BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

Rulemaking to consider adoption of rules to implement chapter 19.405 RCW and revisions to chapter 80.28 RCW	DOCKET UE-191023

PUBLIC COUNSEL RESPONSE TO JANUARY 15 NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS

February 28, 2020

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ATTORNEY GENERAL OF WASHINGTON
Public Counsel
800 5th Ave., Suite 2000
Seattle, WA 98104-3188
(206) 389-3040

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I. INTRODUCTION

1. Pursuant to the Washington Utilities and Transportation Commission's ("Commission") January 15, 2020, Notice of Opportunity to File Written Comments ("Notice"), Public Counsel submits the following comments in response to the questions posed in the Commission's Notice.

II. NOTICE QUESTIONS

A. Clean Energy Implementation Plans (CEIP)

1. The Clean Energy Transformation Act (CETA) stresses the need to maintain system reliability and resource adequacy. RCW 19.405.060(1)(b)(iii) requires that the specific actions taken in a CEIP be consistent with the utility's resource adequacy requirements. What information should utilities include about their system reliability and resource adequacy in the CEIP? For example, should the utilities include detailed information about the resource mix it plans to use to meet system reliability and resource adequacy and how each resource type contributes?

2. Given the statutory requirement for greenhouse gas neutral and 100 percent clean portfolios, CEIP rules should establish transparency regarding the steps utilities will take to achieve those requirements. The rules should require companies to provide detailed plans regarding the resource mix they intend to acquire and describe how each resource helps meet the proper resource margin. At minimum, the utilities should describe resource acquisitions and how those acquisitions impact resource adequacy and system reliability. Furthermore, the utilities should describe how they will acquire or build the necessary resources and the rationale behind the acquisition plans. Utilities should also include any additional options they have considered in developing their plan, or may consider in the event that their acquisitions do not occur in accordance with plans. Utilities should also incorporate guidance from the Northwest Power and Conservation Counsel.

ATTORNEY GENERAL OF WASHINGTON
Public Counsel
800 5th Ave., Suite 2000
Seattle, WA 98104-3188
(206) 389-3040

3. Furthermore, to increase transparency in resource acquisition decisions, companies should provide all data related to pricing and forecasts to customers, including all assumptions and inputs. If a company has concerns about confidential data, stakeholders could sign protective orders or the Commission could issue a protective order, depending on the process to review CEIPs that ultimately emerges in this rulemaking.

B. CEIP Targets

2. RCW 19.405.060(1) requires that by January 1, 2022, and every four years thereafter, each electric investor-owned utility must develop and submit to the Commission a four-year CEIP for the standards established under RCW 19.405.040(1) and 19.405.050(1). The plan must propose specific targets for energy efficiency, demand response, and renewable energy. The plan must also propose interim targets for meeting the standard in RCW 19.405.040(1) prior to 2030 and between 2030 and 2045.

a. Should the rules provide that specific targets must be defined cumulatively for each four year period, or identified annually, within the four year compliance period?

b. Should the Commission require utilities to identify interim targets by resource type or some other metric(s), such as percentage of sales to customers from nonemitting generation and renewable resources?

c. Should the Commission require that interim targets be defined cumulatively or annually for the years prior to 2030? For the years between 2030 and 2045?

4. The overarching goals of CETA is for Washington electric utilities to be greenhouse gas neutral by the end of 2030 and 100 percent "clean" energy by the end of 2045, while also continuing to pursue all cost-effective conservation and energy efficiency. RCW 19.405.060 requires CEIPs to specify interim targets to achieve greenhouse gas neutrality[1] as well as individual targets for energy efficiency, demand response, and renewable resources.[2]

5. Public Counsel recommends that the rules maintain some flexibility in how each utility

[1] Public Counsel notes that the statute does not specifically require interim targets for attaining 100 percent non-emitting or renewable energy sources.

[2] RCW 19.405.060(1)(a)(i).

achieves these goals while ensuring that steady progress is being made in the interim. To that end, the rules should require interim targets to achieve greenhouse gas neutrality be defined cumulatively for each four-year period. Public Counsel recommends that these targets be set based upon each company's greenhouse gas content, as calculated according to RCW 19.405.070, rather than by percentages of sales of electricity. While percentages of sales of electricity from nonemitting or renewable resources would indicate a company's progress towards compliance with the 100 percent clean energy requirement for 2045, targets based solely on the percentage of sales would not ensure that a company is actually eliminating or offsetting its greenhouse gas emissions by 2030. This is particularly problematic given the ability to use alternative compliance mechanisms to achieve greenhouse gas neutrality.

6. Resource-specific targets should be based upon the rules governing renewable resource procurement, energy efficiency, and demand response. Proposed changes to the Integrated Resource Plan (IRP) rules would require companies to file IRPs every four years, with a two-year progress report that must update the load forecast, conservation potential assessment, and portfolio analysis and preferred portfolio.[3] Renewable energy targets in a CEIP should be based upon the company's most recent IRP. Given the four-year cycle and two-year update for IRPs, the targets for renewable energy resources could be set at two-year intervals.

7. Currently, companies must establish biennial conservation targets based on a conservation potential assessment,[4] and CETA does not replace or modify these existing requirements.[5] CEIPs should, therefore, include the energy efficiency targets from company

[3] *See In the Matter of Amending, Adopting, and Repealing WAC 480-100-238, Relating to Integrated Resource Planning*, Docket UE-190698, Staff Discussion Draft Rules at 15, (WUTC Nov. 7, 2019) (regarding WAC 480-100-615).

[4] RCW 19.285.040(1)(b).

[5] RCW 19.405.110

biennial conservation plans. To reflect the four-year CEIP cycle and integrate the two-year conservation plan cycle, CEIPs may need to initially set the energy efficiency target for the second half of the four-year compliance period based on estimates of achievable energy efficiency. Utilities should be afforded the ability to adjust the target at the end of the first two years to keep the target consistent with the updated conservation potential assessment included in the IRP progress report and mid-period biennial conservation plan. The draft rules for the treatment of demand response appear to echo the requirements for conservation.[6] If these rules are adopted, demand response targets should also be set in two and four year increments in each CEIP.

8. At this time, Public Counsel does not recommend annual targets for either resource specific targets or for the overarching goals for the years prior to 2030 or between 2030 and 2045. While Public Counsel is sensitive to the need to ensure utilities are moving quickly to meet the 2030 greenhouse gas neutrality goal, we are concerned that a single year may not be long enough for a utility to implement certain measures or procure resources to meet the annual target.

