

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of PACIFIC POWER & LIGHT COMPANY, For Waiver of WAC 480-100-238(4) and Amendment to Order 01	DOCKET UE-180259 ORDER 02 ORDER GRANTING TEMPORARY EXEMPTION FROM RULE AND AMENDING ORDER 01
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BACKGROUND

- 1 On January 29, 2019, Pacific Power & Light Company (Pacific Power or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition requesting a one-time waiver of WAC 480-100-238(4). WAC 480-100-238(4) requires electric companies to submit an Integrated Resource Plan (IRP) within two years of the date of the previous filing.
- 2 On February 15, 2019, the Commission entered Order 01 in this docket (Order 01), which granted the requested exemption and extended the Company's deadline for filing its 2019 IRP from March 31, 2019, to August 1, 2019, subject to the condition that the Company must file a supplement to its IRP by December 15, 2019, if any bills were passed in the 2019 legislative session that materially altered the preferred portfolio and action items contained in the IRP.
- 3 On July 17, 2019, Pacific Power filed a second petition (Petition) with the Commission requesting a second extension to the IRP deadline, requesting that the due date be moved from August 1, 2019, to October 18, 2019. The Company states in its Petition that its IRP modeling team discovered a problem with the inputs for coal cost assumptions at the Jim Bridger Plant, and that correcting the issue requires additional time to complete the portfolio development phase of its integrated resource planning process.

- 4 Pacific Power also requests an extension to file the Commission-requested IRP supplement until March 31, 2020.¹ The Company states that the extension will provide the Company with the time needed to meet the proposed October 18, 2019, deadline for the IRP, and notes that the later deadline will allow the Company to incorporate into its IRP supplement some of the discussions regarding the Clean Energy Transformation Act and rulemakings related to the recently-passed bill.
- 5 Pacific Power submitted with its Petition an updated 2019 IRP Work Plan. The work plan contains a table listing additional IRP stakeholder meetings included on the 2019 IRP public input meetings schedule; two additional IRP stakeholder meetings are scheduled between the current due date and the proposed deadline.
- 6 Commission staff (Staff) reviewed the Company’s Petition and recommends that the Commission grant it.

DISCUSSION

- 7 Under WAC 480-07-110(1), the Commission may “grant an exemption from, or modify the application of, any of its rules in individual circumstances if the exemption or modification is consistent with the public interest, the purposes underlying regulation, and applicable statutes.”²
- 8 As the Commission found in Order 01, “It is in the public interest to have IRPs filed only when they are complete. While analyses should be initiated sufficiently in advance of a deadline to ensure their timely completeness, unforeseen developments may extend the time necessary to complete such analyses. It appears that such circumstances exist here.”³ While it is unfortunate that the Company’s IRP process has suffered another setback, the purpose of integrated resource planning is better served by a plan that is delayed, yet accurate, rather than timely but incorrect.
- 9 We appreciate the Company’s transparency in identifying the modeling issue and communicating with stakeholders to address the problem. We also recognize that resource planning for a system as complex as Pacific Power’s is a significant challenge, but also note that effective near- and long-term planning is a fundamental part of prudent

¹ UE-180259, Order 01 Granting Temporary Exemption from Rule Subject to Condition, at ¶19. In the Petition, the Company acknowledges that the Washington Clean Energy Transformation Act triggers the conditional requirement.

² See also WAC 480-100-008.

³ UE-180259, Order 01, at 7.

utility operations.

- 10 We find that the conditional requirement for an IRP supplement described in Order 01 has been triggered by legislation enacted in the Company's service area. Under Order 01, the Company is required to file a supplement no later than December 15, 2019.
- 11 We grant the Company's petition and amend Order 01 to allow the Company to file its IRP by October 18, 2019. We also amend Order 01 to extend the due date for the IRP supplement from December 15, 2019 to March 31, 2020.

FINDINGS AND CONCLUSIONS

- 12 (1) The Commission is an agency of the state of Washington, vested by statute with authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 13 (2) Pacific Power is engaged in the business of providing electric services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 14 (3) Pacific Power is subject to WAC 480-100-238(4), which requires electric companies to submit an IRP within two years after the date on which the previous plan was filed with the Commission.
- 15 (4) Pacific Power requests an exemption from WAC 480-100-238(4) to change the filing date of its 2019 IRP from August 1, 2019, to October 18, 2019.
- 16 (5) Under WAC 480-100-008 and WAC 480-07-110(1), the Commission may grant an exemption from the provisions of any rule in WAC 480-100 if the exemption is consistent with the public interest, the purposes underlying the regulation, and applicable statutes.
- 17 (6) Order 01 requires the Company to file a supplement to its 2019 Integrated Resource Plan no later than December 15, 2019, in the event that legislation passed by states in Pacific Power & Light Company's service area is reasonably expected. The Commission finds that this event has occurred, and the IRP supplement requirement has been triggered. The Company requests that the due

date for this required supplement be moved to March 31, 2020.

- 18 (6) This matter came before the Commission at its regularly scheduled meeting on July 26, 2019.
- 19 (7) After review of the petition filed in Docket UE-180259 by Pacific Power on July 17, 2019, and giving due consideration, the Commission finds that granting the exemption is consistent with the public interest, the purposes underlying WAC 480-100-238(4), and applicable statutes. The Commission grants Pacific Power's Petition, and hereby amends the due date for the IRP supplement required by Order 01. The Company must file its IRP on or before October 18, 2019. The Company must also file a supplement to its IRP by March 31, 2020, which updates its analysis, incorporates the requirements of applicable enacted legislation, updates the Company's preferred portfolio and action items, and clearly indicates any changes from the IRP to be filed on October 18, 2019.

ORDER

THE COMMISSION ORDERS:

- 20 (1) Pacific Power & Light Company is granted a temporary exemption from WAC 480-100-238(4) and must file its 2019 Integrated Resource Plan on or before October 18, 2019.
- 21 (2) The conditional requirement in Order 01 is amended, and Pacific Power & Light Company must file a supplement to its 2019 Integrated Resource Plan no later than March 31, 2020. This supplement must include updated analyses incorporating requirements of the enacted legislation, must have an updated preferred portfolio and updated action items, and must clearly indicate any changes from the filed 2019 Integrated Resource Plan.
- 22 (3) The Commission retains jurisdiction to enforce the terms of this Order and delegates to the Executive Director and Secretary the authority to confirm compliance with this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective July 26, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON, Executive Director and Secretary