

**Part VIII. Planning**

**WAC 480-100-600 Purpose.**

The purpose of these rules is to ensure that the utility meets the clean energy transformation standards outlined in WAC 480-100-610 in a timely manner and at the lowest reasonable cost. ~~Utilities must ensure that all planning and investment activities are consistent with the clean energy transformation standards.~~

**WAC 480-100-605 Definitions.**

The definitions below apply to all of WAC 480-100-600 through ~~6605~~. "Allocation of electricity" means, for the purposes of setting electricity rates, the costs and benefits associated with the resources used to provide electricity to an electric utility's retail electricity consumers that are located in this state.

~~"Alternative lowest reasonable cost and reasonably available portfolio" means the lowest cost mix of resources determined through a detailed and consistent analysis of a wide range of~~

**Commented [PSE1]:** This is not a requirement of CETA and represents an overreach in rule. It is not reasonable or realistic for a utility to ensure that all of its planning and investment activities as a company are consistent with the clean energy transformation standards, nor is it clear how a utility could possibly demonstrate that.

That said, PSE expects its planning and investment activities will continue to be more clean energy focused, particularly as it approaches 2030 and then moves towards 2045.

commercially available resources that represents what the utility  
mostly likely would have implemented absent RCW 19.405.040 and  
RCW 19.405.050, as outlined in their CEIP.

"Biomass energy" includes: Organic by-products of pulping and the wood manufacturing process; animal manure; solid organic fuels from wood; forest or field residues; untreated wooden demolition or construction debris; food waste and food processing residuals; liquors derived from algae; dedicated energy crops; and yard waste.

Biomass energy does not include:

- Wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic;
- wood from old growth forests; or
- municipal solid waste.

"Carbon dioxide equivalent" or "CO<sub>2</sub>e" means a metric measure used to compare the emissions from various greenhouse gases based upon their global warming potential.

"CEAP" means the Clean Energy Action Plan.

"CEIP" means the Clean Energy Implementation Plan.

**Commented [PSE2]:** This added definition is needed because the CETA 19.405.040 requirements of "clean" and "equitably distributed" are now embedded in the definition of lowest reasonable cost. In order to perform the comparison for purposes of calculating the incremental cost, there needs to be a baseline that represents what the utility would have implemented absent RCW 19.405.040 and .050.

"Coal-fired resource" means a facility that uses coal-fired generating units, or that uses units fired in whole or in part by coal as feedstock, to generate electricity. Coal-fired resource does not include:

- an electric generating facility that is included as part of a limited duration wholesale power purchase, not to exceed one month, made by an electric utility for delivery to retail electric customers that are located in this state for which the source of the power is not known at the time of entry into the transaction to procure the electricity; or
- an electric generating facility that is subject to an obligation to meet the standards contained in RCW 80.80.040(3)(c).

"Commission" means the Washington utilities and transportation commission.

"Conservation and efficiency resources" means any reduction in electric power consumption that results from increases in the efficiency of energy use, production, transmission, or distribution.

"Cost-effective" means that a project or resource is forecast:

To be reliable and available within the time it is needed; and to meet or reduce the electric power demand of the intended consumers at an estimated incremental system cost no greater than that of the least-cost similarly reliable and available alternative project or resource, or any combination thereof.

"Demand response" means changes in electric usage by demand-side resources from their normal consumption patterns in response to changes in the price of electricity, or to incentive payments designed to induce lower electricity use, at times of high wholesale market prices or when system reliability is jeopardized. Demand response may include measures to increase or decrease electricity production on the customer's side of the meter in response to incentive payments.

"Distributed energy resource" means a nonemitting 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 ~~as well as demand response.~~

**Commented [PSE3]:** Demand response should already be covered in this definition without this reference added at the end. PSE prefers this definition remain consistent with the statutory definition, which does not specifically include "as well as demand response" at the end.

“Energy assistance” means a program undertaken by a utility to reduce the household energy burden of its customers.

- Energy assistance includes, but is not limited to, weatherization, conservation and efficiency services, and monetary assistance, such as a grant program or discounts for lower income households, intended to lower a household’s energy burden.
- Energy assistance may include direct customer ownership in distributed energy resources or other strategies if such strategies achieve a reduction in energy burden for the customer above other available conservation and demand-side measures.

“Energy assistance need” means the amount of assistance necessary to achieve an energy burden equal to six percent for utility customers.

“Energy burden” means the share of annual household income used to pay annual home energy bills.

“Equitable distribution” means a fair and just, but not necessarily equal, allocation of benefits and burdens to mitigate disparities in current conditions, ~~including legacy and cumulative conditions. Current conditions are informed by the assessment~~

**Commented [PSE4]:** Legacy and cumulative conditions are already covered by the term “current conditions,” which makes this added language unnecessary.

~~described in RCW 19.280.030(1)(k) from the most recent integrated resource plan.~~

"Fossil fuel" means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such a material.

"Greenhouse gas" includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and any other gas or gases designated by the department of ecology by rule under RCW 70.235.010.

"Highly impacted community" means a community designated by the department of health based on the cumulative impact analysis required by RCW 19.405.140 or a community located in census tracts that are fully or partially on "Indian country," as defined in 18 U.S.C. Sec. 1151.

"Implementation period" means the four years after the filing of each Clean Energy Implementation Plan through 2045. The first implementation period will begin January 1, 2022, and will end December 31, 2025, and the second implementation period will begin on January 1, 2026, and will end on December 31, 2029.

~~"Indicator" means an attribute, either quantitative or qualitative, of resources or related distribution investments.~~

"Integrated resource plan" or "IRP" means an analysis

**Commented [PSE5]:** PSE agrees that the assessment performed in the IRP pursuant to RCW 19.280.040(1)(k) will be one tool in examining how to address equitable distribution of benefits in the CEIP, but this sentence places too much emphasis on that assessment and isn't necessary.

**Commented [PSE6]:** This definition is confusing and unhelpful. Indicator does not need to be defined in order to be understood and applied in the rules.

describing the mix of generating resources, conservation, methods, technologies, and resources to integrate renewable resources and, where applicable, address overgeneration events, and efficiency resources that will meet current and projected needs at the lowest reasonable cost to the utility and its ratepayers and that complies with the requirements specified in RCW 19.280.030(1).

"Lowest reasonable cost" means the lowest cost mix of generating resources and conservation and efficiency resources determined through a detailed and consistent analysis of a wide range of commercially available resources. At a minimum, this analysis must consider resource cost, market-volatility risks, demand-side resource uncertainties, resource dispatchability, resource effect on system operation, the risks imposed on the utility and its customers, public policies regarding resource preference adopted by Washington or the federal government, and the cost of risks associated with environmental effects, including emissions of carbon dioxide. The analysis of the lowest reasonable cost must describe the utility's combination of planned resources and related delivery system infrastructure consistent ~~and show compliance with Chapters 19.280, 19.285, and 19.405 RCW.~~ ~~including a~~

~~demonstration that the mix of resources will be clean, affordable, reliable, and equitably distributed.~~

"Natural gas" means naturally occurring mixtures of hydrocarbon gases and vapors consisting principally of methane, whether in gaseous or liquid form, including methane clathrate. Natural gas does not include renewable natural gas or the portion of renewable natural gas when blended into other fuels.

"Nonemitting electric generation" means electricity from a generating facility or a resource that provides electric energy, capacity, or ancillary services to an electric utility and that does not emit greenhouse gases as a by-product of energy generation. Nonemitting electric generation includes, but is not limited to: nuclear power and hydrogen. Nonemitting electric generation does not include renewable resources.

"Nonpower attributes" means all environmentally related characteristics, exclusive of energy, capacity reliability, and other electrical power service attributes, that are associated with the generation of electricity, including but not limited to the facility's fuel type, geographic location, vintage, qualification as a renewable resource, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of

**Commented [PSE7]:** While this added part of the definition of lowest reasonable cost may be helpful, PSE notes that "clean" and "equitable" as specified in RCW 19.405.040 and .050 do not factor into the definition of lowest reasonable cost for purposes of determining the alternative lowest reasonable cost and reasonably available portfolio. Therefore, it is clearer to not include them in the definition of lowest reasonable cost here.



carbon dioxide and other greenhouse gases. Nonpower attributes does not include any aspects, claims, characteristics, and benefits associated with the on-site capture and destruction of methane or other greenhouse gases at a facility through a digester system, landfill gas collection system, or other mechanism, which may be separately marketable as greenhouse gas emission reduction credits, offsets, or similar tradable commodities. However, these separate avoided emissions may not result in or otherwise have the effect of attributing greenhouse gas emissions to the electricity.

"Renewable resource" means: Water; wind; solar energy; geothermal energy; renewable natural gas; renewable hydrogen; wave, ocean, or tidal power; biodiesel fuel that is not derived from crops raised on land cleared from old growth or first growth forests; or biomass energy.

"Resource" includes but is not limited to generation, conservation, distributed generation, demand response, efficiency, and storage.

