



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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July 5, 2019

NOTICE OF WORKSHOP
(Set for Tuesday, July 30, 2019, at 1:30 p.m.)

Re: Investigation into Initiating Implementation Processes for Energy Legislation Passed in the 2019 Legislative Session, Docket U-190485.

TO ALL INTERESTED PERSONS:

The Washington Utilities and Transportation Commission (Commission) is opening a proceeding to consider the initiation and organization of implementation processes for energy legislation passed during the 2019 legislature. In its 2019 Regular Session, the Washington State Legislature set an ambitious, multi-decade energy policy agenda, including the passage of E2SSB 5116, containing the Clean Energy Transformation Act, which relates to the clean energy transition of electric utilities in Washington.¹ The legislature also passed ten other bills that affect electric and natural gas utilities.² Some of the legislation requires the Commission to take regulatory action, such as a rulemaking, while other legislation allows the Commission greater flexibility in implementation. The Commission has developed a proposed Implementation Plan for all energy legislation passed in the 2019 Regular Session and initiates this proceeding to consider stakeholder feedback on the proposed plan. The Commission intends to close this proceeding shortly after it has considered all stakeholder input, and open various other dockets to initiate necessary proceedings.

Through a separate Notice, the Commission is seeking written comments on Section 20 of E2SSB 5116, related to public service company property that becomes used and useful for service in this state after the rate effective date. Please see Docket U-190531 for the Notice of Opportunity to Provide Written Comments.

¹ Laws of 2019, ch. 288.

² Laws of 2019, ch. 285 (Energy Efficiency), ch. 284 (Hydrofluorocarbon Emissions), ch. 109 (Concerning the Electrification of Transportation), ch. 287 (Advancing Green Transportation Adoption), ch. 235 (Net Metering), ch. 286 (Appliance Standards), ch. 222 (Electrical Production Attribution Fuel Mix), ch. 205 (Distributed Energy Resource Plans), ch. 388 (Natural Disaster Mitigation and Resiliency Activities), ch. 77 (Electric Utility Wildland Fire Prevention).

ISSUE DISCUSSION

To implement various energy legislation, we have considered that there may be some projects that, although they are not expressly required by the new legislation, may be necessary to support the regulatory and policy objectives of both the legislature and the Commission. To identify activities on which the Commission should take action to most efficiently implement the 2019 legislation, the Commission used five criteria to assess the relative impact and value of these additional projects. The criteria include:

- **Interconnected:** implementation of one topic is related to the implementation of another topic; as a critical input or a foundational element, or is itself contingent upon another topic.
- **Addresses workload/resource issues:** implementation will likely reduce Commission and stakeholder workload or make Commission processes more efficient.
- **Resource lift:** identifies the immediate workload impact and resource requirement.
- **Time-sensitive input:** implementation of this topic provides clarity for near-term utility processes or is a critical precursor to another high-priority topic.
- **Early win:** implementation of this topic can be completed sooner in a relatively simpler process, allowing the Commission to demonstrate progress in executing the Implementation Plan.

The Commission has undertaken an exercise of mapping out projects, both required and not, based on the criteria listed above, and overlaying the projects onto its existing workload to develop an Implementation Plan. First, we developed a decision matrix, Attachment A to this Notice, which identifies projects by urgency and importance.³ The Commission then overlaid the identified projects along with its existing workload (e.g., general rate cases, other proceedings, and integrated resource plans) onto available staffing resources. The result is a proposed Implementation Plan, Attachment B to this Notice.

Proposed Implementation Plan – Attachment B

The Commission requests that stakeholders review Attachment B for the details of the Implementation Plan. In brief, the Commission proposes a three-phased approach:

- **Phase 0:** July 1, 2019 – August 30, 2019. This phase initiates the overall effort.
- **Phase I:** August 2019 - January 1, 2021. This phase includes only efforts that have a statutory deadline of January 1, 2021.

³ The decision matrix attached to this Notice as Attachment A is an illustrative tool to help identify projects by urgency and importance. Most of the rulemakings required by SB 5116 have a deadline of January 1, 2021. Projects with a January 1, 2021 statutory deadline are located on the X-axis, and the level of priority of a task is indicated on the Y-axis. The coloring indicates as follows: a task located within the green shading has an implied higher priority than a task located within the grey shading. The salmon color implies the lowest priority. These color distinctions are particularly important for the multi-colored quadrants. Within those quadrants, the location of the task on a specific color suggests whether a task should occur during an earlier or later phase.

- Phase II: January 2021 – June 30, 2022. This phase focuses on efforts that must be completed on or before June 30, 2022.