3. RCW 19.405.060(1)(c) requires the Commission to approve, reject, or approve with conditions the CEIP and associated targets after a hearing. With conditional approval, the Commission may recommend or require more stringent targets. Are there circumstances in which the Commission can and should recommend, rather than require, more stringent targets? If so, when should the Commission recommend more stringent targets and on what basis could and should the Commission not require more stringent targets?

9. In instances where a company is already on target to achieve the mandated goals and has the ability to achieve additional emission reductions relatively easily, the Commission could

[6] *See In the Matter of Amending, Adopting, and Repealing WAC 480-100-238, Relating to Integrated Resource Planning*, Docket UE-190698, Staff Discussion Draft Rules at 8 and 13 (WUTC Nov. 7, 2019) (regarding WAC 480-100-610(2)(b) and 480-100-610(12)(g)).

recommend, but not require, more stringent targets. That being said, the Commission should not recommend or require more stringent targets when increasing the targets would be inconsistent with RCW 19.405.060(1)(c)(i) - (iv). In particular, the Commission should not require more stringent targets if doing so would increase costs unreasonably or harm customers due to increases in the cost of electricity.

10. Resource specific targets in the CEIP for renewable energy resources, energy efficiency, and demand response should all be based on the company's IRP and assessments of conservation demand response potential. RCW 19.405.060(1)(c), however, provides the Commission with the flexibility to update the CEIP targets for these resources as needed when the IRP and conservation potential assessments are updated by a two-year progress report[7] and the biennial conservation plans are reviewed in the annual conservation plans.[8]

11. RCW 19.405.060(1)(c) could also allow the Commission to accelerate the resource specific targets. Public Counsel, however, is wary of increasing these targets outside of the existing IRP and conservation processes. Accelerating these targets beyond what has been found to be the attainable at the lowest reasonable cost (for renewable resources) or cost-effective (for conservation and demand response) could result in the utility obtaining resources at unreasonable costs, which would not be in the public interest.

[7] *See In the Matter of Amending, Adopting, and Repealing WAC 480-100-238, Relating to Integrated Resource Planning*, Docket UE-190698, Staff Discussion Draft Rules at 15, (WUTC Nov. 7, 2019) (regarding WAC 480-100-615).

[8] WAC 480-109-120(2).

4. RCW 19.405.060(1)(c) allows the Commission to periodically adjust or expedite timelines when considering a utility's CEIP or interim targets. A common Commission practice is to respond to a motion to adjust timelines from any party with standing in a proceeding at any time or after hearing a compliance item at an open meeting?

a. What criteria should the Commission take into account in making changes to timelines?

12. Any timeline adjustment should take into account the provisions of RCW 19.405.060(1)(c)(i) - (iv). The Commission should assess whether the requested adjustment would impact the safety or reliability of the electric system, result in resource purchases that do not meet the lowest reasonable cost standard, result in an inequitable distribution of benefits and burdens from the transition to clean energy, or unreasonably harm customers or customer classes with the resulting rate increases.

13. If a party seeks to extend a timeline, the Commission should assess whether the company has been making concrete strides towards meeting its targets and examine the necessity for the time extension. For instance, it may be reasonable to extend a timeline if a company is close to meeting its target but factors outside of the utility's control such as construction delays due to weather have impacted the utility's ability to meet the original deadline.

b. When should the Commission consider adjusting or expediting the timeline? How should the Commission interpret the term "periodically?"

14. The inclusion of the word "periodically" in RCW 19.405.060(1)(c) suggests that adjustments to targets and timelines should not occur on a constant basis. Public Counsel, however, does not have a specific time period in mind by which to limit adjustments to the CEIP targets. Public Counsel recommends that the Commission consider adjustments to targets in response to updates to a utility's IRP and conservation plans. Timeline adjustments outside of those scenarios should be considered on a case-by-case basis.

c. Who bears the burden of demonstrating that adjusting or expediting the timeline can or cannot be achieved in a manner consistent with RCW 19.405.060(1)(c)(i) - (iv)?

15. Public Counsel believes that the party requesting the modification of the timeline bears the burden of demonstrating that adjusting or expediting the timeline can or cannot be achieved in a manner consistent with RCW 19.405.060(1)(c)(i) - (iv).

5. What level of additional detail, if any, should the specific CEIP targets include beyond the statutory language?

a. For energy efficiency, the target required by the Energy Independence Act, RCW 19.285.040(1)(a), follows methods consistent with those of the Pacific Northwest Power and Conservation Council and only considers first year savings. Should the energy efficiency target in the CEIP be based on cumulative savings, savings projected over the lifetimes of measures implemented in a given program year, or capacity savings?

16. Public Counsel assumes that the energy efficiency target included in the CEIP would mirror the targets in the biennial plans, but is uncertain how expressing the target as cumulative savings, or savings projected over the lifetimes of measures might impact how companies meet the CETA goals. Public Counsel looks forward to reviewing other stakeholder's comments.

b. For demand response (DR):

i. How should the Commission develop a cost test to identify cost-effective demand response, as referenced in the Commission's draft rules under WAC 480-100-610(12)(e)[9] (*See* Integrated Resource Plan Rulemaking, Docket UE-190698, Staff Discussion Draft Rules (Nov. 7, 2019))?

17. Public Counsel believes that all companies should assess the cost-effectiveness of demand response programs in the same manner. Companies should use the same cost-effectiveness tests and categories of costs and benefits inputs to determine the cost effectiveness of their demand response programs and portfolios. Public Counsel therefore recommends

workshops and discussions with interested parties to develop a standard protocol[10] for assessing the cost-effectiveness of demand response programs and portfolios.

ii. Should demand response potential be considered only within a utility's service territory or encompass the utility's entire balancing authority?

18. Although reductions of energy use outside of a company's service territory can benefit Washington ratepayers through reduced global greenhouse gas emissions, Public Counsel recommends that, until stakeholders gain more experience with demand response programs, the demand response potential be considered only within a utility's Washington service territory. As discussed, above, Public Counsel first recommends the development of a standard cost-effectiveness protocol for demand response programs. Expanding the demand response potential assessment to a company's entire balancing authority may make it more complicated to determine the correct cost and benefit inputs to apply in a cost-effectiveness test at this time. Furthermore, Public Counsel believes that the explicit obligation to ensure the equitable distribution of the benefits of the clean energy transformation[11] increases the importance of accurately calculating the Washington-specific costs and benefits of any program undertaken to meet the requirements of CETA and ensuring the benefits accrue to Washington customers.

c. For renewable energy:

i. How should the utility calculate its target? Should it be a glide path to 2030, glide path to 2045, or both?