"Resource need" means any current or projected deficit to reliably meet forecasted electricity demands, state or federal requirements, or operational requirements reliably. Such demands or requirements may include, but are not

limited to, capacity and associated energy, capacity needed to meet peak demand in any season, Federal Energy Regulatory Commission jurisdictional operational requirements, or resources required for regulatory compliance, such as fossil-fuel generation retirements, ~~equitable distribution of benefits or reduction of burdens,~~ cost-effective conservation and efficiency resources, demand response, renewable and nonemitting resources.

"Social cost of greenhouse gas emissions" or "SCGHG" is the inflation-adjusted costs of greenhouse gas emissions resulting from the generation of electricity, as required by RCW 80.28.405, the updated calculation of which is published on the commission's website.

"Vulnerable populations" means communities that experience a disproportionate cumulative risk from environmental burdens due to: Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and sensitivity factors, such as low birth weight and higher rates of hospitalization.

**Commented [PSE8]:** Equitable distribution of benefits is already embedded into the definition of "lowest reasonable cost." It is confusing and duplicative to also embed it into the definition of a "resource" here.

**WAC 480-100-610 Clean Energy Transformation Standards.**

(1) On or before December 31, 2025, each utility must eliminate coal-fired resources from its allocation of electricity to Washington retail electric customers;

(2) By January 1, 2030, each utility must ensure all retail sales of electricity to Washington electric customers are greenhouse gas neutral, unless:

(a) the utility is unable to do achieve this standard while still maintaining and protecting the safety, reliable operation, and balancing of the electric system; or

(b) the utility is considered in compliance with the greenhouse gas neutral standard under the alternative compliance mechanism pursuant to RCW 19.405.060(3)(a);

(3) By January 1, 2045, each utility must ensure that nonemitting electric generation and electricity from renewable resources supply one hundred percent of all retail sales of electricity to Washington electric customers, unless:

(a) the utility is unable to do achieve this standard while still maintaining and protecting the safety, reliable operation, and balancing of the electric system; or

(b) the utility is considered in compliance with the

**Commented [PSE9]:** WAC 480-100-610 restates the two major compliance obligations under CETA. It should also reference the exceptions that are provided in statute, as suggested in subsections (a) and (b).

greenhouse gas neutral standard under the alternative compliance mechanism pursuant to RCW 19.405.060(3)(a).

**Commented [PSE10]:** Please see previous comment.

(4) In making progress toward and meeting subsections (2) and (3) of this section, each utility must:

(a) Pursue all cost-effective, reliable, and feasible conservation and efficiency resources consistent with RCW 19.285.010(a) through (f);

(b) Maintain and protect the safety, reliable operation and balancing of the electric system; and

(c) Ensure that all customers are benefiting from the transition to clean energy through:

(i) The equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities;

(ii) Long-term and short-term public health and environmental benefits and reduction of costs and risks; and

(iii) Energy security and resiliency.

~~(5) Each utility must demonstrate that it has made progress toward and has met the standards in this section at the lowest reasonable cost.~~

**Commented [PSE11]:** This language does not belong in the standards section. If needed, it can go in the WAC chapter describing the CEIP contents.

~~(6) Each utility must adaptively manage its portfolio of~~

~~activities, which includes but is not limited to:~~

~~(a) Continuously reviewing and updating as appropriate its planning and investment activities to adapt to changing market conditions and developing technologies; and~~

~~(b) Researching emerging technologies and assessing the potential of such technologies for implementation in its service territory, including assessment and development of new and pilot programs.~~

**WAC 480-100-615 Purpose of integrated resource planning**

Consistent with Chapters 80.28, 19.280, and 19.405 RCW, each electric utility regulated by the commission has the responsibility to identify and meet its resource needs with the lowest reasonable cost mix of conservation and efficiency, generation, distributed energy resources, and delivery system investments to ensure the utility provides energy to its customers that is clean, affordable, reliable, and equitably distributed.

**WAC 480-100-620 Content of an Integrated Resource Plan.**

~~(1) At a minimum, integrated resource plans must include the components listed in this rule. Unless otherwise stated, the~~

**Commented [PSE12]:** As stated in prior comments, this adaptive management provision does not belong in the Clean Energy Transformation Standards section of the WAC. Furthermore, it is not reasonable to require in rule for utilities to "continuously" review and update CEIP investments that are part of an approved plan. Irrespective of what the rules say on adaptive management, PSE will continue to monitor changing market conditions, developing technologies, and opportunities and will seek to take advantage of those opportunities, when appropriate.

**Commented [PSE13]:** This opening sentence, which reads more like an intent section, should move to WAC 480-100-620 as the first subsection.

~~assessments, evaluations, and forecasts should be over an appropriate planning horizon.~~

**Commented [PSE14]:** This language is unnecessary.

(2) Load forecast. The IRP must include a range of forecasts of projected customer demand that reflect the effect of economic forces on the consumption of electricity and address changes in the number, type, and efficiency of electrical end-uses.

~~(3)~~ Distributed energy resources. The IRP must include assessments of a variety of distributed energy resources. These assessments must incorporate non-energy costs and benefits to the extent known ~~not fully valued elsewhere within any integrated resource plan model~~. The IRP must consider the effect of distributed energy resources on the utility's load and operations. Utilities are strongly encouraged to engage in a distributed energy resource planning process as described in RCW 19.280.100. If the utility uses that process, it should include a summary of the results. The required assessments must include the following:

(a) Energy efficiency and conservation potential assessment - the IRP must assess potential policies and programs needed to obtain all cost-effective conservation, efficiency, and load management improvements, including the ten-year conservation potential used in calculating a biennial conservation target under

Chapter 480-109 WAC; the IRP must assess currently employed policies and programs as well;

(b) Demand response potential assessment the IRP must assess currently employed and new policies and programs in development that may be needed to obtain all cost-effective demand response;

**Commented [PSE15]:** New policies and programs will change what is deemed "cost effective."

(c) Combined heat and power potential assessment the IRP must identify and assess opportunities to develop combined heat and power as an energy and capacity resource;

~~(d) Energy assistance potential assessment the IRP must include distributed energy programs and mechanisms identified pursuant to RCW 19.405.120, which pertains to energy assistance and progress toward meeting energy assistance need; and~~

**Commented [PSE16]:** RCW 19.405.120 requires utilities to report to Commerce on energy assistance and assess progress towards meeting energy assistance need. There is no mention of the IRP process in RCW 19.405.120, nor is the IRP statute cross-referenced anywhere in that section of law. Therefore, it is inappropriate and an overreach of the underlying statute to require the IRP to include an energy assistance potential assessment.

(e) Other distributed energy resource potential assessments the IRP must assess other distributed energy resources that may be installed by the utility or the utility's customers, including but are not limited to energy storage, electric vehicles, and photovoltaics. Any such assessment must include the effect of distributed energy resources on the utility's load and operations.

Any further development of the expectations concerning implementation of RCW 19.405.120 should be in the form of a policy statement, not shoehorned into the IRP.

(4) Commercially available supply-side resources. The IRP must include an assessment of a wide range of generating resources, energy storage resources, and commercially available

nonconventional generating, integration, or ancillary service technologies.

(5) Regional generation and transmission. The IRP must include an assessment of the availability of regional generation and transmission capacity on which the utility may rely to provide and deliver electricity to its customers.

~~(a) The assessment must include the utility's existing transmission capabilities, and future needs during the planning horizon, including identification of facilities necessary to meet future transmission needs.~~

~~(b) The assessment must also generally identify the location and extent of transfer capability limitations on its transmission network that may affect the future siting of resources.~~

(6) Resource Evaluation. The IRP must include a comparative evaluation of all identified resources for achieving the clean energy transformation standards in WAC 480-100-610 at the lowest reasonable cost.

(7) Resource adequacy. The IRP must include an assessment and determination of resource adequacy metrics. It must also identify an appropriate resource adequacy requirement and measurement metrics consistent with RCW 19.405.030 through RCW

**Commented [PSE17]:** This level of detail on the assessment of availability of regional generation and transmission capacity isn't needed. The opening sentence in subsection (5) is sufficient.



19.405.050.

(8) Economic, health, and environmental burdens and benefits.

The IRP must include an assessment of energy and nonenergy benefits and reductions of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits, costs, and risks; and energy security

risk. The assessment should be informed by the cumulative impact analysis conducted by the department of health.

(9) Cases, scenarios, and sensitivities. The IRP must include a range of possible future scenarios and input sensitivities for the purpose of testing the robustness of the utility's resource portfolio under various parameters. ~~The IRP must also provide a narrative description of scenarios and sensitivities the utility used, including those informed by the public participation process.~~

**Commented [PSE18]:** This provision is more prescriptive than necessary.

(a) At least one scenario must be the case that describes the alternative lowest reasonable cost and reasonably available portfolio that the utility most likely would have implemented absent the enactment of RCW 19.405.040 and RCW 19.405.050, as described in WAC 480-100-660(1). This scenario's conditions and inputs should be the same as the ~~preferred~~ resource plan portfolio except for those conditions and inputs that must change to account for the impact of RCW 19.405.040 and RCW 19.405.050.