The Implementation Plan also lists important projects that would support the implementation of the various legislation, or are needed for other reasons, but that are not expressly required by the new legislation. The proposed Implementation Plan does not include any of these projects. At current staffing levels and at current and projected workload requirements, it is not likely that the Commission would have the resources to commit to these projects in the near term. Attachment C is a timeline that shows a schedule of major Commission energy workload, both existing and new statutory projects, over the next few years. The Commission seeks feedback from stakeholders on which of the supportive projects should be completed before June 30, 2022, if changes in level of staffing or workload allowed the Commission to undertake supplemental projects.

The Commission recognizes that the proposed Implementation Plan does not incorporate energy workgroups, reports to the legislature, and other agency rulemakings in which the Commission will participate.⁴ Those items are omitted for two reasons. First, other state agencies have not yet set dates for initiating their rulemakings. Second, these items are of a different nature than those in the Implementation Plan and are less easily modeled in regard to staffing constraints than the items in the Implementation Plan. These energy-related reports to the legislature, workgroups, advisory committees, and other agency rulemakings are listed below.

| Reports to the Legislature | Statutory Deadline |
|--|---------------------------|
| Standards Review, Reliability, Emerging Tech, and Impacts. (Ch. 288 § 8). | January 1, 2024 |
| Greenhouse Gas Emissions from Natural Gas. (Ch. 285 § 16). | January 1, 2020 |
| Report on Reducing Hydrofluorocarbons and Increasing Use of Refrigerants with Low Global Warming Potential. (Ch. 284 § 8). | December 1, 2020 |

| Workgroups and Advisory Committees | Statutory Deadline |
|---|---------------------------|
| Carbon and Electricity Markets and Cap-and-Trade Examination Workgroup. (Ch. 288 § 13). | June 30, 2022 |
| Climate Policy Advisory Committee. (Ch. 288 § 23). | December 31, 2020 |

⁴ Attachment C, a Gantt chart, includes all energy-related work, including reports, workgroups, and other agency rulemakings.

| Workgroups and Advisory Committees | Statutory Deadline |
|---|---------------------------|
| State Energy Strategy Advisory Committee. (Ch. 288 § 22). | December 31, 2020 |
| Transmission Corridors Workgroup (Ch. 288 § 25). | December 31, 2022 |

| Other Agency Rulemakings | Statutory Deadline |
|--|---------------------------|
| Energy Transformation Projects. (Ch. 288 § 10). | January 1, 2021 |
| Use of Thermal Renewable Energy Credits. (Ch. 288 § 10). | January 1, 2021 |
| Cumulative Impact Analysis. (Ch. 288 § 24). | December 30, 2020 |

Finally, the Commission is notifying the public of the following items and solicits stakeholder feedback on the Commission's intentions:

- The Commission will not open rulemakings on HB 1257⁵ renewable natural gas tariffs, or SB 5223,⁶ net metering, but will process the filings that utilities make to implement the legally required programs or changes expeditiously.
- The Commission will not open a rulemaking on HB 2042,⁷ electrification of transportation plans. Utilities may file an electrification of transportation plan at any time.
- The Commission will publish the social cost of carbon on the agency's website, updating the values for inflation on an annual basis.
- The Commission seeks feedback on which projects without statutory deadlines are the most important to be addressed, and when.

QUESTIONS FOR CONSIDERATION AT WORKSHOP

The Commission is seeking oral comments at the workshop described below concerning the prioritization, timing, and scheduling of its proposed Implementation Plan. We are not seeking written comments on this issue. To help guide stakeholder feedback for the workshop, the Commission has identified the following questions for consideration:

1. Are there any actions that you believe 2019 legislation requires the Commission to take,

⁵ Laws of 2019, ch. 285 § 14.

⁶ *Id.* ch. 235.

⁷ *Id.* ch. 287.

but that are not listed in the Implementation Plan?

2. Are there any rulemakings, policy statements, inquiries, or workshops that the Commission should undertake to support implementation that are not explicitly required by statute and are not identified?
3. Are there two or more projects that would benefit from close coordination during the rulemaking process? If so, please identify those projects and whether the Commission should address the projects in parallel or sequentially.
4. Are there actions whose commencement should be prioritized differently, given practical considerations?
5. Are there priority actions listed in the Implementation Plan that should be completed earlier?

WORKSHOP

The Commission gives notice of the opportunity to attend a stakeholder workshop and make oral comments on the proposed Implementation Plan on **Tuesday, July 30, 2019, at 1:30 p.m.** This workshop will be held in the Commission's Hearing Room, 621 Woodland Square Loop SE, Lacey, Washington 98503.

If you have questions regarding this docket, you may contact Mark Vasconi, Director of Regulatory Services. He may be reached by mail at the address on this Notice, by email at mark.vasconi@utc.wa.gov, or by calling (360) 664-1308.

MARK L. JOHNSON
Executive Director and Secretary