19. The CEIP targets for renewable energy should provide a glide path towards both 2030

[9] *See In the Matter of Amending, Adopting, and Repealing WAC 480-100-238, Relating to Integrated Resource Planning*, Docket UE-190698, Staff Discussion Draft Rules at 15, (WUTC Nov. 7, 2019) (regarding WAC 480-100-615).

[10] *See, e.g., Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State's Resource Planning Needs and Operational Requirements,* Rulemaking 13-09-011, Decision 15-11-042: Decision Addressing the Valuation of Load Modifying Demand Response and Demand Response Cost-Effectiveness Protocols, Appendix A, 2015 Demand Response Cost-Effectiveness Protocols (Cal. Pub. Util. Comm'n Nov. 19, 2015), available at http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M156/K155/156155835.pdf.

and 2045. Although the 2030 goal does not specifically require a set percentage of renewable energy, the fact that only 20 percent of the requirement to reach greenhouse gas neutrality can be met with alternative compliance mechanisms[12] implicitly sets a target for non-emitting or renewable resources over and above the renewable energy requirements included in the Energy Independence Act (EIA).

ii. How should the utility consider and account for the Energy Independence Act renewable targets, as referenced in RCW 19.285.040, and nonemitting resources, as referenced in RCW 19.405.040(1)(a)(ii), when calculating the utility's renewable target under CETA?

20. Renewable targets under the EIA should count towards the targets under CETA. The goals are expressed as set percentages of total load, and the current 15 percent goal of the EIA is a subset of the 80 percent goal for 2030.[13] Neither statute requires the percentage of renewable energy to be incremental to existing renewable energy supplies. If, however, utilities are currently meeting their EIA obligations with renewable energy credits (RECs), those RECs would similarly count towards the 20 percent cap for alternative compliance options.

6. Should the CEIP contain time ranges for the acquisition of capacity resources, or deadlines for acquisition?

21. Public Counsel does not have a recommendation for this issue at this time. Public Counsel looks forward to discussing this issue with stakeholders.

[11] RCW 19.405.040(8).
[12] RCW 19.405.040(1)(b).
[13] Although 19.405.040(1)(a)(ii) states that electric utilities must "use electricity from renewable resources and nonemitting electric generation in an amount equal to one hundred percent of the utility's retail electric loads over each multiyear compliance period," until the end of 2044, utilities can meet up to 20 percent of that obligation through alternative compliance mechanisms.

ATTORNEY GENERAL OF WASHINGTON
Public Counsel
800 5th Ave., Suite 2000
Seattle, WA 98104-3188
(206) 389-3040

C. Public Process

7. What guidance (content and form) should the Commission provide to ensure utilities employ robust, equitable, and inclusive public involvement in drafting CEIPs?

22. While public participation is currently required, statute and current IRP rules do not provide significant guidance in how utilities should conduct public engagements. Regarding public participation in IRP formation, WAC 480-109-120 states:

> Consultations with commission staff and public participation are essential to the development of an effective plan. The work plan must outline the timing and extent of public participation. In addition, the commission will hear comment on the plan at a public hearing scheduled after the utility submits its plan for commission review. [14]

In line with IRP requirements, Public Counsel recommends that utilities be required to submit a CEIP work plan that includes means for public participation. [15] The work plan should describe the public forums or ongoing opportunities for the public to engage in this process.

23. The rules should lay out specific groups that companies should engage with in CEIP formation, including but not limited to those representing the following:

- Commission Staff
- Public interest[16]
- Consumer and/or ratepayer advocates
- Environmental
- Environmental justice
- Low-income advocates
- Public health advocates
- Labor

[14] WAC 480-100-238(5).

[15] Depending on the outcome of the ongoing IRP rulemaking (Docket UE-190698), there may be significant overlap in IRP and CEIP formation. To the extent that these documents overlap, Public Counsel believes that the work plans can be combined as well.

[16] As outlined in RCW 19.405.130(2).

- Marginalized communities

24. In addition to conducting outreach, companies must strive to make engagement opportunities accessible to stakeholders. This means that utilities should hold meetings at various times and locations, in addition to providing translation and interpretation services. Furthermore, Public Counsel believes companies should provide opportunities to provide feedback in non-technical settings. The dense, complex nature of utility planning and regulation itself is a major barrier to meaningful public participation. In other words, the material provided and presented to stakeholders must be accessible and understandable. Public Counsel understands the necessity for public engagement with both highly technical and generally accessible content related to CETA implementation. The public should also have the ability to provide feedback in an ongoing fashion via multiple media, including but not limited to comments by mail, comments by email or online form, and comments by telephone.

25. Public Counsel looks forward to further discussion with other stakeholders on this issue.

8. Given the need for utilities to integrate their integrated resource plan (IRP), clean energy action plan (CEAP), and CEIP, what procedural outline should utilities' public involvement follow and what components (*e.g.*, advisory groups, workshops, comment periods, etc.) should be included? How should a CEIP public engagement and public involvement process emulate or differ from the proposed rules in the IRP rulemaking[17] (*See Integrated Resource Plan Rulemaking*, Docket UE-190698, Staff Discussion Draft Rules at 17 (Nov. 20, 2019)) or the conservation planning process in WAC 480-109-110 and WAC 480-109-120? Please describe in detail.

26. In general, Public Counsel refers Staff to our comments submitted in the IRP Rulemaking, Docket UE-190698, related to public involvement in the IRP process.[18] We

[17] *In the Matter of Amending, Adopting, and Repealing WAC 480-100-238, Relating to Integrated Resource Planning*, Docket UE-190698, Staff Discussion Draft Rules at 17, (WUTC Nov. 7, 2019) (regarding WAC 480-100-620).

[18] Initial Comments of Public Counsel, *In the Matter of Amending, Adopting, and Repealing WAC 480-100-238, Relating to Integrated Resource Planning* (Dec. 20, 2019) (Docket UE-190698).

incorporate those comments, filed on December 20, 2019, here by reference. To the extent practicable, public engagement in the IRP and CEIP process should be combined. Not only is this efficient from a resource standpoint, but seeking public input is an extractive process so efforts should be made to avoid having stakeholders provide the same or similar feedback in multiple venues.