~~(b) At least one scenario must be a future climate change scenario. This scenario should incorporate impacts including, but not limited to, changes in snowpack, streamflow, rainfall, heating~~

**Commented [PSE19]:** This requirement is too prescriptive. PSE already analyzes multiple scenarios as part of each IRP cycle. It is not necessary to specify in rule that PSE must analyze a future climate change scenario.

~~and cooling degree days, and load changes resulting from climate change. The scenario should utilize the best science available.~~

(10) Portfolio analysis and ~~preferred portfolio~~. The utility must integrate the demand forecasts and resource evaluations into a long-range integrated resource plan solution describing the mix of resources that meet current and projected needs. Each utility must provide a narrative explanation of the decisions it has made, including how the utility's long-range integrated resource plan solution:

(a) Achieves the clean energy transformation standards in WAC 480-100-610(1)-(3) at the lowest reasonable cost, ~~considering risk;~~

(b) ~~Expects to serve utility load, measured on an hourly basis, with the output of the utility's owned and market purchases of nonemitting and renewable resources, net of any off system sales of such resource;~~

(c) Includes all cost-effective, reliable, and feasible conservation and efficiency resources, using the methodology established in RCW 19.285.040, and demand response;

**Commented [PSE20]:** The "considering risk" phrase is no longer needed because it is embedded and explained in the definition of "lowest reasonable cost."

**Commented [PSE21]:** PSE disagrees with a hourly measurement and recommends this language be struck. Forcing the portfolio model to optimize to an hourly renewable requirement could result in extremely long run times and potentially an infeasible solution.

(d) Considers acquisition of existing renewable resources and relies on renewable resources and energy storage in the acquisition of new resources constructed after May 7, 2019, insofar as doing so is at the lowest reasonable cost, ~~considering risks;~~

**Commented [PSE22]:** Same comment as made for subsection (a) above.

(e) Maintains and protects the safety, reliable operation, and balancing of the utility's electric system, including mitigating over-generation events and achieving the identified resource adequacy requirement;

~~(f) Achieves~~ Considers the requirements in WAC 480-100-610(4)(c); ~~the description should include, but is not limited to, (i) the long-term strategy and interim steps for mitigating disparities in benefits and burdens for highly impacted communities and vulnerable populations and (ii) the estimated degree to which such disparities will be mitigated over the planning horizon;~~

**Commented [PSE23]:** This expectation is far too sweeping and should be deleted.

(g) ~~Assesses the environmental health impacts to highly impacted communities;~~ and

**Commented [PSE24]:** CETA does not require that the resource plan portfolio specifically assess the environmental health impacts to highly impacted communities. It requires an assessment informed by the Department of Health's cumulative impact analysis.

(h) ~~Analyzes and considers combinations of distributed energy resource costs, benefits, and operational characteristics including ancillary services, to meet system needs.~~

**Commented [PSE25]:** This provision is unnecessary. Distributed energy resources will be evaluated as part of the IRP along with other resources.

(11) Clean Energy Action Plan (CEAP). The utility must develop a ten-year clean energy action plan for implementing RCW 19.405.030 through RCW 19.405.050. The CEAP must:

(a) Be at the lowest reasonable cost.

(b) Identify and be informed by the utility's ten-year cost-effective conservation potential assessment as determined under RCW 19.285.040;

~~(c) Demonstrate how the utility will meet the requirements in WAC 480-100-610(4)(c), including, but not limited to, (i) describing the specific actions the utility will take to mitigate disparities in benefits and burdens for highly impacted communities and vulnerable populations, (ii) estimating the degree to which such disparities will be mitigated over the CEAP's 10-year horizon, and (iii) a description of how the specific actions are consistent with the long term strategy described in WAC 480-100-620(10)(f);~~

(c) Establish a resource adequacy requirement;

(d) Identify the potential cost-effective demand response and load management programs that may be acquired;

**Commented [PSE26]:** CETA does not mention the equity considerations as part of the clean energy action plan (CEAP), except to note in Sec. 14(11) that the Commission must adopt rules by December 31, 2021 establishing requirements for incorporating the cumulative impact analysis into the criteria for developing CEAPs.

Therefore, it is not appropriate to require the CEAP to demonstrate how the utility will meet the equity considerations, nor is it reasonable to expect the CEAP to describe the specific actions the utility may take to mitigate disparities.

(e) Identify renewable resources, nonemitting electric generation, and distributed energy resources that may be acquired and evaluate how each identified resource may reasonably be expected to contribute to meeting the utility's resource adequacy requirement;

~~(f) Identify four year energy efficiency, demand response, and renewable energy goals;~~

**Commented [PSE27]:** It is not necessary for the CEAP to include four-year goals in it.

(g) Identify any need to develop new, or to expand or upgrade existing, bulk transmission and distribution facilities;

(h) Identify the nature and possible extent to which the utility may need to rely on an alternative compliance option identified under RCW 19.405.090, if appropriate; and

(i) Incorporate the social cost of greenhouse gas emissions as a cost adder as specified in RCW 19.280.030(3).

~~(j) Avoiced cost. The IRP must include an analysis and summary of the avoided cost estimate for each supply- and demand-side resource, including, but not limited to, avoided cost of energy, capacity, transmission, distribution, and greenhouse gas emissions. Listed nonenergy costs and benefits should specify if they accrue to the utility, customers, participants, vulnerable~~

~~populations, highly impacted communities, or the general public.~~

~~The utility may provide this content as an appendix.~~

(13) ~~Data disclosure. Utilities must include the data input files made available in native format per WAC 480-100-655(9) as an appendix to the IRP.~~

(14) Information relating to Purchases of Electricity from Qualifying Facilities. Each utility must provide information and analysis that it will use to inform its annual filings required under Chapter 480-106 WAC. The detailed analysis must include, but is not limited to, the following components:

(a) a description of the methodology used to calculate estimates of avoided cost of energy, capacity, transmission, distribution and emissions averaged across the utility; and

(b) Resource assumptions and market forecasts used in the utility's schedule of estimated avoided cost required in WAC 480-106-040, including, but not limited to, cost assumptions, production estimates, peak capacity contribution estimates and annual capacity factor estimates.

(15) Report of substantive changes. The IRP must include a summary of substantive changes to modeling methodologies or inputs

**Commented [PSE28]:** Specific nonenergy costs and benefits have not been developed as part of this rulemaking. Therefore, it is premature to require the IRP to list the non-energy costs and benefits and speculate as to whom those benefits may accrue to.

**Commented [PSE29]:** PSE already shares extensive information with the public as part of its public participation process in developing the IRP. This requirement to provide data input files in native format is unnecessary and overly burdensome.

that result in changes to the utility's resource need, as compared to the utility's previous IRP.

(16) Summary of public comments. As part of the filing of its IRP with the commission, a utility must provide a summary of public comments received during the development of its IRP and how they ~~the utility's responses, including whether issues raised in the~~ ~~comments~~ were addressed and incorporated into the final IRP, ~~and documenting the reasons for rejecting any public input.~~ The utility may include the summary as an appendix to the final IRP.

**WAC 480-100-625 Integrated Resource Plan Timing.**

Unless otherwise ordered by the commission, each electric utility must file an integrated resource plan (IRP) with the commission by January 1, 2025, and every four years thereafter.

(1) IRP work plan. Not later than fifteen months prior to the due date of its IRP, the utility must file a work plan that includes advisory group input and outlines the content of the IRP and expectations for the subsequent two-year progress report. The utility must include the following in its work plan:

- (a) The methods for assessing potential resources;

**Commented [PSE30]:** PSE suggests these edits for tone and consistency with other public participation provisions in this rule.



~~(b) The due date and proposed schedule for completing its conservation potential assessment, as outlined in WAC 480-109-100(2), and its demand response potential assessment, both of which will serve as inputs to the integrated resource plan;~~

(c) A proposed schedule of meetings to support effective public participation ~~for the utility's resource planning advisory group and equity advisory group, as established in WAC 480-100-655(2), for the IRP;~~

(d) A list of significant topics, consistent with WAC 480-100-620, that will be discussed at each advisory group meeting for the IRP;

~~(e) The date the draft IRP will be filed with the commission;~~

~~(f) The date the final IRP will be filed; and~~

(g) A link to a website accessible to the public and managed by the utility, to which the utility posts and makes publicly available the information identified in WAC 480-100-630(1).

(2) Draft IRP resource plan portfolio. Not later than four months prior to the due date of the final IRP, the utility must file its draft IRP resource plan portfolio with the commission. At minimum, the draft IRP resource plan portfolio must include the resource additions, including supply side and demand side resources

**Commented [PSE31]:** It is not necessary for these rules to require this level of detail in the work plan. Also, it is unclear why these two inputs need to have a due date and proposed schedule in the work plan, but not others.

