



STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

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May 3, 2021

**NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS**  
**(By 5 p.m., May 31, 2021)**

Re: Relating to Electricity Markets and Compliance with the Clean Energy Transformation Act, Docket UE-210183

TO ALL INTERESTED PERSONS:

On April 5, 2021, 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),<sup>1</sup> centered on the implementation of Chapter 19.405 RCW. The Commission filed the CR-101 under Docket UE-210183.

The CR-101, as filed with the Code Reviser, is available for inspection on the Commission's website at <http://www.utc.wa.gov/210183>. If you are unable to access the Commission's web page and would like a copy of the CR-101 emailed or mailed to you, please contact the Records Center at (360) 664-1234.

**BACKGROUND**

CETA requires investor-owned electric utilities (1) to eliminate coal-fired generation from their portfolios by the end of 2025; (2) to ensure that all retail sales of electricity to their retail customers will be greenhouse gas neutral by the end of 2030; and (3) to source all of their power from renewable and non-emitting resources by the end of 2045. Furthermore, CETA requires that the utilities ensure that all customers are benefiting from the transition to clean energy through the equitable distribution of energy and nonenergy benefits and reductions of burdens to vulnerable and highly impacted communities.

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<sup>1</sup> E2SSB 5116, Laws of 2019, ch. 288.

In 2020, the Commission adopted three sets of rules to begin implementing CETA's requirements.<sup>2</sup> This docket initiates the second phase of rulemakings to implement the legislation.

RCW 19.405.130(3) requires that the Department of Commerce (Commerce) and the Commission adopt rules by June 30, 2022, defining the requirements for complying with RCW 19.405.030 through 19.405.050 with electric market purchases from centralized markets, and to address the prohibition of double counting of nonpower attributes under RCW 19.405.140. Commerce and the Commission are starting their respective rulemakings now that the stakeholder work group required in RCW 19.405(1) has nearly completed its work.

This rulemaking will also address two related issues that arose during the development of the Clean Energy Implementation Rules in Docket UE-191023. First, the Commission will provide an interpretation of compliance with RCW 19.405.040(1)(a).<sup>3</sup> Second, the Commission will develop rules for the treatment of energy storage for compliance with RCW 19.405.030 — RCW 19.405.050. Depending on the pace of development for electric market purchases rules, the Commission may also consider creating reporting and verification requirements for complying with RCW 19.405.030 during this rulemaking or may save the issue for a future rulemaking.

The Commission will be coordinating with Commerce throughout this rulemaking.

### **RULEMAKING TIMELINE**

The Commission is initiating this docket with a series of questions focused on the role of energy storage for complying with CETA. The Commission expects to issue another Notice of Opportunity to Comment on issues related to markets and the interpretation of compliance with RCW 19.405.040(1)(a) on May 17, 2021. The Commission will also issue a proposed rulemaking schedule at that time.

### **QUESTIONS FOR CONSIDERATION**

Energy storage is likely to play an important role in Washington's transition to a carbon-neutral, then carbon-free, electric system and CETA includes a provision favoring storage, along with renewable generating resources, in the acquisition of new resources.<sup>4</sup> However, potentially significant complications arise when considering energy storage in the context of compliance and verification of CETA requirements under Chapter 19.405 RCW. Two primary sources of complication are (a) tracking the sources of electricity used in charging storage resources, and (b) accounting for the energy losses in charging and discharging the storage resources.

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<sup>2</sup> Integrated Resource Planning and Clean Energy Implementation Plans in Dockets UE-190698 & UE-191023, Purchase of Resources, Docket U-190837, and the Energy Independence Act, Docket UE-190652.

<sup>3</sup> See Notice of Opportunity to File Written Comments, June 12, 2020, Docket UE-191023.

<sup>4</sup> RCW 19.405.040(6).