27. Public Counsel recognizes IRPs and CEIPs are fundamentally different, though related, documents. Generally, IRPs are a highly technical document. As a result, the very nature of IRPs makes public interaction more difficult for those who are not well-versed in energy markets and/or utility regulation. On the other hand, there is opportunity for accessible, inclusive engagement in the CEIP process, particularly as it relates to equity, and access to CEIP stakeholder involvement should reflect this. This is not to suggest that current forms of public participation in the IRP process should be diminished or reduced. Indeed, transparency throughout both the CEIP and IRP processes is critical.

28. Furthermore, the Commission may consider some form of customer notice, similar to what is required in GRC proceedings.[19] Customer notices, in this respect, could inform customers about CETA, the importance and role of the CEIP process, and the means by which the general public is encouraged to participate. This would not only provide customers with knowledge of the clean energy transition, but would also open the doors to greater public participation. If the Commission requires a public notice by rule, Companies should also be required to consult with Public Counsel and Staff before mailing customer notices. This is the current process in General Rate Cases. This promotes transparency in vital customer

[19] WAC 480-100-197.

communications and ensures that customers are receiving accurate, unbiased information from their utility.

29. With respect to the Staff Discussion Draft Rules from Docket UE-190698, Public Counsel believes that many of the same concepts should be applied to the public involvement portion of the CEIP rules. The public engagement component should be expanded in the CEIP rules to allow broader participation than what might be needed for IRP public involvement. As indicated in the comments above, reaching out to key stakeholders and vulnerable populations will provide more durable solutions for providing equitable benefits to all customers.

30. In regard to the conservation planning process in WAC 480-109-110 and WAC 480-109-120, the conservation advisory groups provide a valuable function but may not be entirely applicable to the CEIP process. WAC 480-109-110 establishes the technical functions of a conservation advisory group. As indicated above, the technical nature of IRPs and the technical content of advisory group discussions can serve as a barrier for the general public to participate meaningfully. This is similarly true for conservation advisory groups and underscores the importance of transparency and public access to CEIP, IRP, and conservation planning processes.

9. Would a requirement for a utility to file a draft CEIP for public input be useful or problematic if the plan were to be litigated? Please explain why or why not.

31. Requiring a utility to file a draft CEIP for public input would not necessarily be problematic. Indeed, if a CEIP were to be litigated, that litigation would occur under conditions similar to other matters that are litigated under Commission rules. For example, Parties may reference a Company's IRP when prudency issues are raised. Public participation in the IRP formation process, or the GRC itself, does not harm the litigated proceeding.

32. We look forward to what other stakeholders have to say on this matter and will work to find a solution that preserves the principles discussed these comments.

D. Demonstration of Compliance with RCW 19.405.030, 040, and 050

10. The Commission uses a planning and reporting cycle for conservation under the Energy Independence Act described in WAC 480-109-120. Should Commission rules similarly describe the level and frequency of reporting for demonstrating compliance with RCW 19.405.030, 040, and 050?

33. Public Counsel believes that Commission rules should describe the frequency of reporting and any particular reporting requirements to demonstrate compliance with RCW 19.405.030, 040, and 050. The reporting requirements related to conservation plans and reports in WAC 480-109-120 provides a reasonable model for consideration. WAC 480-109-120 requires all conservation plans to include:

- A request for the Commission to approve the ten-year conservation potential and biennial proposed target;
- The extent of public participation in the development of the conservation target and ten-year conservation potential;
- The ten-year conservation potential, the biennial conservation target, biennial program details, biennial program budgets, and cost-effectiveness calculations;
- A description of the technologies, data collection, processes, procedures and assumptions the utility used to develop the figures in the budget;
- A description of and support for any changes from the assumptions or methodologies used in the utility's most recent conservation potential assessment; and
- An evaluation, measurement, and verification plan for the biennium that includes the framework and budget for evaluation, measurement, and verification and identifies programs that will be evaluated.

34. The rule also sets out the requirements that the annual and biennial conservation reports include:

- The biennial conservation target;
- Any planned and claimed electricity savings from conservation;

- Budgeted and actual expenditures made to acquire conservation;
- Cost-effectiveness of the actual electricity savings from conservation at the portfolio level;
- An independent third-party evaluation of portfolio-level biennial conservation savings achievement;
- A summary of how the utility is adaptively managing conservation programs throughout the previous two years; and
- Any other information needed to justify the conservation savings achievement.

35. The rule requires utilities to provide a summary of their biennial conservation report to their customers via bill insert or other method 90 days after the Commission's final action or acknowledgement of the report. WAC 480-109-120 establishes the dates for all plans and reports to be filed in even or odd numbered years. Detailed requirements within the rules will increase the likelihood all utilities will provide the depth and breadth of information necessary to allow stakeholders and the Commission verify compliance with CETA. Public Counsel looks forward to discussion with other stakeholders on this topic.

11. Regarding the frequency of filings:

a. Should utilities regularly file reports on their progress toward meeting compliance metrics?

b. Does or should the frequency of the filings depend on the existence of a rate plan?

36. Public Counsel believes that utilities should regularly file reports on their progress toward meeting compliance metrics. Reporting to ensure progress towards meeting compliance metrics is independent of the existence of a rate plan, which addresses cost recovery through rates and has its own process of review and adjudication. The frequency of filing should be considered in light of other filings that the utilities must make, such as conservation plans, IRPs, and CEAPs. Public Counsel looks forward to continued discussion on this topic.

12. How must a utility demonstrate to the Commission that the utility has eliminated coal-fired resources from its allocation of electricity beginning in 2026, as required in RCW 19.405.030?

37. Public Counsel supports reporting by the utilities to the Commission detailing the elimination of coal-fired resources. We believe that the Commission should require utilities to file a report prior to January 1, 2026 with supporting documentation from the relevant depreciation proceeding in which accelerated depreciation was authorized for the coal-fired resource. The report should demonstrate that accelerated depreciation has been completed and that the utility is not drawing electricity to serve Washington customers from the plant. Public Counsel looks forward to continued discussion from other stakeholders on this topic.

13. If the Commission has four years of investment information from a utility when approving its CEIP:

a. How often should the Commission require the utility to update the investment plans to reflect changing information?

b. May the updates be informational filings, or should they be formal filings subject to Commission approval?