~~fully developed versions of all the elements required under this section and to the extent practicable all appendices and attachments.~~

~~(3) Two year progress report work plan. Not later than fifteen months prior to the due date of its two year progress report, the utility must file an updated work plan that outlines the content of the two year progress report. The work plan must include the same elements as described in the IRP work plan in subsection (1), including an updated schedule for all elements described in WAC 480-100-630.~~

~~(4) Two year progress report. Unless otherwise ordered by the commission, at least every two years after the utility files its IRP, a utility must file a two year progress report.~~

~~(a) In this report, a utility must update its:~~

~~(i) load forecast;~~

~~(ii) demand side resource assessment including a new~~

~~conservation potential assessment;~~

~~(iii) resource costs; and~~

~~(iv) the portfolio analysis and preferred portfolio.~~

~~(b) The progress report must include other updates that are necessary due to changing state or federal requirements, or~~

**Commented [PSE32]:** As indicated in prior comments, PSE recommends that the draft resource portfolio be shared with stakeholders through the public participation process and feedback will be collected and documented. Focusing on stakeholder engagement through the IRP plan development and receiving comment on the draft resource portfolio would provide a more meaningful opportunity for robust engagement with the public.

**Commented [PSE33]:** PSE recommends deleting the progress report entirely. The scope of the progress report has expanded through this rulemaking, thereby eroding any efficiency gains in preparing a progress report as opposed to a full IRP. While PSE would strongly prefer the IRP be conducted on a 4-year cycle, with robust public participation in the development of the IRP, PSE is open to conducting the IRP every two years, as it does now, if the Commission is not willing to move to a 4-year IRP cycle.

~~significant changes to economic or market forces.~~

~~(c) The progress report must also update for any elements found in the utility's current Clean Energy Implementation Plan, as described in WAC 480-100-640.~~

**WAC 480-100-630 Public participation in an integrated resource plan.**

~~A utility's consultations with commission staff and public participation are essential to the development of an effective integrated resource plan (IRP) and two year progress report.~~ The

utility must demonstrate and document how it considered public input in the development of its IRP and ~~two year progress report~~ through the advisory group process and other public participation. Examples of how a utility may incorporate public input include: using modeling scenarios, sensitivities, and assumptions stakeholders proposed; indicating whether and how the utility used public input; and communicating to stakeholders about how the utility used public input in its analysis and decision-making, ~~including explanations for why any public input was not used.~~

~~(1) The utility must consult with stakeholders in advance of developing the timing and extent of meaningful and inclusive public~~

**Commented [PSE34]:** PSE generally agrees but asserts that this statement does not belong in rule language.

~~participation identified in work plans for IRPs and two year progress reports. As part of its work plans, the utility must provide a link to its website which must be accessible to the public. The website must be updated in a timely manner and contain the following information:~~

~~(a) Meeting summaries and materials for advisory group meetings, including materials for future meetings;~~

~~(b) A current schedule of advisory group meetings and significant topics to be covered, actively updated by the company, with meeting materials made available and changes highlighted;~~

~~(c) Information on how the public may participate in advisory group meetings; and~~

~~(d) Public comments received to date, including responses communicating how input was considered or used.~~

~~(2) The utility must make available completed presentation materials for each advisory group meeting at least five (5) business days prior to the meeting.~~

~~(3) The commission will hear comment on the draft IRP at a public hearing scheduled after the utility files its draft IRP. The commission will accept comments in electronic and any other~~

**Commented [PSE35]:** As stated previously, PSE is committed to a robust and inclusive public participation process, and many of the requirements outlined here reflect PSE's current practice with respect to the IRP. However, this level of detail in the rule is not necessary and will be administratively burdensome for PSE to meet and the Commission to oversee.

~~available formats, as outlined in the commission's notice for public meeting and opportunity to comment.~~

~~(4) The utility must file with the commission completed presentation materials at least five (5) business days prior to the public meeting.~~

~~(5) The utility must make all of its data inputs and files available in native file format and in an easily accessible format. Non confidential contents of the IRP, two year progress report, and supporting documentation must be available for public review. Utilities may make confidential information available by providing it to the commission pursuant to WAC 480-07-160. Utilities should minimize their designation of information in the IRP as confidential. Nothing in this subsection limits the protection of records containing commercial information under RCW 80.04.095.~~

**WAC 480-100-640 Clean Energy Implementation Plan (CEIP).**

**Commented [PSE36]:** As stated above, PSE involves stakeholders throughout the development of its IRP and considers their comments. It is unclear how a Commission-led hearing on the draft IRP will be beneficial.

If the Commission insists on a Commission-led hearing or public meeting, PSE recommends that comment be taken on the draft integrated resource plan portfolio, which would allow for a more meaningful opportunity to shape the IRP prior to the final IRP being filed.

**Commented [PSE37]:** This comment opportunity should be referred to consistently in the rules as either a public hearing or a public meeting - each has different expectations.

**Commented [PSE38]:** PSE does not object to provide presentation materials in advance of any public meeting, but again does not see the value in the Commission holding a public meeting on the IRP. The public is always welcome to attend PSE's IRP meetings.

**Commented [PSE39]:** This provision results in an unwieldy expectation for utilities to hand over any and all data inputs and files upon request. This simply is not a realistic or appropriate expectation.

PSE strongly prefers this subsection be deleted from the rule. In the alternative, PSE could support a more narrowly tailored provision, such as:

"(5) The utility must provide supporting data and information used in the development of its IRP as an appendix to the IRP."

This is consistent with PSE's current practice, which is to share the underlying data and assumptions with stakeholders throughout the public engagement process, as well as in the final IRP in the appendix.

**(1) Filing requirements - general.** Unless otherwise ordered by the commission, each electric utility must file with the commission a CEIP by ~~October~~ **November 1**, 2021, and every four years thereafter. The CEIP describes the utility's plan for making progress toward meeting the clean energy transformation standards, and is informed by the utility's clean energy action plan. The information and documents described in each subsection below must be included in the CEIP.

**(2) Interim targets.**

(a) Each utility must propose a series of interim targets that:

(i) Demonstrate reasonable progress toward meeting the standards identified in WAC 480-100-610(2) and (3); and

(ii) Are consistent with WAC 480-100-610(4).

(b) Each interim target must cover the subsequent implementation period.

(c) Each utility must propose interim targets in the form of the percent of forecasted retail sales of electricity supplied by nonemitting and renewable resources prior to 2030 and from 2030 through 2045;

**Commented [PSE40]:** PSE continues to recommend this change to line up with the timing of the Biennial Conservation Plan pursuant to the Energy Independence Act.

(d) The utility must include the utility's percentage of retail sales of electricity supplied by nonemitting and renewable resources in 2020 in the first CEIP it files.

(e) Each interim target must be informed by the utility's historic performance under median water conditions.

(f) For a utility that relies on RCW 19.405.060(3) as the basis for compliance with the standard under RCW 19.405.040(1) or RCW 19.405.050(1), the interim target proposed will be directly informed by the two percent incremental cost calculation provided in WAC 480-100-675. Any interim target directly informed by the two percent incremental cost calculation may be deemed as demonstrating reasonable progress towards meeting the standard under RCW 19.405.040(1).

**(3) Specific targets.**

(a) Each utility must propose specific targets for energy efficiency, demand response, and renewable energy.

(i) The energy efficiency target must encompass all other energy efficiency and conservation targets and goals the commission requires the utility to meet. The specific energy efficiency target must be described in the utility's biennial conservation plan required in Chapter 480-109 WAC and include forecasted distribution

**Commented [PSE41]:** PSE continues to recommend this language be incorporated into the rule. Interim targets that are directly informed by the 2% incremental cost calculation should be, by definition, demonstrating reasonable progress towards meeting the standard under RCW 19.405.040(1).

**Commented [PSE42]:** This could create a timing problem under the rules, since the CEIP is filed before the BCP, but the rule requires the EE target must be described in the BCP.

of energy and non-energy costs and benefits, to the extent known.

(ii) The utility must provide ~~appropriate~~ anticipated program details, program budgets, ~~measurement and verification protocols,~~ target calculations, and forecasted distribution of energy and non-energy costs and benefits, to the extent known for the utility's demand response target.

(iii) The utility must propose the renewable energy target as the percent of retail sales of electricity supplied by renewable resources and must provide details of any relevant renewable energy project or program, program budgets as applicable, and forecasted distribution of energy and non-energy costs and benefits, to the extent known.

~~(b) The utility must provide a description of the technologies, data collection, processes, procedures, and assumptions the utility used to develop the targets in this subsection. The utility must make data input files that are used to determine relevant targets available in native format, as required in WAC 480-100-655(9), as an appendix.~~

**(4) Specific Actions.** The CEIP must identify the specific actions the utility will take over the next implementation period. The CEIP must describe how the specific proposed actions:

**Commented [PSE43]:** This subsection is overly broad and unnecessary. As with the IRP, PSE will share supporting information used in the development of the CEIP through its public participation process.



