring the possible adoption of rules, the Commission will examine other means of policy expression on this general subject, including a possible Interpretative and Policy Statement under RCW 34.05.230(1). Docket UE-100849

Statutes authorizing the agency to adopt rules on this subject: RCW 80.01.040; RCW 80.04.160; RCW 34.05.220, and RCW 34.05.230.

(a) **Reasons why rules on this subject may be needed and what they might accomplish:** RCW 19.285 sets renewable portfolio standards for Washington investor-owned electric utilities. Specifically, RCW 19.285.060 charges the Commission with the determination of an investor-owned utility's compliance with the provisions of RCW 19.285, which includes the acquisition of renewable resources. The Commission believes that utility-specific proceedings, with their narrow sets of circumstances, may not be the proper vehicle for the Commission to consider a full range of policy options.

Specifically, the Commission will review and discuss, with the participation and assistance of utilities, representatives of ratepayers, and other stakeholders:

- The progress of investor-owned utilities in meeting the renewable portfolio standards set by the Energy Independence Act (Initiative 937), RCW 19.285;
- Whether the existing statutory and regulatory frameworks impede compliance with renewable portfolio standards requirements;
- Whether the statutory and regulatory frameworks should encourage acquisition of renewable resources in excess of that required by the renewable portfolio standards;
- Whether the Commission should consider adopting rules or new regulatory practices that would provide incentives for utilities and customers to acquire renewable resources; and,
- Whether the Commission should propose any legislative changes relative to incentives for acquisition of renewable resources by utilities and customers.

The Commission intends to include in the Inquiry consideration of externalities associated with non-renewable resources that may impact utility and Commission decision-making, the impact of encouraging acquisition of renewable resources on other ratemaking practices including evaluation of a utility's rate of return, and the impact of further development of renewable resources on consumer rates.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: Under ESSHB 2658, signed into law on April 1, 2010, and pursuant to a directive from the Governor, the Washington Department of Commerce will develop an energy strategy for the State of Washington. Pursuant to section 401 of that legislation, the legislature found "...the world has started the transition to a clean energy economy, with significant improvements in energy efficiency and investments in new clean and renewable energy resources and technologies...this transition may increase or decrease energy costs and efforts should be made to mitigate cost increases." The Commission envisions working closely with the Department of Commerce in the development of the State's energy strategy as well as in this Inquiry.

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) The Commission will ask for initial written comments, and will provide the opportunity for participation in two work sessions as well as opportunities for additional comments.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication: (List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.)

Interested persons may file comments with the Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive S.W., Olympia, Washington, 98504-7250; Telephone (360) 664-1174; Fax (360) 586-1150, by 5:00 p.m., Friday, June 11, 2010. For specific information regarding opportunities for written comments and to ensure receipt of further information concerning this rulemaking, please see the attachment to this form.

DATE May 19, 2010
NAME (TYPE OR PRINT) David W. Danner
SIGNATURE
TITLE Executive Director and Secretary

CODE REVISER USE ONLY
<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">OFFICE OF THE CODE REVISER STATE OF WASHINGTON FILED</p> <p>DATE: May 19, 2010 TIME: 10:08 AM</p> <p>WSR 10-11-122</p> </div>

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
CR-101 - ATTACHMENT
DOCKET UE-100849

Interested persons may contact the Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, Olympia, Washington, 98504-7250, 360-664-1174 (Fax: 360-586-1150).

WRITTEN COMMENTS AND STAKEHOLDER WORK SESSIONS

Written comments may be submitted to the Commission at the address given above and should be filed with the Commission no later than **July 22, 2010**. Reply comments may be filed no later than **August 5, 2010**. There also will be opportunity to participate in at least two work sessions, on **June 22, 2010**, and **August 18, 2010**, related to this Inquiry. A proposed "Statement of Issues" may be submitted by **June 11, 2010**, by interested parties for the Commission to consider during the work sessions. Notice of these work sessions, and other opportunities to participate, will be distributed by notice to persons wishing to be included on the service list and posted on the Commission's website.

The Commission requests that comments be provided in electronic format to enhance public access, for ease of providing comments, to reduce the need for paper copies, and to facilitate quotations from the comments. Comments may be submitted via the Commission's Web portal at www.utc.wa.gov/e-filing or by e-mail to the Commission's Records Center at records@utc.wa.gov. Please include:

- The docket number of this proceeding (UE-100849)
- The commenting party's name
- The title and date of the comment or comments

An alternative method for submitting comments may be by mailing/delivering an electronic copy on a 3 ½ inch, IBM-formatted, high-density disk, using Adobe Acrobat pdf format or in Word 97 or later. Include all of the information requested above. The Commission will post on the Commission's Web site all comments that are provided in electronic format. The Web site is located at www.utc.wa.gov/100849. If you are unable to file your comments electronically or to submit them on a disk, the Commission will always accept a paper document.

Information about the schedule and other aspects of the rulemaking, including comments, will be posted on the Commission's Web site as it becomes available. If you wish to receive further information on this rulemaking you may (1) call the Commission's Records Center at 360-664-1234, (2) e-mail the Commission at records@utc.wa.gov, or (3) mail written comments to the address above to the attention of David W. Danner, Executive Director and Secretary. When contacting the Commission, please refer to Docket UE-100849 to ensure that you are placed on the appropriate service list. Questions may be addressed to Danny Kermode (360) 664-1253 or e-mail at dkermode@utc.wa.gov.

NOTICE

TO CONTINUE RECEIVING NOTICES AND INFORMATION ABOUT THIS RULEMAKING -- The Commission wants to ensure its mailings are sent to persons who are interested in the topic and want to receive that information. **ANY PERSON WHO COMMENTS** will continue to receive notices and information. If you do not submit comments but wish to remain on the mailing list for this rulemaking, please advise the Records Center by any one of the following methods: (1) send a note with your name, address (or a copy of your mailing label), and telephone and fax numbers referencing Docket UE-100849, and the words "Please keep me on the mailing list"; or (2) e-mail your name, address, telephone and fax numbers, referencing Docket UE-100849, and the words "Please keep me on the mailing list" to <records@utc.wa.gov>. Please note that all information in the mailings will be accessible through the Commission's Internet Web site at <http://www.utc.wa.gov/100849>. **THOSE PARTIES WHO DO NOT RESPOND MAY NOT RECEIVE FURTHER MAILINGS OR INFORMATION ON THE RULEMAKING.**