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**Comments on CR102
Clean Energy Implementation Plans (Docket # 191023) and
Integrated Resource Plan (Docket # 190698)
November 12, 2020**

Emailed to Washington Utilities and Transportation Commission (UTC) at: records@utc.wa.gov

The Sierra Club appreciates the opportunity to comment on the rulemakings for the Clean Energy Transformation Act's (CETA) Clean Energy Implementation Plan (CEIP) and the Integrated Resource Plan (IRP). We applaud the Commission for the tremendous amount of work that has gone into these rulemakings as well as the other CETA rulemaking. We also know, like the Energy Independence Act, that there will likely be ongoing modifications to these rules as we learn from the experience of implementing these rules. Overall, we support these final draft rules and recommend some changes.

1. Social Cost of Greenhouse Gases (SCGHG)

Ensure the SCGHG is used as a "variable cost" and not a "fixed cost" for all scenarios and modeling. Fossil fuel, whether coal or gas, is always treated as a variable cost. GHGs for power generation only exist as a function of whether coal and gas is burned. That these fuels are considered variable costs is clear and convincing evidence that SCGHG should be treated the same way.

Some utilities have said they do not want this cost to be treated as a tax and therefore should not be included in dispatch modeling. We disagree with this characterization. It is an environmental externality that now should be fully incorporated into all acquisition and planning, including the dispatch modeling that informs planning. Our fear is that if SCGHG is not included in the dispatch modeling, then we will be undermining the true value of additional energy efficiency measures among other distortions that will occur if SCGHG is not treated as variable cost.

2. Climate scenarios

The draft rule still requires only one scenario to reflect future climate change. This does not make sense. There is no future that will not be impacted by climate. All scenarios need to reflect this inevitability.

3. Data disclosure

Some data disclosure sections require that data be disclosed in "native format" which can be hard to understand, while other sections require "native format" and data "in an easily accessible format." We strongly recommend that all sections on data disclosure require the data to be provided "in an easily accessible format."

Sierra Club has dealt with this concern with other planning practices in other states. When we have achieved requirements or agreements for full data disclosure in these other states, we were often then provided with endless spreadsheets that were sometimes not even arranged into decipherable categories. As a result, Synapse Energy Economics developed a software program to take “native format” files and arrange them into a clear and logical order. But most individuals or organizations will not have access to nor could afford this software program. We strongly recommend that it be a categorical requirement that all data is presented “in an easily accessible format.”

Further, full data disclosure should be required including but not limited to models such as Aurora, Plexos, demand forecast and others. If utilities have concerns about confidentiality, then non-disclosure agreements can be required as is occurs in other states. This is critical to ensuring transparency.

4. Public participation

We do not want to limit public participation to just advisory groups. At the same time, the draft rule is not clear on which advisory groups will be included: IRP, conservation and/or equity. All advisory groups need to be included in the development of IRPs and CEIP.

We are especially disappointed that the current rules reduce public access to the IRP and CEIP planning phases in favor of “advisory groups.” This choice of language to balance public access against utility burden is difficult to defend. Thankfully an equity advisory group is identified in statute. However, restricting public participation per the current rules enforces and maintains systemic policies which have historically led to disenfranchisement. What access do utility customers have if they do not fit neatly into an “advisory group”. Which utility customers are being excluded, not intentionally, but effectively?

We urge the Commissioners to restore the public participation language of the prior version of these rules. Let the public participation process work, openly, for all members of all groups. If subsequent policy statements are needed to protect utility burdens they may be issued if and as needed. The rules should not codify exclusionary language that promotes and prolongs systemic exclusion.

5. Equity

The proposed rules make significant progress in implementing the equity mandates in CETA, including:

- The establishment of equity advisory committees
- The requirements for meaningful involvement and responses to the public
- The requirement for developing a minimum suite of equity performance indicators and the robust reporting of progress toward meaningful equity outcomes
- The requirement for a maximum customer benefit scenario
- The expressed restatement of the Commission’s substantial enforcement powers applicable to all elements of CETA compliance, including compliance with the equity mandate

We recommend that the Commission consider adding “reduction of risk” to the list of minimum required indicators in the CEIP provision at proposed WAC 480-100-640(4)(c). We understand that the

list in this section is not intended to be exhaustive, we recommend that each enumerated (or named) element of the legislature's equity mandate deserves a minimum of one reported indicator. The Commission has done this with every element of the mandate except for reduction in risk. We believe this addition is a straightforward extension of both the legislature's intent and the draft rule's logical structure.

We note here also the draft rules published by the Department of Commerce. Commerce, for its portion of CETA rulemaking responsibility (published October 21, 2020, at WSR 20-21-108), includes an express acknowledgement of the risk-reduction requirement in CETA in their proposed WAC 194-40-200(4)(d): "Describe how the utility intends to reduce risks to highly impacted communities and vulnerable populations associated with the transition to clean energy."

We request that the Commission revise the language of WAC 480-100-640(4) in the final rule as follows: "(c) 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 energy benefits, nonenergy benefits, reduction of burdens, public health, environment, reduction in cost, reduction of risks, energy security, and resiliency. Indicators and weighting factors must be developed consistent with the advisory group process and public participation plan described in WAC 480-100-655. The utility should describe and explain any changes in indicators or weighting factors from its most recently approved CEIP."

CETA's commitment is to actual, ensured progress toward equitable outcomes. Indicators are a means and equitable outcomes are the intended ends. To the extent that indicators serve their intended ends, time spent on developing robust indicators will be well spent. And to the extent there is wisdom in letting each utility and their advisory committees offer a variety of potential indicators, the Commission may benefit from obtaining a wide range of service-area-specific and creative ideas.

We ask the Commission to commit to revisiting indicators frequently in the coming years to consider:

- Analysis or evaluation of the variety of indicators across utilities, in an attempt to determine whether any best practices emerge
- Providing early guidance documents to utilities on early models, resources available, and literature that may apply
- Retrospectively reviewing the proposed rule to determine whether the proposed open-ended process is expeditiously moving utilities toward the legislature's equity mandate
- Revisiting the rulemaking process to update the indicator requirements as needed to require best practices, to facilitate more effective or uniform reporting, and to satisfy the legislature's mandate that utilities ensure progress along equity vectors.

While these draft rules provide a strong initial roadmap, they do not on their own assure utility compliance with the equity mandate. CETA's statutory mandate is not self-executing; the proposed rules, even acknowledging their many merits, also do not render the mandate self-executing. Utilities will need to work steadily and actively to meet the mandate.

The proposed rules, being largely procedural, can facilitate but do not guarantee that utilities will in fact meet their duty to ensure progress along the enumerated equity vectors. The Commission will need to maintain a strong oversight and analysis role. We recommend that the Commission invest in significant monitoring of utility compliance at various reporting checkpoints and related hearings.

Thank you for the opportunity to comment on these critical rules. We look forward to ongoing progress for delivering on the promise of the CETA legislation.

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