38. Public Counsel believes that utilities should update their investment plans annually to reflect changing investment information. The statute requires that a CEIP must be submitted every four years[20] and states that a utility may be in compliance with RCW 19.405.040(1) and 19.405.050(1) if "the average annual incremental cost of meeting the standards or the interim targets established under subsection (1) of this section equals a two percent increase of the investor-owned utility's weather-adjusted sales revenue to customers . . . above the previous year."[21] In addition, RCW 19.405.040(11) allows certain utilities to utilize an "early action compliance credit" to "reduce costs for utility customers or avoid exceeding the cost impact limit in RCW 19.405.060(3)(a). . . ." The language of the statute, taken as a whole, suggests a

[20] RCW 19.405.060(1)(a).

ATTORNEY GENERAL OF WASHINGTON
Public Counsel
800 5th Ave., Suite 2000
Seattle, WA 98104-3188
(206) 389-3040

maximum limit to the amount a utility may invest in compliance measures.[22] Thus, it is important to understand on an annual basis a utility's investment information and whether they are approaching a possible limit. Public Counsel also believes that because the CEIP must be approved by the Commission, the investment updates should be formal filings subject to Commission approval. We look forward to future discussions with other stakeholders on this topic.

E. Deferral of Major Projects under RCW 80.28.410

14. RCW 80.28.410 allows utilities to defer costs incurred in connection with major projects in the CEAP or that are identified in bids for resource acquisition. How should the Commission interpret "major projects" in this context? What metric should the utility use to identify major projects? How should these projects be included in the CEIP?

39. The concept of identifying "major projects" for ratemaking treatment has been the subject of discussion in several proceedings before the Commission. Most recently, Staff Witness Aimee Higby addressed this issue in the 2019 Puget Sound Energy GRC (UE-190529 & UG-190530, Consolidated). Ms. Higby recommended using a "gross cost materiality threshold rather than the traditional 0.5 percent of net plant in service."[23] Using a materiality threshold can help determine what qualifies as a "major project" and would, thus, be eligible for deferral under RCW 80.28.410. Public Counsel supports examining a materiality threshold for CETA-related deferrals, but cautions against using a gross cost materiality threshold. Given variations in size of electric utilities in Washington, a gross cost threshold may not accurately capture the relative size of an investment for every utility.

[21] RCW 19.405.060(3)(a).

[22] Public Counsel discusses the issue of the two percent threshold further in response to Question 23, below.

40. Public Counsel looks forward to continued engagement with stakeholders on this issue.

15. RCW 80.28.410 provides for the deferral of both the capital and the variable costs for new resources. Through the power cost adjustment mechanisms (PCAM), utilities recover only the variable power costs of resources. How should costs for new resources be treated in the PCAM in light of the additional deferral allowed under RCW 80.28.410?

41. Generally speaking, power cost adjustment mechanisms (PCAMs) should function as intended, in which utilities recover the variable cost of power production. Public Counsel recognizes, however, that the magnitude and nature of variable power costs are likely to change as we transition to non-emitting electric generation sources. For example, solar panels do not require fuel, so the variable cost to produce one MWh of electricity is very low to nearly zero. This could result in power cost baselines being set too high, allowing utilities to over-collect between rate cases. That said, the types of costs included in PCAMs should not change.

a. Should the Commission require changes to the utilities' power cost adjustment mechanisms to match the cost of new resources with the benefits in compliance with the statute?

42. The Commission should explore means to reset the power cost baseline to timely reflect major changes in variable power costs. Public Counsel looks forward to continued discussions with stakeholders about this issue.

b. During the period of deferral allowed under Chapter RCW 80.28.410(1) for a new energy resource, should the Commission provide deferral within the power cost adjustment mechanism for the difference between the hourly marginal costs of power production (or purchases) used to set the authorized power cost in effect during the deferral and the variable costs of the new energy resource not deferred under RCW 80.28.410(2)? If not, please explain why not? If so, should this change be requested as part of the CEIP, or through a separate proceeding?

43. RCW 80.28.410(1) permits utilities to defer the cost of "major projects" to meet CETA

[23] Response Testimony of Aimee Higby, Exh. ANH-1Tr at 16:19-21, *WUTC vs. Puget Sound* Energy (Jan.

requirements, including investments in "delivering electric capacity, energy, capacity and energy, or conservation" for a period up to 36 months.[24] Among the costs that can be deferred, include "all operating and maintenance costs, depreciation, taxes [and] cost of capital associated with the applicable resource."[25] Public Counsel recognizes that some of the costs that are eligible for deferral under the statute can be considered variable and are, thus, subject to potential inclusion in a PCAM. If a variable cost is deferred, the Commission should not also permit those deferred variable costs to be included in a PCAM, since it would double-count those costs. Public Counsel does not have a specific proposal regarding how deferred costs should be rolled into an existing PCAM, but the final policy decision should present a solution that is not overly burdensome, fairly accounts for costs, and avoids double counting. Public Counsel looks forward to engaging further on this issue.

c. During the period of deferral allowed under Chapter RCW 80.28.410(1) for a capacity resource, should the Commission provide an adjustment to the deferral within the power cost adjustment mechanism for the lower power costs resulting from the addition of a lower heat rate generation unit to the utility's portfolio? If not, please explain why not? If so, should this change be requested as part of the CEIP, or through a separate proceeding?

44. No. Though a lower heat rate generation unit would provide power more efficiently than a higher heat rate generation unit, utilizing a lower heat rate generation unit is at odds with the statutory requirement to have 100 percent GHG-free generation by 2045. Such a unit would likely be a natural gas facility. A new generation unit would likely have a useful life beyond 2045, so it is in counterintuitive to allow regulatory treatment that would encourage creating new natural gas generation resources.

31, 2020) (Dockets UE-190529 & UG-190530, Consolidated).

[24] RCW 80.28.410(1)

[25] RCW 80.28.410(2)

16. RCW 19.405.090 provides that upon its own motion or at the request of the utility, and after a hearing, the Commission may issue an order relieving the utility of its administrative penalty obligation, if certain conditions are met. Does the Commission need to provide more guidance on the application of penalties and waivers of penalties in rule? If yes, please describe what additional guidance should the Commission provide?