(a) Demonstrate progress toward meeting the standards identified in WAC 480-100-610(2) and (3);

(b) Are consistent with the standards identified in WAC 480-100-610(4);

(c) Are consistent with the proposed interim and specific targets;

(d) Are consistent with the utility's clean energy action plan ~~integrated resource plan~~;

(e) Are consistent with the utility's resource adequacy requirements including a narrative description of how the resources identified in the most recent resource adequacy assessment conducted or adopted by the utility demonstrates that the utility anticipates it will meet its resource adequacy standard;

(f) Demonstrate the utility is planning to meet the clean energy transformation standards at the lowest reasonable cost, and this demonstration must include, but not be limited to:

(i) a description of the utility's approach to identifying the lowest reasonable cost portfolio of specific actions that meet the requirements of (a) through (e) of this subsection, including a description of its methodology for weighing considerations in WAC 480-100-610(4);

~~(ii)~~ a description of the utility's methodology for selecting the investments and expenses it plans to make over the next four years that are directly related to the utility's compliance with the clean energy transformation standards at the lowest reasonable cost, consistent with RCW 19.405.050(3)(a) and a demonstration that its planned investments

represent a portfolio approach to investment plan optimization;

and

(iii) supporting documentation, including business cases, justifying for each specific action identified in the CEIP; and

(g) Include proposed or updated indicators and associated weighting factors related to WAC 480-100-610(4)(c) including, at a minimum, one or more indicators associated with public health, environment, economics, energy security, and or resiliency.

Indicators and weighting factors must be developed consistent with the public participation plan described in WAC 480-100-655(5)(a). The utility should describe and explain any changes from its most recently approved clean energy implementation plan.

~~(5) Presentation of actions and resources.~~ Each CEIP must include the specific actions the utility will take and its remaining resource needs in a tabular format based on the clean

**Commented [PSE44]:** It seems clearer to reference lowest reasonable cost here, as defined in rule, rather than cross-reference 19.405.050(3)(a). The investments selected in the CEIP do not need to demonstrate a portfolio approach to investment plan optimization, which is why PSE recommends striking the last part of this subsection.

**Commented [PSE45]:** See PSE's comment letter and response to Question 1.

**Commented [PSE46]:** PSE recommends an "or" rather than an "and" here to maintain some flexibility in the rule, particularly for the first CEIP cycle. These indicators will benefit from development in the record.

**Commented [PSE47]:** This subsection seems duplicative with the previous section - it only has a few changes. This topic could benefit from development of the record and a flexible approach through a policy statement.

~~energy action plan, the interim and specific targets, and information on relevant attributes including:~~

~~(a) The general location, if known or if applicable, anticipated timing, and estimated cost of each specific action or remaining resource need, including whether the resource will be located in or otherwise benefit one or more highly impacted communities, will be governed by, serve, or otherwise benefit highly impacted communities or vulnerable populations in part or in whole;~~

~~(b) Metrics related to resource adequacy and clean energy transformation standards, including contributions to capacity or energy needs; and~~

~~(c) Indicator values, or a designation as non-applicable, for every indicator described in subsection (4)(g) of this section.~~

**(6) Equitable distribution.** In addition to proposing or updating, as applicable, indicators regarding WAC 480-100-610(4)(c)(i), each CEIP must:

(a) Identify highly impacted communities using the cumulative impact analysis pursuant to RCW 19.405.140 combined with census tracts at least partially in Indian country;

(b) Identify vulnerable populations based on adverse

**Commented [PSE48]:** This language is too broad and its meaning is unclear.

socioeconomic factors and sensitivity factors developed through the advisory group process described in WAC 480-100-655 and should describe and explain any changes from the utility's most recently approved CEIP;

~~(e) Include an assessment of benefits and burdens, by location and population, as applicable, of the specific actions in the CEIP, which must (i) identify which specific actions affect highly impacted communities or vulnerable populations and (ii) describe how the specific actions in the CEIP are consistent with the longer-term strategies and actions described in WAC 480-100-620(9)(f) and WAC 480-100-620(11)(e); and~~

~~(d) Describe how the utility intends to mitigate risks to highly impacted communities and vulnerable populations.~~

**(7) Projected incremental cost.** Each CEIP must include a projected incremental cost as outlined in WAC 480-100-660(3).

**(8) Public participation.** Each CEIP must detail the extent of public participation in the development of the CEIP as described in WAC 480-100-655, including but not limited to a summary of public comments, and the utility's plan for public participation throughout the implementation period as described in WAC 480-100-655(5).

**Commented [PSE49]:** PSE fundamentally disagrees with the language in WAC 480-110-620(9)(f) that requires the IRP to identify a longer-term strategy for equity. This requirement goes well beyond the statutory language of CETA requiring an "assessment." Therefore, PSE strongly recommends this language be struck from here. Expectations around this assessment will develop through case law over time.

**Commented [PSE50]:** PSE recommends striking this language as it is overly broad.

~~(9) **Other measurements.** The utility may include additional metrics and indicators in the CEIP that demonstrate progress toward the clean energy transformation standards.~~

**Commented [PSE51]:** This rule language isn't necessary in order for the utility to include additional metrics or indicators in its CEIP.

(10) **Alternative compliance.** The utility must describe any plans it has to rely on alternative compliance mechanisms as described in RCW 19.405.040(1)(b).

(11) ~~Adaptive~~ **Risk Management.** The utility must discuss potential risks that may impede the utility's progress toward meeting its proposed specific and interim targets, or risks that may cause the costs of the CEIP to materially change, and the utility's plan to address those risks.

(12) **Early action coal credit.** If a utility proposes to take the early action compliance credit authorized in RCW 19.405.040(11), the utility must satisfy the requirements in that statutory provision and demonstrate that the proposed action constitutes early action by presenting the analysis in subsection (4) of this section both with and without the proposed early action. The utility must compare both the proposed early action and the alternative against the same proposed interim and specific targets.

(13) **Biennial CEIP update.** Utilities must make a biennial

CEIP update filing on or before November 1st of each odd-numbered year that the utility does not file a CEIP. The CEIP update may be limited to the biennial conservation plan requirements under Chapter 480-109 WAC. The utility must file its biennial CEIP update in the same docket as its most recently filed CEIP and include an explanation of how the update will modify targets in its CEIP. ~~In addition to its proposed biennial conservation plan, the utility may file in the update other proposed changes to the CEIP as a result of the integrated resource plan progress report and other utility activities that are developed as a result of its adaptive management required in WAC 480-100-610(6), including changes related to WAC 480-100-610(4)(e).~~

**Commented [PSE52]:** PSE recommends deleting this sentence because it isn't needed and refers to elements that PSE recommends deleting (e.g. progress report and adaptive management requirements).

**WAC 480-100-645 Process for Review of CEIP and Updates**

(1) **Public Commenting.** Interested persons may file written comments with the commission regarding a utility's CEIP and CEIP update within sixty days of the utility's filing unless the commission states otherwise.

(2) **Approval Process.** After an open meeting or adjudicative hearing, the commission will enter an order approving, rejecting, or approving with conditions a utility's CEIP or CEIP update at

the conclusion of its review. The commission may, in its order, recommend or require more stringent targets than those the utility proposes.

(a) The commission may adjust or expedite interim and specific target timelines when issuing a decision on CEIPs or CEIP updates.

(b) Any party requesting the commission make existing targets more stringent or adjust existing timelines has the burden of demonstrating the utility can achieve the targets or timelines in a manner consistent with the requirements of RCW 19.405.060(1)(c)(i)-(iv).

**WAC 480-100-650 Reporting and compliance.**

(1) **Clean energy compliance report.** Unless otherwise ordered by the commission, each electric utility must file a clean energy compliance report with the commission by July 1, 2026, and at least every four years thereafter. The report must:

(a) ~~Demonstrate~~ Address whether that the utility has met its specific targets, and if not, explain why;

(b) ~~Demonstrate~~ Address whether that the utility has met its

interim targets, and if not, explain why;

(c) Demonstrate that the specific actions the utility took made progress toward meeting the clean energy transformation ~~transformation~~ standards at the lowest reasonable cost;

(d) Include updated indicator values and demonstrate that the specific actions the utility took are consistent with the requirements in WAC 480-100-610(4)(c), ~~including:~~

~~(i) an analysis that the benefits and reductions of burdens have accrued or will reasonably accrue to intended customers, including highly impacted communities and vulnerable populations;~~  
~~and~~

~~(ii) a description of any changes to the indicators from those included in the utility's clean energy implementation plan (CEIP) and how those changes are consistent with the requirements in WAC 480-100-610(4)(c);~~

(d) Provide a description of the utility's equity advisory group process and outcomes ~~Demonstrate that the utility engaged in meaningful customer engagement~~ consistent with the requirements in WAC 480- 100-655 for the development or update of indicators related to WAC 480-100-610(4)(c) ~~and in the development and selection of~~

**Commented [PSE53]:** The introductory sentence in (d) is sufficient - the additional detail in (i) and (ii) is overly prescriptive and may not be flexible enough.



