



PROPOSED RULE MAKING

CR-102 (December 2017) (Implements RCW 34.05.320)

Do NOT use for expedited rule making

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FILED

DATE: February 20, 2019

TIME: 10:19 AM

WSR 19-05-089

Agency: Washington Utilities and Transportation Commission

Original Notice

Supplemental Notice to WSR _____

Continuance of WSR _____

Preproposal Statement of Inquiry was filed as WSR 16-18-057 ; or

Expedited Rule Making--Proposed notice was filed as WSR _____ ; or

Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or

Proposal is exempt under RCW _____.

Title of rule and other identifying information: (describe subject) The Washington Utilities and Transportation Commission is engaged in a rulemaking to consider rules governing integrated resource planning for electric companies, including but not limited to revising its rules in WAC 480-107, Purchases of Electricity from Qualifying Facilities and Independent Power Producers and Purchases of Electrical Savings from Conservation Suppliers, for the implementation of the federal Public Utility Regulatory Policies Act. The rulemaking is intended to better align the commission's rules with federal requirements and meet a changing electricity market.

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
April 30, 2019	1:30 p.m.	Richard Hemstad Building Room 206 1300 Evergreen Park Dr. SW Olympia, WA 98504	Public hearing to consider adoption of the proposed rules

Date of intended adoption: April 30, 2019 (Note: This is **NOT** the effective date)

Submit written comments to:

Name: Washington Utilities and Transportation Commission
Address: 1300 Evergreen Park Dr. SW, Olympia, WA 98504
Email: records@utc.wa.gov
Fax: (360) 586-1150
Other:
By (date) April 1, 2019

Assistance for persons with disabilities:

Contact Susan Holman
Phone: (360) 664-1243
Fax:
TTY: (360) 586-8203
Email: susan.holman@utc.wa.gov
Other:
By (date) _____

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The purpose of the rules the commission is currently proposing is to better align the rules with federal requirements, resolve issues identified in utility filings in recent years, and provide further guidance on the terms, conditions, and practices for standard contracts. It is anticipated that the effect of these changes will provide more regulatory certainty as well as increase the efficiency of the electricity market. The commission is continuing to consider other rules in Chapter 480-107 as part of this rulemaking and may propose additional revisions or new rules in the future.

Reasons supporting proposal: The commission must comply with applicable federal law. The federal Public Utility Regulatory Policies Act, as interpreted by the courts, imposes certain requirements that the commission must reflect in its rules. The current commission rules incorporate the requirements as they existed at the time the commission adopted those rules. The proposed revised rules are necessary to reflect the most recent federal requirements and interpretations of federal law, as well as to clarify the obligations of affected utilities and qualifying facility owners.

Statutory authority for adoption: RCW 34.05.220, RCW 80.01.040

Statute being implemented:

Is rule necessary because of a:

Federal Law?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Federal Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
State Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

If yes, CITATION: Public Utility Regulatory Policy Act, 16 U.S.C. §§ 2601-45 (2018)

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

Name of proponent: (person or organization) Washington Utilities and Transportation Commission Private
 Public
 Governmental

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting:	Brad Cebulko	1300 Evergreen Park Dr. SW, Olympia, WA 98504	(360) 664-1309
Implementation:	Mark L. Johnson	1300 Evergreen Park Dr. SW, Olympia, WA 98504	(360) 664-1115
Enforcement:	Mark L. Johnson	1300 Evergreen Park Dr. SW, Olympia, WA 98504	(360) 664-1115

Is a school district fiscal impact statement required under RCW 28A.305.135? Yes No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Is a cost-benefit analysis required under RCW 34.05.328?

Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

No: Please explain: The Washington Utilities and Transportation Commission is not an agency to which RCW 34.05.328 applies. The proposed rules are not significant legislative rules of the sort referenced in RCW 34.05.328(5).

Regulatory Fairness Act Cost Considerations for a Small Business Economic Impact Statement:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see chapter 19.85 RCW). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.061 because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by RCW 34.05.313 before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3). Check all that apply:

- RCW 34.05.310 (4)(b) (Internal government operations)
- RCW 34.05.310 (4)(c) (Incorporation by reference)
- RCW 34.05.310 (4)(d) (Correct or clarify language)
- RCW 34.05.310 (4)(e) (Dictated by statute)
- RCW 34.05.310 (4)(f) (Set or adjust fees)
- RCW 34.05.310 (4)(g) ((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under RCW _____.

Explanation of exemptions, if necessary:

COMPLETE THIS SECTION ONLY IF NO EXEMPTION APPLIES

If the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

No Briefly summarize the agency's analysis showing how costs were calculated. The proposed rules implement federal requirements applicable to large, investor-owned utilities, which do not qualify as small businesses. The proposed rules adopt basic information requirements for qualifying facility owners to contract with an investor-owned utility, and some of those qualifying facility owners may be classified as small businesses. However, the commission's proposed rules do not require the qualifying facility owners to provide information or take action that is substantially different than information those businesses must provide to the investor-owned utilities to enter into a contract, regardless of the commission's rules. To determine whether any stakeholders had information concerning the economic impact of the proposed rules, the commission issued a notice requesting the calculation of any costs companies anticipate they would incur as a result of the proposed rules. The commission received only one response that provided such information. Commission staff followed up with this commenter and clarified that the proposed rules do not impose on qualifying facility owners the requirements on which the commenter based his calculations. The commenter submitted revised comments stating that the proposed rules would not have an economic impact. Accordingly, the information available to the commission demonstrates that the proposed rules would not impose more than minor costs on businesses.

Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses, and a small business economic impact statement is required. Insert statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

- Name:
- Address:
- Phone:
- Fax:
- TTY:
- Email:
- Other:

Date: February 20, 2019

Name: Mark L. Johnson

Title: Executive Director and Secretary

Signature:

A handwritten signature in black ink, appearing to read "Mark L. Johnson", written in a cursive style.