45. RCW 19.405.090 is fairly comprehensive in addressing when penalties should be applied and when the waiver of a penalty may be appropriate. However, subsection (3)(a)(i) includes language which may benefit from further discussion or specificity in the administrative code, namely what is meant by "after taking all reasonable measures. . . ." The Commission may consider identifying the type of information that would demonstrate how a utility has taken all reasonable measures to comply with RCW 19.405.030(1) and 19.405.040(1) in the situation where the utility seeks a waiver of the administrative penalty because the utility argues that compliance would conflict with or compromise its reliability, violate prudent practice, or compromise power quality or system integrity. Public Counsel looks forward to future discussion with other stakeholders on this topic.

F. Equitable Distribution of Benefits

17. RCW 19.405.040(8) states:
In complying with this section, an electric utility must, consistent with the requirements of RCW 19.280.030 and 19.405.140, ensure that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency.

a. Please provide a list of costs and benefits (e.g., public health, pollution) that the Commission should consider when determining a utility's compliance with RCW 19.405.040(8).

46. Public Counsel provides the following list of potential non-energy categories of costs and benefits. The list is not meant to be definitive or exhaustive, but rather represents areas for discussion. Some non-energy benefits (costs) to consider include:

- Public health factors: asthma rates, other respiratory conditions, etc.
- Global and local pollution and particulate effects: CO2, mercury, nitrogen oxide (NOx), and Sulphur oxide (SOx).
- Energy waste considerations: coal ash, nuclear waste, etc.
- Toxic exposure: chemical spills, etc.
- Sea rise effects
- Ocean acidity
- Flood exposure and drought
- Wildfires
- Direct benefit from community projects (such as community solar)
- Benefit from conservation and weatherization projects
- Economic effects: job creation (or loss), construction effects, tax revenues, etc.
- Cyber and energy security
- System reliability and resiliency

47. Public Counsel looks forward to reading other stakeholder comments and continued discussion about non-energy benefits and how they can be measured. In the course of these discussions, stakeholders should also determine the how static these indicators are, and whether it is appropriate to add non-energy benefits to measure.

b. Please provide a list of which geographic areas, populations, customer demographics, or other factors the Commission should consider when determining a utility's compliance with RCW 19.405.040(8).

48. The subsequent list is not exhaustive, but rather an initial list of considerations. To comply with the requirement for equitable distribution of benefits and costs of the clean energy transition, Public Counsel recommends consideration of the following geographic areas, populations, customer demographics, etc.:

- Tribal nations
- Proximity to emitters

- Population by race
- Population by age
- Population by income level
- Impact on watersheds or other wetlands

49. The Washington Department of Health's Environmental Health Disparities Map[26] is a strong tool for analyzing along many of the characteristics described above.

18. In the Commission's IRP rulemaking in Docket UE-190698, many stakeholders commented that the Commission should determine compliance with RCW 19.405.040(8) as part of the CEIP process. If the Commission were to do so, what types of guidance on RCW 19.405.040(8) compliance should the Commission provide in its CEIP rules? If the Commission were to provide guidance on RCW 19.405.040(8) compliance in a form other than rules (e.g., an interpretive and policy statement), what type of guidance should the Commission provide? Please be as specific as possible in your responses.

50. At this time, Public Counsel believes it is most appropriate for the Commission to develop a policy statement regarding RCW 19.408.040(8),[27] the requirement for the "equitable distribution of benefits" to "vulnerable populations and highly impacted communities." As stated in our December 20 comments in Docket UE-190698:

> Public Counsel believes this topic deserves a longer more in-depth discussion before draft rules are proposed. However, we recommend any information or guidance on equitable distribution of benefits should be given through a policy statement. We believe the components of the assessment may be fluid and amendable; thus, we believe a policy statement would offer the needed flexibility for addressing any changes.[28]

[26] Washington State Department of Health, *Washington Environmental Health Disparities Map*, available at https://www.doh.wa.gov/DataandStatisticalReports/WashingtonTrackingNetworkWTN/InformationbyLocation/WashingtonEnvironmentalHealthDisparitiesMap (Last visited Feb. 28, 2020)

[27] RCW 19.408.040(8).

[28] Initial Comments of Public Counsel at 10, ¶ 14, *In the Matter of Amending, Adopting, and Repealing WAC 480-100-238, Relating to Integrated Resource Planning* (Dec. 20, 2019) (Docket UE-190698).

51. Public Counsel maintains this position with respect to the CEIP formation. As this policy statement is developed, it will be important to engage directly with the most impacted communities to develop effective and durable policy.

19. Should a utility's demonstration of compliance with the requirements in RCW 19.405.040(8) include qualitative data, quantitative data, or both? Please explain your response. If you recommend qualitative data, which of the following approaches for approximating hard-to-quantify impacts are most appropriate: (a) service territory-specific studies; (b) studies from other service territories; (c) proxies; (d) alternative thresholds; or (e) or another approach? Does your response depend on a particular factual scenario? If so, please describe the scenario and explain why the approach you recommend is best suited for that scenario.

52. Utilities should provide both quantitative and qualitative data to demonstrate compliance (or non-compliance) with CETA's equitable distribution of benefits requirement. Quantitative data is certainly useful, but does not always tell the full story and could cause stakeholders to misread outcomes. Qualitative data can fill in some of the gaps that numbers alone cannot explain. Given that utilities must demonstrate that all of their customers are benefiting from the transition, service territory specific studies may be helpful. At the same time, however, comparing outcomes in different service territories could be instructive. Comparisons between non-Washington service territories (or a proxy representing utilities not subject to a 100 percent clean energy standard) could help demonstrate CETA's relative impacts.

20. Please provide any existing data sources or methodologies of which you are aware for quantifying non-energy costs and benefits, and other equity-related impacts.

53. Public Counsel refers to previous comments in Docket UE-190698, which are provided for convenience:

> In order to fully understand the data and information utilities will need to demonstrate that the benefits of the energy transition are distributed equitably, understanding the terms "vulnerable populations" and "highly impacted

communities" is essential. WAC 480-100-600 defines "vulnerable populations" with the following characteristics:

> (a) Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and
> (b) Sensitivity factors, such as low birth weight and higher rates of hospitalization.

On the other hand, the definition of "highly impacted communities" is not yet fully determined, given that the Department of Health will be completing the mandated cumulative impact analysis by December 31, 2020.[29]

This will require the utilities to use available data from the U.S. Census Bureau and, in particular, the Washington Department of Health's Environmental Disparities. Utilities will be able to leverage this publicly available data to direct investments in particulate reductions and grid enhancements, for example, to segments of their service territory that are considered vulnerable or highly impacted. Describing what investments will be and have been made, in conjunction with this geographic information system (GIS) data, can and should be included in IRPs.