~~activities;~~

(e) Include the actual incremental cost of compliance as required in WAC 480-100-660(4);

(f) Include all of the information found in the annual progress report as described in subsection 3 of this section for the fourth year of the CEIP;

(g) Include a summary of the data found in the annual progress reports as described in subsection 3 of this section;

(h) Document the use of any alternative compliance options as described in RCW 19.405.040(1)(b);

~~(i) Provide a description of how the utility maintained the safety, reliable operation, and balancing of the electric system;~~  
and

~~(j) Include the data input files made available in native format per WAC 480-100-655(9) as an appendix.~~

**(2) Clean Energy Compliance Report Review Process.**

~~(a) Interested persons may file written comments with the commission regarding a utility's clean energy compliance report~~

**Commented [PSE54]:** PSE is committed to meaningful customer engagement but believes that is too subjective of a bar to establish in rule. PSE suggests that the CEIP provide a description of the equity advisory group process and its outcomes.

**Commented [PSE55]:** This is broadly written and seems beyond the scope of a clean energy compliance report.

**Commented [PSE56]:** See prior comments on this topic.

~~within sixty days of the utility's filing unless the commission states otherwise.~~

**Commented [PSE57]:** This provision does not seem necessary to include in rule. Interested parties can always file comments in response to utility filings.

(b) The commission may review clean energy compliance reports through the commission's open meeting process, as described in Chapter 480-07 WAC.

(c) After completing its review of a utility's clean energy compliance report, the commission will determine whether a utility met its proposed targets and interim targets, and whether the utility made sufficient progress toward meeting the clean energy transformation standards.

(3) **Annual Clean Energy Progress Reports.** On or before July 1st of each year beginning in 2023, other than in a year in which the utility files a clean energy compliance report, a utility must file with the commission, in the same docket as its most recently filed CEIP, an informational annual clean energy progress report regarding its progress in meeting its targets during the preceding year. The annual clean energy progress report must include, but is not limited to:

(a) Beginning July 1, 2027, and each year thereafter, an attestation for the previous calendar year that ~~the utility's allocation of electricity does not use include~~ any coal-fired resource ~~to serve retail electric customer load;~~ the attestation must be reviewed and verified through a means approved by the commission; ~~and an appropriate company executive or qualified independent third party has reviewed all e tag data for the prior calendar year and verified that no electricity from coal fired resources was included in market purchases and therefore no such electricity was included in retail customer rates;~~

(b) Conservation achievement in megawatts, first-year megawatt-hour savings, and projected cumulative lifetime megawatt-hour savings;

(c) Demand response program usage and demand response capability in megawatts and megawatt hours;

(d) Renewable energy capacity in megawatts, and ~~usage~~ supply as a percentage of electricity supplied by renewable resources and in megawatt hours to demonstrate compliance with RCW 19.405.040(1)(a) and RCW 19.405.050(1); the report must also identify the subset of renewable resources that were used for

compliance with RCW 19.285.040(2) and RCW 19.285.070;

(e) All renewable energy credits and the program or obligation for which they were used (i.e., voluntary renewable programs, renewable portfolio standard, clean energy transformation standards, etc.);

(f) Verification and documentation of the retirement of renewable energy credits for all electricity from renewable resources used to comply with the requirements of RCW 19.405.040, RCW 19.405.050, a specific target, or an interim target;

(g) Nonemitting energy capacity in megawatts, and usage as a percentage of electricity supplied by nonemitting energy and in megawatt hours;

(h) The utility's greenhouse gas content calculation pursuant to RCW 19.405.070;

(i) An electronic link to the utility's most recently filed fuel mix disclosure report as required by RCW 19.29A.140;

(j) Total greenhouse gas emissions in metric tons of CO<sub>2</sub>e;

(k) ~~Each utility must verify and document the retirement of renewable energy credits for all electricity from renewable~~

**Commented [PSE58]:** Until the CETA REC system is set up, it is hard to determine whether the retirement of RECs will align with the requirements of this provision.

~~resources used to comply with the requirements of RCW 19.405.040, RCW 19.405.050, specific target, or an interim target;~~

**Commented [PSE59]:** This subsection appears duplicative of subsection (f) above.

(l) ~~Demonstration of ownership of nonpower attributes using attestations of ownership and transfer by properly authorized representatives of the generating facility, all intermediate owners of the nonemitting electric generation, and an appropriate company executive of the utility; the utility may not transfer ownership of the nonpower attributes after claiming them in any compliance report;~~

**Commented [PSE60]:** This section is overly prescriptive and may not be an achievable standard to meet. Attestation and documentation should be sufficient.

(m) ~~A description of the public participation opportunities the utility provided and the feedback the utility received during the year, including whether and how public participation influenced the utility's decisions and actions; and~~

**Commented [PSE61]:** The annual progress report should focus on progress and not require the utility to also report in detail on its public participation efforts.

(n) Other information the Company agreed to or was ordered to report in the most recently approved CEIP.

**WAC 480-100-655 Public participation in a clean energy implementation plan (CEIP).**

~~A utility's consultations with commission staff and public participation are essential to the development of an effective~~

~~CEIP, biennial update, and compliance reports. The utility must demonstrate and document how it considered public input in the development of its CEIP, biennial update, and compliance reports through the advisory group process and other public participation. Examples of how a utility may incorporate public input include: using modeling scenarios, sensitivities, and assumptions stakeholders proposed; indicating whether and how the utility used public input; and communicating to stakeholders about how the utility used public input in its analysis and decision making, including explanations for why any public input was not used.~~

**Commented [PSE62]:** Same comment as the opening sentence in the IRP rule (WAC 480-100-630); this sentence is not needed in rule.

~~(4) **Advisory groups.** The utility will consult with ~~must~~ ~~involve all relevant~~ its advisory groups in the development of its CEIP, and its biennial update as necessary, ~~and compliance reports, including established low-income, conservation, and resource planning advisory groups. The utility must also create and engage an advisory group as part of the process of ensuring the equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities as required in WAC 480 100 610(4)(c)(i), as outlined in subsection (2) of this section.~~~~

**Commented [PSE63]:** As indicated in prior comments, utilities should not be required to consider public input when developing compliance reports. PSE is open to holding a public meeting to present the findings of the compliance report and answer questions.

**Commented [PSE64]:** It is not necessary to involve advisory groups in the development of the CEIP, the biennial update, and the compliance report. Utilities will consult with advisory groups, as needed, in developing its CEIP and biennial update.

**Commented [PSE65]:** This is addressed in subsection (2) and is duplicative.

~~(a) The utility must convene advisory groups at regular meetings open to the public during the planning process. A utility must notify advisory groups of company and commission public meetings scheduled to address its CEIP, biennial update, and compliance reports.~~

~~(b) The utility must document public input gathered through advisory group meetings and other channels and demonstrate how the utility considered the public input. To the extent public input was considered but not incorporated into the final plan, the utility should document and demonstrate how the public input was considered in the process, including explanations for why any public input was not used.~~

~~(c) Engaging with conservation, resource planning, low-income, and other advisory groups for the purposes of developing the CEIP does not relieve the utility of the obligation to continue to convene and engage these groups for their individual topical duties. This section does not supersede existing rules related to those groups.~~

~~(d) Nothing in this section limits utilities from convening and engaging public advisory groups on other topics, such as a~~

**Commented [PSE66]:** Utilities should maintain the discretion to consult with their advisory groups as necessary and appropriate during the development of its CEIP or biennial update. There is no need to convene advisory groups to develop compliance reports.

**Commented [PSE67]:** PSE will gather public input throughout the CEIP development and implementation process. This requirement is overly prescriptive and adds administrative burden.

**Commented [PSE68]:** If this section is trimmed back significantly as PSE suggests, then subsections (c) and (d) are not needed. If the Commission keeps those subsections in, then PSE strongly suggests that (c) should remain.

~~distributed energy resources advisory group, necessary for the development or implementation of a CEIP, its biennial update, and compliance report.~~

~~(c) Participation in an advisory group does not restrict groups and individuals from commenting on CEIP filings before the commission.~~

(2) **Equity advisory group.** A utility must maintain and engage an external equity advisory group of stakeholders to advise the utility on equity issues including, but not limited to, vulnerable population designation, equity indicator development, ~~data support and development,~~ and recommended approaches for the utility's compliance with WAC 480-100-610(4)(c)(i).

(a) The utility must invite ~~encourage and include the participation of~~ environmental justice and public health advocates, tribes, and representatives from highly impacted communities and vulnerable populations in addition to other relevant groups.