The Commission requests comments on the following questions:

1. What information regarding the use of storage in meeting its CETA requirements should be included in the utility's CETA compliance report?
2. How should the energy used and provided by energy storage resources be accounted for to ensure that nonpower attributes of renewable generation are not double counted? What compliance and reporting requirements would assure verification and prevent double counting?
3. Should compliance and reporting rules related to energy storage be differentiated based on any of the following:
  - a. The storage technology, such as battery storage or pumped hydro storage?
  - b. The location of the storage resource within the grid, such as collocated with a generating resource, interconnected in the transmission or distribution system, or at a retail customer's premise?
  - c. The ownership of the storage resource, such as a utility subject to CETA, a non-utility operator, or a retail end use customer.

If the answer to any of these subparts is yes, please explain why and provide suggested rule language.

4. For a storage resource that is interconnected in the power grid, one possible approach to compliance is to treat it like a generating resource. The storage resource would be registered in the Western Renewable Energy Generation Information System (WREGIS). It would retire RECs for the renewable electricity used to charge the storage device and report verified data on discharge of electricity into the grid. WREGIS would create renewable energy credits (RECs) for the electricity discharged into the grid. If it used a combination of renewable and fossil sources for charging, a multi-fuel calculation would be applied to ensure that RECs are created only for the renewable portion of electricity generated into the grid. Please comment on the advantages, disadvantages, and necessary elements of this approach.
5. For a storage resource that is collocated with a renewable generating facility:
  - a. Should the storage accounting rules specify that RECs are created based on the amount of electricity generated or on the amount of electricity delivered into the grid?

- b. How should power from the grid used to charge the storage resource be accounted for?
6. For a storage resource located at a retail customer's premise, should the electricity used to charge the resource be included in the load of the utility for purposes of CETA? If the storage resource returns electricity to the grid, should this electricity be subtracted from the load of the utility for purposes of CETA?
7. Use of a storage resource will result in electricity being delivered to load at a different time than the electricity was generated. WREGIS creates RECs with a vintage specified as month and year. Is month and year vintage information sufficient to ensure that renewable energy claims are accurate and that double counting of renewable generation does not occur? If not, what vintage detail should be required and why?
8. If a storage facility operator charges an energy storage facility with a combination of renewable and non-renewable electricity, what verification, documentation, or calculation requirements would ensure that the output of the storage resource is accurately accounted for as renewable or non-renewable?
9. Are there any energy storage accounting requirements used by other jurisdictions or by voluntary programs or protocols that the Commission should consider, either as guidance in adopting rules for CETA or to avoid potential conflicts in approaches?

## WRITTEN COMMENTS

The Commission gives notice of the opportunity to submit written comments no later than **5:00 p.m., Monday, May 31, 2021**.

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](http://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](mailto: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-210183).
- 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/210183>.

If you are unable to file your comments electronically the Commission will accept a paper document.

### **FUTURE STAKEHOLDER WORKSHOPS**

Stakeholders will have further opportunity for comment at future workshops. Information about the workshop schedule and other aspects of the rulemaking, including comments, will be posted on the Commission's website as it becomes available. Persons filing comments in response to this Notice will receive future communications the Commission issues in this docket. If you do not file comments but wish to receive such information you may contact the Commission's Records Center by telephone at (360) 664-1139 or by email [records@utc.wa.gov](mailto:records@utc.wa.gov) and ask to be included on the mailing list for Docket UE-210183.

When contacting the Commission, please refer to Docket UE-210183 to ensure that you are placed on the appropriate service list. The Commission's mailing address is:

Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE, Lacey, WA 98503.  
P.O. Box 47250  
Olympia, WA 98504-7250

If you have questions regarding this rulemaking, you may contact staff lead Steve Johnson at (360) 481-1573 or at [Steve.johnson@utc.wa.gov](mailto:Steve.johnson@utc.wa.gov).

### **NOTICE**

**If you do not want to comment now but would like to receive future information about this rulemaking, please notify the Executive Director and Secretary in one of the ways described above and ask to be included on the email distribution list for Docket UE-210183. If you do not do this, you might not receive further information about this rulemaking.**

MARK L. JOHNSON  
Executive Director and Secretary