Given that the concepts of "highly impacted communities" and "vulnerable populations" are evolving, Public Counsel offers these comments as preliminary in nature and looks forward to continuing conversation with stakeholders to collaboratively develop the criteria for the information utilities will need to provide in their IRPs to demonstrate efforts to equitably distribute energy and non-energy benefits. Furthermore, as we have mentioned in other proceedings before the Commission, we believe that this is a critical topic that requires further discussion and data before draft rules are proposed.[30]

54. Importantly, the non-energy benefits and costs that will be used to assess compliance with the statute must be identified before complete identification of data sources can occur.

[29] RCW 19.405.140.

[30] Initial Comments of Public Counsel at 8-9, ¶¶ 10-13, *In the Matter of Amending, Adopting, and Repealing WAC 480-100-238, Relating to Integrated Resource Planning* (Dec. 20, 2019) (Docket UE-190698).

21. How should the Commission interpret RCW 19.405.060(1)(c)(iii)? How are the requirements in that statute different than the requirements in RCW 19.405.040(8)?

55. The requirement established in RCW 19.405.060(1) conveys criteria on which the Commission will assess CEIPs for approval, rejection, or approval with conditions. RCW 19.405.060(1)(c) states that the Commission can adjust targets and timelines in the CEIP in order to ensure "that all customers are benefiting from the transition to clean energy" through the "equitable distribution of energy and non-energy benefits and the reduction of burdens to vulnerable populations and highly impacted communities."[31] Not only do the companies have the burden to demonstrate how they will spread benefits of the clean energy transition equitably, but the Commission also has the authority to modify CEIP targets to ensure that benefits are shared equitably. Notably, RCW 19.405.060(1)(c)(iii) points to "reduction of burdens" in addition to actively conferring benefits to customers. This suggests that utilities can engage in harm mitigation, which would factor into any benefit-cost analysis conducted to determine compliance with the equitable benefits mandate.

56. Comparing RCW 19.405.060(1)(c)(iii) to RCW 19.405.040(8), the difference is that the latter is a general statement of requirement in meeting resource acquisition targets for 2030 and 2045. The former statutory reference, RCW 19.405.060(1)(c)(iii), indicates how utilities will demonstrate the steps they will take to comply with the equitable benefits mandate.

57. Generally speaking, Public Counsel believes it is critical to develop a common definition of "equity" and "equitable distribution of benefits" in this rulemaking or other concurrent rulemakings. This will help define the problem and provide clarity in how utilities will meet the

[31] RCW 19.405.060(1)(c)(iii)

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Public Counsel
800 5th Ave., Suite 2000
Seattle, WA 98104-3188
(206) 389-3040

mandate. The statute specifically calls for "equitable distribution" rather than "equal distribution," which is a distinction that will directly impact how utilities will act.

G. Incremental Cost of Compliance

22. RCW 19.405.060(3) requires an electric investor-owned utility to use its weather-adjusted sales revenue to customers as reported in its most recent Commission basis report (CBR) as part of its incremental cost calculation. Each investor-owned utility is different in how it reports its weather-adjusted sales revenues and adjusts its sales for "weather."

a. Should the Commission standardize its CBR rules to be able to effectively implement the incremental cost calculation requirements in RCW 19.405.060(3)? If so, please describe how the Commission should revise those rules.

b. Can the Commission allow each utility to use a different weather normalization method and still create a consistent methodology for calculating incremental cost?

58. Public Counsel recommends that the Commission standardize its CBR rules and weather normalization methods to ensure that all utilities are meeting its obligations under CETA in the same manner. At this time, however, Public Counsel does not have a proposal regarding how the Commission should revise the rules. The differences among the utilities' CBRs and weather normalization methodologies should be explored to understand how the rules should be designed. Public Counsel looks forward to stakeholder comments and additional discussion on these issues.

23. RCW 19.405.060(3)(a) states that an electric investor-owned utility complies with its Clean Energy Implementation Plan if, over a four-year compliance period, the utility's average incremental cost to comply with RCW 19.405.040 and 19.405.050 increases by two percent over the utility's weather-adjusted sales revenue.

a. If a utility relies on the incremental cost compliance option as detailed in RCW 19.405.060(3)(a), when should the Commission determine whether the utility has achieved the incremental cost threshold for compliance? For example, should the Commission determine the utility's compliance based on a forecast, at the time the utility files its Clean Energy Implementation Plan, based on actual data at the conclusion of the four-year period or through interim reporting, or a combination of these options?

59. RCW 19.405.060(3)(a) states that a utility,

> must be considered to be in compliance with the standards under RCW 19.405.040(1) and 19.405.050(1) if, over the four-year compliance period, the average annual incremental cost of meeting the standards . . . equals a two percent increase of the investor-owned utility's weather-adjusted sales revenue to customers for electric operations above the previous year. . . .[32]

Taken as a whole, however, the CETA statute is unclear whether this two percent threshold is intended as 1) a maximum limit on the amount a utility can spend in a compliance period, 2) a maximum limit on the amount customers may be charged for CETA compliance, or 3) simply an option a utility may choose to show compliance with its CETA obligations that does not impact total spending or cost recovery within a compliance period.

60. The phrasing "must be considered to be in compliance" indicates that a utility will be deemed in compliance with its CETA obligations for the four-year compliance period if the cost of meeting the standards hits the two percent threshold. The language in this subsection, however, does not specify what must occur when a utility hits this compliance threshold. RCW 19.405.040(11) describes the two percent threshold as a "cost impact limit." This indicates that the threshold could be considered a cap on the amount a utility can charge customers in a given

compliance period. The phrase "cost impact limit" could also be interpreted to mean the threshold is a cap on the amount a utility can spend in a given compliance period. If the threshold is considered either type of cap, it is also unclear whether hitting this expenditure threshold automatically triggers a halt to all utility CETA activities or whether costs continue to be accrued and tracked but remain in a deferral account until the next compliance period. Finally, if RCW 19.405.060(3)(a) is simply treated as an optional pathway to compliance, it is unclear if there are any limits to the amount a utility can spend or charge to ratepayers within a given compliance period. Public Counsel notes that unlimited spending and rate increases would be contrary to the legislature's intent that, in implementing CETA, the state "provide safeguards to ensure that the achievement of this policy does not. . . impose unreasonable costs on utility customers."[33]

61. The wording of question 22a indicates that Staff interprets RCW 19.405.060(3)(a) to be an optional pathway to achieving compliance with CETA obligations in a compliance period but does not indicate whether it should be treated as a maximum cap on either expenditures or amounts charged to ratepayers. There are a number of possible scenarios under which to respond to this question, depending on how one interprets the statute.