~~(b) A utility must meet regularly with its equity advisory group during the CEIP development and implementation. A utility must provide reasonable advance notice of all equity advisory group meetings.~~

**Commented [PSE69]:** This is true but it seems unnecessary to specify this in rule.

**Commented [PSE70]:** It remains to be seen whether equity advisory groups will advise the utility on data support and development on equity issues. Therefore, PSE recommends this reference be deleted.

**Commented [PSE71]:** It is unclear what "regularly" means. Utilities should retain the flexibility and discretion to determine how often its equity advisory group should meet, and it may ebb and flow over the next few years as the equity conversation matures amongst stakeholders and the Commission.  
  
PSE will provide reasonable advance notice of meetings irrespective of what the rules require.



~~(3) **Presentation materials available.** The utility must make available completed presentation materials for each advisory group meeting discussing the CEIP at least five (5) business days prior to the meeting pursuant to subsection (5)(g)(i) of this section.~~

~~(4) **Draft CEIP for review.** The utility must provide a draft of its CEIP to its advisory groups for comment two (2) months before it files the CEIP with the commission. At a minimum, the draft CEIP must include all the elements required under WAC 490-100-640 and to the extent practicable all appendices and attachments.~~

~~(5) **Participation plan and education.** The utility must involve stakeholders in developing the timing and extent of meaningful and inclusive public participation throughout the development and duration of the CEIP, including outreach and education serving vulnerable populations and highly impacted communities. On or before March 1 of each odd-numbered year, a utility must file with the commission a participation plan that outlines its schedule, methods, and goals for public participation both during the development of its CEIP and throughout the~~

**Commented [PSE72]:** In the IRP process, PSE shares presentation materials at least 5 days in advance. However, it is overly prescriptive and unnecessary to require this in rule and potentially subject a utility to being out of compliance if it shares materials four business days in advance. Some flexibility and professional judgment should be retained by the utility to determine how much advance notice is reasonable.

**Commented [PSE73]:** PSE intends to share a draft with staff, advisory groups, or other stakeholders prior to filing their final CEIP, in order to solicit input and build support for the utility's CEIP vision. That said, it is overly burdensome to require the draft be provided to advisory groups two months in advance of the filing deadline. Utilities may preview portions of the CEIP two months before filing, but may not be in a position to share a complete draft.

**Commented [PSE74]:** It is overly burdensome to expect utilities to involve stakeholders in developing the "timing and extent of meaningful and inclusion public participation" for both the development and the implementation of the CEIP. PSE is committed to involving stakeholders in both the development and execution of the CEIP. However, this rule language sets a high and nebulous bar for conferring with stakeholders on the plan for involving them.

~~implementation of the plan. The utility must include the following in its participation plan:~~

~~(a) Timing, methods, and language considerations for seeking and considering input from:~~

~~(i) vulnerable populations and highly impacted communities for the creation of or updates to indicators and weighting factors for the utility's compliance with WAC 480-100-610(4)(c)(i); and~~

~~(ii) all customers, including vulnerable populations and highly impacted communities, for the creation of or updates to indicators and weighting factors for the utility's compliance with WAC 480-100-610(4)(c)(ii) and (iii);~~

~~(b) Identification of barriers to public participation, including but not limited to language, cultural, economic, or other factors, and strategies for reducing barriers to public participation;~~

~~(c) A proposed schedule of formal and informal public meetings or engagement, including advisory group meetings;~~

~~(d) A list of significant topics that will be discussed;~~

~~(e) Plans to provide information and data in broadly understood terms through meaningful participant education;~~

**Commented [PSE75]:** As PSE indicated in prior comments, the public participation plan for implementation may not be known fully at the time of developing the CEIP. Therefore, it does not make sense to lump these together into one report every other March.

**Commented [PSE76]:** PSE expects many, if not all, of these elements will be included in its public participation plan for the CEIP but views this level of detail as overly prescriptive and burdensome in rule. These provisions may be better suited for a policy statement.

~~(f) The date the utility will share the draft CEIP with advisory groups;~~

~~(g) The date the utility will file the final CEIP with the commission; and~~

~~(h) A link to a website accessible to the public and managed by the utility, to which the utility posts and makes publicly available the following information:~~

~~(i) meeting summaries and materials for all relevant meetings, including materials for future meetings;~~

~~(ii) a current schedule of advisory group meetings and significant topics to be covered;~~

~~(iii) information on how the public may participate in CEIP development, including advisory group meetings; and~~

~~(iv) final plans, biennial updates, and compliance reports, posted within 30 days of final commission action.~~

~~(6) **Public comment summary.** As part of the filing of its CEIP with the commission, a utility must provide a summary of public comments received during the development of its CEIP and the utility's responses, including whether how input gathered through public participation was incorporated into the CEIP, including a description of any comments that did not change the CEIP issues~~

~~raised in the comments were addressed and incorporated into the final CEIP, and documenting the reasons for rejecting public input. The summary must include a final, holistic review of the CEIP by the utility's equity advisory group. The utility must include the summary and equity group review document as an appendix to the final CEIP.~~

**Commented [PSE77]:** PSE suggests these edits for consistency with other sections on public comment summaries.

**Commented [PSE78]:** It is unclear what a "final, holistic review of the CEIP" means and who would prepare this review.

~~(7) **Customer notices.** Within 10 days of filing the utility's CEIP, the utility must send notices to customers informing them of Chapter 19.405 RCW, briefly summarizing the utility's CEIP, including a weblink that navigates to the full CEIP, and informing customers of how they may comment on the utility's filing. The notice must include:~~

~~(a) The date the notice is issued;~~

~~(b) The utility's name and address;~~

~~(c) A statement that the commission has the authority to approve the CEIP, with or without conditions, or reject the CEIP;~~

~~(d) A description of how customers may contact the utility if they have specific questions or need additional information about the CEIP; and~~

~~(e) Public involvement language pursuant to WAC 480-100-194(4)(j).~~

**Commented [PSE79]:** Requiring the utility to send notices to customers within 10 days of filing its CEIP seems unnecessary and costly. Irrespective of what is required in rule, PSE is committed to sharing its CEIP with the public once it is filed - through its website and other means.

~~(8) **Review of customer notices.** The utility must submit to the commission for review a copy of customer notices five (5) business days before the utility finalizes notices to send to customers.~~

**Commented [PSE80]:** This is not a tariff filing. It is unclear why the Commission must submit a customer notice to the Commission first for review and comment.

~~(9) **Availability of data.** The utility must make all of its data inputs and files available in native file format and in an easily accessible format. Non confidential contents of the CEIP, biennial update, and compliance reports, and supporting documentation must be available for public review. Utilities may make confidential information available by providing it to the commission pursuant to WAC 480-07-160. Utilities should minimize their designation of information in the CEIP as confidential. Nothing in this subsection limits the protection of records containing commercial information under RCW 80.04.095.~~

**Commented [PSE81]:** Please see prior comments on this topic.

**WAC 480-100-660 Incremental cost of compliance**

**(1) Incremental cost comparison methodology.** To determine the incremental cost of the actions a utility takes to comply with RCW 19.405.040 and RCW 19.405.050, the utility must compare its lowest reasonable cost portfolio to an alternative lowest reasonable cost and reasonably available portfolio that the utility would have implemented absent the enactment of those sections of law.

**(2) Method for calculating the incremental cost.** A utility must propose and use one of the following two methods to calculate the incremental cost of compliance under this section.

(a) **Method one.** A utility may calculate its incremental cost of compliance as the sum of the following:

(i) The incremental cost of any resources used to comply with RCW 19.405.040 and RCW 19.405.050 above the avoided cost as determined in its most recent annual cost tariff filing pursuant to WAC 480-106-030; plus

(ii) The cost of any other programs, such as energy transformation projects, that support implementation of the CEIP; plus

(iii) The cost of other actions in the CEIP that support compliance with RCW 19.405.040 and RCW 19.405.050 including, but not limited to, investments enabling distributed energy resources or improving equity indicators; plus

(iv) Other costs that are necessary to support progress towards meeting specific or interim targets approved in a utility's CEIP, including administrative costs necessary to

design and implement programs and to acquire the resources necessary for the utility to meet RCW 19.405.040 and 19.405.050; or

(b) **Method two.** A utility may calculate its incremental cost of compliance using ~~The utility should use~~ the portfolio optimization modeling from the its most recently acknowledged integrated resource plan. as the basis for calculating ~~The incremental cost of compliance under this method is the difference between the cost of the alternative lowest reasonable cost and reasonably available portfolio in its most recently acknowledged integrated resource plan and the cost of the portfolio that includes the~~ to show the difference in portfolio choices and investment needs between the two portfolios, and demonstrate which investments and expenses that are directly attributable to meeting the requirements of RCW 19.405.040 and 19.405.050. A utility may include in its documentation of both portfolios those investments and expenses used to meet RCW 19.405.040 and 19.405.050 that are not reflected in the portfolio optimization if it demonstrates that the investment or expense could not reasonably have been reflected in the portfolio optimization model.

**Commented [PSE82]:** Please see PSE's response to Question 5 in the Commission's Notice for an explanation of method 1.

