

Chapter 480-107 WAC

~~ELECTRIC COMPANIES—PURCHASES OF ELECTRICITY ((FROM QUALIFYING FACILITIES AND INDEPENDENT POWER PRODUCERS AND PURCHASES OF ELECTRICAL SAVINGS FROM CONSERVATION SUPPLIERS))~~

AMENDATORY SECTION (Amending WSR 06-08-025, filed 3/28/06, effective 4/28/06)

**WAC 480-107-001 Purpose and scope.** (1) The rules in this chapter require utilities to solicit bids, rank project proposals, and identify any bidders that meet the minimum selection criteria. The rules in this chapter do not establish the sole procedures utilities must use to acquire new resources. Utilities may construct electric resources, operate conservation programs, purchase power through negotiated contracts, or take other action to satisfy their public service obligations.

(2) The commission will consider the information obtained through these bidding procedures when it evaluates the performance of the utility in rate and other proceedings.

~~((3) The rules in this chapter are consistent with the provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA), Title II, sections 201 and 210, and related regulations promulgated by the Federal Energy Regulatory Commission (FERC) in 18 C.F.R. Part 292. To the extent of any conflict between these rules and PURPA, or the related rules promulgated by FERC in 18 C.F.R. Part 292, PURPA and those related rules control. Purchase of electric power under these rules satisfies a utility's obligation to purchase power from qualifying facilities under section 210 of PURPA.))~~

AMENDATORY SECTION (Amending WSR 06-08-025, filed 3/28/06, effective 4/28/06)

**WAC 480-107-007 Definitions.** "Affiliate" means a person or corporation that meets the definition of an "affiliated interest" in RCW 80.16.010.

"Avoided costs" means the incremental costs to a utility of electric energy, electric capacity, or both, that the utility would generate itself or purchase from another source, but for purchases to be made under these rules. A utility's avoided costs are the prices, terms and conditions, including the period of time and the power supply attributes, of the least cost final contract entered into as a result of the competitive bidding process described in these rules. If no final contract is entered into in response to a request for proposal (RFP) issued by a utility under these rules, the utility's avoided costs are the lesser of:

~~((1))~~ (a) The price, terms and conditions set forth in the least cost project proposal that meets the criteria specified in the RFP; or

((2)) (b) Current projected market prices for power with comparable terms and conditions.

~~("Back-up power" means electric energy or capacity supplied by a utility to replace energy ordinarily supplied by utility-owned generation or purchased through contracts that is unavailable due to an unscheduled outage.)~~

"Commission" means the Washington utilities and transportation commission.

"Conservation" means any reduction in electric power consumption that results from increases in the efficiency of energy use, production or distribution, or from demand response, load management or efficiency measures that reduce peak capacity demand.

"Conservation supplier" means a third party supplier or utility affiliate that provides equipment or services that save capacity or energy.

~~("Economic dispatch" means modifying the scheduling of power purchases from a generating facility within contractually specified limits to minimize the costs of delivering electricity.)~~

"Generating facilities" means plant and other equipment used to generate electricity purchased through contracts entered into under these rules.

"Independent power producers" means an entity that owns generating facilities or portions thereof that are not included in a utility's rate base and that are not qualifying facilities as defined in this section.

"Integrated resource plan" or "IRP" means the filing made every two years by a utility in accordance with WAC 480-100-238 Integrated resource planning.

~~("Interruptible power" means electric energy or capacity supplied to a utility by a generating facility, the availability of which may be interrupted under certain conditions.)~~

~~"Maintenance power" means electric energy or capacity supplied by a utility during scheduled outages of a generating facility.)~~

"Project developer" means an individual, association, corporation, or other legal entity that can enter into a power or conservation contract with the utility.

"Project proposal" means a project developer's document containing a description of a project and other information responsive to the requirements set forth in a request for proposal, also known as a bid.

"Qualifying facilities" means generating facilities that meet the criteria specified by the FERC in 18 C.F.R. Part 292 Subpart B.

"Request for proposals" or "RFPs" means the documents describing a utility's solicitation of bids for delivering electric capacity, energy, or capacity and energy, or conservation.

"Resource block" means the deficit of capacity and associated energy that the IRP shows for the near term.

"Subsidiary" means any company in which the utility owns directly or indirectly five percent or more of the voting securities, and that may enter a power or conservation contract with that electric utility. A company is not a subsidiary if the utility can demonstrate that it does not control that company.

~~("Supplementary power" means electric energy or capacity supplied by a utility that is regularly used by a generating facility in addition to that which the facility generates itself.)~~

"Utility" means an electrical company as defined by RCW 80.04.010.

**WAC 480-107-025 Contents of the solicitation.** (1) The RFP must identify the resource block, consisting of the overall amount and duration of power the utility is soliciting, the initial estimate of avoided cost schedule as calculated in WAC (~~480-107-055~~) 480-106-040 Avoided cost schedule, and any additional information necessary for potential bidders to make a complete bid.

(2) The RFP must document that the size of the resource block is consistent with the range of estimated new resource needs identified in the utility's integrated resource plan.

(3) The RFP must explain general evaluation and ranking procedures the utility will use in accordance with WAC 480-107-035 Project ranking procedure. The RFP must also specify any minimum criteria that bidders must satisfy to be eligible for consideration in the ranking procedure.

(4) The RFP must specify the timing of process including the solicitation period, the ranking period, and the expected selection period.

(5) The RFP must identify all security requirements and the rationale for them.

(6) Utilities are encouraged to consult with commission staff during the development of the RFP. Utilities, at their own discretion, may submit draft RFPs for staff review prior to formally submitting an RFP to the commission.

REPEALER

The following sections of the Washington Administrative Code are repealed:

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| WAC 480-107-055 | Schedules of estimated avoided cost.                 |
| WAC 480-107-085 | Obligations of generating facilities to the utility. |
| WAC 480-107-095 | Obligations of the utility to qualifying facilities. |
| WAC 480-107-105 | Rates for sales to qualifying facilities.            |
| WAC 480-107-999 | Adoption by reference.                               |