(3) Under either method one or two, the utility must provide workpapers supporting its incremental cost calculation.

(4) **Incorporate of SCGHG.** The alternative lowest reasonable cost and reasonably available portfolio must include the SCGHG in the resource acquisition decision as a cost adder in accordance with RCW 19.280.030(3)(a).

**Commented [PSE83]:** PSE suggests this language be added consistent with staff's interpretation that SCGHG is incorporated as a planning, or cost, adder, not to dispatch.

~~(4) Any investment or expense that is required to meet any provision of Chapter 19.405 RCW, other than RCW 19.405.040 or 19.405.050, and any other statutory, regulatory or contractual requirement, or standard practice or procedure is not a directly attributable cost, as described in subsection (5).~~

**Commented [PSE84]:** PSE recommends deleting this subsection, as it seems duplicative of the next subsection.

~~If the portfolios provided for compliance are the result of a model, the utility must provide a fully linked and electronically functional copy of that model as part of its workpapers.~~

**Commented [PSE85]:** Added in part to subsection (3) above.

~~(45) **Directly attributable costs.** The costs that a utility may include when determining the incremental cost impact under RCW 19.405.060(3)(a) must be directly attributable to actions necessary to comply with the requirements of RCW 19.405.040 and RCW 19.405.050. For the purposes of compliance, an investment or expense is directly attributable only if all of the following conditions are met:~~

**Commented [PSE86]:** The level of detail provided in subsection (5) does not seem necessary. These parameters might be better suited in a definition of what is a "directly attributable cost."



~~(a) The investment or expense is made during the implementation period;~~

~~(b) The investment or expense is part of the lowest reasonable cost portfolio of resources that results in compliance with RCW 19.405.040 and RCW 19.405.050;~~

~~(c) The investment or expense is additional to the costs that would be incurred for the alternative lowest reasonable cost and reasonably available resource portfolio that would have been selected in the absence of RCW 19.405.040 and RCW 19.405.050; and~~

~~(d) The investment or expense is not required to meet any statutory, regulatory, or contractual requirement or any provision of Chapter 19.405 RCW other than sections RCW 19.405.040 or 19.405.050.~~

**(5) Projected incremental cost.** The utility must file projected incremental cost estimates in each CEIP. The estimates must be supported by workpapers, models, and associated calculations, and must provide the following information:

(a) Identification of all investments and expenditures that the utility ~~intends~~ plans to make during the period in order to comply with the requirements of RCW 19.405.040 and 19.405.050;

(b) Demonstration that the investments and expenses

identified in subsection (a) are directly attributable to actions necessary to comply with the requirements of RCW 19.405.040 and 19.405.050; and

(c) The expected cost of the utility's planned activities and the expected cost of the alternative lowest reasonable cost and reasonably available portfolio that the utility would have implemented absent the enactment of RCW 19.405.040 and 19.405.050.

**(6) Reported actual incremental costs.** For the purposes of reporting actual incremental costs as required under WAC 480-100-650, the utility must follow the methodology it proposed consistent with ~~described in~~ subsection (12) of this section and provide the following information:

(a) The actual incremental costs incurred during the period; presentation of capital and expense accounts should be reported by Federal Energy Regulatory Commission (FERC) account;

(b) A demonstration that the reported incremental cost is directly attributable to specific actions the utility has taken that were necessary to comply with or make progress towards meeting RCW 19.405.040 and RCW 19.405.050, per subsection (25) of this section;

(c) Documentation of the cost of the alternative lowest reasonable cost and reasonably available portfolio, if applicable; the utility

**Commented [PSE87]:** It is unclear whether incremental costs incurred prior to 2030 are "necessary to comply with RCW 19.405.040 and RCW 19.405.050."

must update verifiable inputs of this portfolio with the most recent information available, if applicable;

(d) If the utility uses the incremental cost compliance option ~~as described in subsection (5) of~~ under this section, a demonstration that during the four-year period the average annual incremental cost of meeting the standards or the interim targets equals or exceeds a two percent annual increase of the investor-owned utility's weather-adjusted sales revenue to customers for electric operations above the previous year;

(e) An explanation for the variance between the estimated incremental cost in subsection (35) of this section and the actual incremental costs reported in this subsection (46); and

(f) Workpapers supporting the incremental cost calculations.

**(7) Determination of incremental cost compliance option.**

(a) For any period in which a utility relies on RCW 19.405.060(3) as the basis for compliance with the standard under RCW 19.405.040(1) or RCW 19.405.050(1), the utility must request a determination from the commission when filing its clean energy compliance report, per WAC 480-100-650. The utility must document those investments and expenses that are directly attributable to actions necessary to comply with the requirements of RCW 19.405.040

**Commented [PSE88]:** It is PSE's position that the Legislature intended for the cost cap to reflect a 2% annual increase of weather-adjusted sales revenue.

and 19.405.050 using the requirements of this section. The utility must also provide evidence that over the applicable period, the utility has maximized investments in renewable resources and nonemitting electric generation before using alternative compliance options allowed under RCW 19.405.040(1)(b).

~~WAC 480-100-665 Enforcement~~

~~(1) General. The commission may take enforcement action in response to a utility's failure to comply with the provisions of Chapter 19.405 RCW, this chapter of the commission's rules, or a commission order implementing those requirements.~~

~~(2) Procedure. The commission may take enforcement action in the following types of proceedings:~~

~~(a) Complaint. The commission may bring a complaint against a utility pursuant to RCW 80.04.380 and WAC 480-07-300, et seq.~~

~~(b) Penalty Assessment. The commission may assess penalties as provided in RCW 80.04.405 and WAC 480-07-915.~~

~~(c) Other. The commission may take enforcement action in any proceeding in which a utility's compliance with the provisions of Chapter 19.405 RCW, this chapter of the commission's rules, or a commission order implementing those~~

**Commented [PSE89]:** All of WAC 480-100-665 should be struck from the rules. The Commission already has the authority to assess penalties and take enforcement actions under existing law and regulations. These provisions are unnecessary, and their inclusion seems to suggest the Commission may intend to exercise this authority beyond the penalty authority contemplated in CETA under RCW 19.405.090, which is completely inconsistent with the Commission's stated intention to allow utilities flexibility and the ability to learn in the early years leading up to the 2030 compliance milestone.

~~requirements is at issue, including but not limited to a utility's general rate case.~~

~~(3) Remedies. The commission may impose any one or a combination of the following remedies for a utility's failure to comply with the provisions of Chapter 19.405 RCW, this chapter of the commission's rules, or a commission order implementing those requirements.~~

~~(a) RCW 19.405.090. To the extent applicable to the violation, the commission may require the utility to pay an administrative penalty of \$100 multiplied by the applicable megawatt-hour of electric generation used to meet load that is not electricity from a renewable resource or nonemitting electric generation.~~

~~(b) RCW 80.04.380. The commission may assess penalties of up to \$1,000 for each violation. Violation of the same requirement in statute, rule, or commission order are separate and distinct violations, and each day the utility is not in compliance with these requirements is a separate and distinct violation.~~

~~(c) RCW 80.04.405. The commission may assess penalties of \$100 for each violation. Violation of the same requirement in~~

~~statute, rule, or commission order are separate and distinct violations, and each day the utility is not in compliance with these requirements is a separate and distinct violation.~~

~~(d) Specific performance. The commission may order a utility to take specific actions necessary to comply with Chapter 19.405 RCW, this chapter of the commission's rules, and commission orders implementing those requirements. The commission may limit the extent to which the utility may recover return on any investment the utility must make in taking these actions.~~

~~(e) Prudence. In determining the prudence of a utility's activities, the commission may consider a utility's compliance with Chapters 19.405 and 19.280 RCW, this chapter of the commission's rules, commission orders implementing those requirements, and plans and reports filed pursuant to this chapter of the commission's rules.~~

~~(f) Customer notification. If the commission finds a utility in violation of Chapter 19.405 RCW, this chapter of the commission's rules, or commission orders implementing those requirements, the commission may order a utility to notify its retail electric customers of the violation in a published form.~~

**Commented [PSE90]:** PSE seriously questions the legality and constitutionality of this provision and strongly recommends it be deleted from these rules.

~~(g) Violations of Chapter 19.405 RCW not directly related to emissions. If the commission finds a utility is in violation of a portion of Chapter 19.405 RCW that is not subject to the administrative penalty under RCW 19.405.090(1), the commission may presume that the violation is ongoing until the utility either: (a) performs specific actions outlined by commission order to remedy the violation; or (b) based on evidence presented by the utility, the commission concludes that the utility has taken other actions to remedy the violation.~~

~~(4) Mitigation. A utility may request and the commission may mitigate any administrative penalty as described in RCW 19.405.090(3) or penalty assessment as provided in WAC 480-07-915. Any mitigation the commission grants does not relieve a utility of its obligation to comply with applicable legal requirements or to take specific actions the commission orders.~~