62. If the Commission interprets RCW 19.405.060(3)(a) to be a compliance option with a maximum cost limit that does not halt compliance activities, the CEIP should include a forecast target of expenditures the utility intends to make over the four-year period. The Commission should require annual interim reporting to ensure the utility is making investments to meet its CETA obligations and to determine whether a utility has reached the cost threshold. These reports should describe the actions the utility undertook to comply with the CETA requirements

[32] RCW 19.405.060(3)(a) (emphasis added).
[33] RCW 19.405.010(2).

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Public Counsel
800 5th Ave., Suite 2000
Seattle, WA 98104-3188
(206) 389-3040

and an itemization of the costs directly attributable to these actions. These reports should also track the amount ratepayers have been charged for CETA compliance activities over the compliance period. If the threshold is considered a maximum cap on the amount charged to ratepayers in a compliance period, than costs in excess of this threshold would need to be tracked in a separate account.

b. If the Commission allows a utility to forecast its reliance on the incremental cost of compliance option, and the utility's actual incremental costs increase more or less than two percent averaged over the four-year period, would a true-up mechanism be allowed and necessary to reconcile the differences between the actual and the forecasted incremental cost?

63. Question 22b appears to assume that 1) the two percent threshold is a compliance option but not necessarily a maximum cost limit, 2) the cost forecast is intended to act as a pre-approval of expenditures that are charged to ratepayers during the compliance period, and 3) that there are no caps on the amount that ratepayers can be charged during that period. Public Counsel does not support pre-approval of expenditures, but to the extent that actual costs are different from forecast costs, utilities should only be allowed to recover actual costs that are deemed prudent. Utilities should be required to submit detailed annual reports on expenditures to track actual costs compared to forecast costs.

64. If the two percent threshold is treated as a maximum cost or rate impact limit in a given compliance period, it is unclear what to do with the actual, trued-up expenditures once that threshold is met. Public Counsel looks forward to discussing the issue more in this docket.

24. When using the incremental cost compliance option, RCW 19.405.060(3)(a) requires all of a utility's costs to be directly attributable to the actions necessary to comply with RCW 19.405.040 and RCW 19.405.050. How should the Commission require a utility to demonstrate that such actions were "directly attributed and necessary" for the utility to take only to comply with CETA?

65. To ensure that cost impacts are directly attributable to actions necessary to comply with the requirements of RCW 19.405.040 and 19.405.050, the Commission should require the utilities to keep detailed records of all actions taken and all costs of such actions. The utility should appropriately and explicitly allocate costs for shared resources that may be used to meet CETA requirements. This would be particularly relevant for resources such as employee time or the use of facilities. One example would be accounting for an employee's time required to negotiate an alternative compliance mechanism that is distinct from that employee's other responsibilities. The Commission should identify the appropriate FERC account that such costs should be recorded in, and the costs should be explicitly labeled as costs to meet CETA requirements. Ideally, these costs would be tracked separately from other utility costs.

25. RCW 19.405.060(3)(b) states that if a utility relies on subsection (a) (incremental cost as a basis of compliance), the utility must demonstrate that it has "maximized investments in renewable resources and nonemitting electric generation prior to using alternative compliance options." In what type of proceeding should the Commission require a utility to demonstrate that it has maximized investments in renewable resources and nonemitting electric generation? What documentation should the Commission require the utility to provide?

66. Public Counsel recommends that such a demonstration be made within the context of an adjudication, where parties have the ability to ask discovery and conduct evidentiary hearings.

H. Cost information within the CEIP

26. How should the utility address investment planning and cost recovery in its CEIP?

67. CETA requires that utilities must set specific targets for energy efficiency, demand response, and renewable energy in their CEIP to achieve greenhouse gas neutrality. To establish compliance with the law through their plan, RCW 19.405.060(3) allows utilities to demonstrate that incremental cost of meeting the targets in their CEIP equals a two percent increase of the utility's weather adjusted sales revenue above the previous year's sales revenue. The statute requires those costs to be directly attributable to the actions that the utility took to comply with the targets in the CEIP. In addition, the utility must show it has maximized investments in renewable resources and non-emitting generation before being able to use an alternative compliance mechanism spelled out in RCW 19.405.040(1)(b).

68. Because the CEIP statute addresses how a utility may demonstrate compliance through investments, Public Counsel believes that utilities should discuss these components in the CEIP in detail. However, we do not believe that the CEIPs should address cost recovery. Cost recovery for actions that a utility takes to meet the CETA targets must be reviewed for prudency in a general rate case. The Commission's approval of a CEIP should not constitute approval for, or authorization of, cost recovery of the investments within the plan. Furthermore, we do not believe that including forecasts of investments in a CEIP constitutes pre-approval of such investments, should a utility use the incremental cost option to meet their requirements under CETA.

27. How could a utility's CEIP be used to set rates prospectively? Would using a CEIP to set rates prospectively be in the public interest? Please explain your answer.

69. As stated above, Public Counsel does not believe that the approval of a CEIP constitutes pre-approval of investments or costs contained in the CEIP, but rather that those investments and expenses should be evaluated in the general rate case. The CEIP statute requires that the Commission approve, reject, or approve with conditions the CEIP and its interim targets. In evaluating the proposed targets, the Commission may consider factors including (1) how the utility may meet the standards at the lowest reasonable cost, (2) if all customers are benefitting from the move to clean energy, and (3) if any customer or class of customers is unreasonably harmed by cost increases. In light of the Commission's authority to approve a CEIP, Public Counsel believes that a utility's CEIP is one component that the Commission may consider in setting rates in a general rate case.

28. Which elements of a CEIP should a utility recover through general rate cases? Which elements of a CEIP are appropriate for a cost recovery mechanism?

70. Public Counsel believes that in general for the CEIPs, costs should be addressed through a general rate case. If the CEIPs propose new programs similar in form to programs recovered through a conservation tariff rider, it may be appropriate for the new programs to recover costs similarly so long as they are reviewed for prudency before recovery. We look forward to the comments of other stakeholders and continued discussion on this topic.

29. Should the Commission require a utility to provide in its CEIP (a) information on program budgets related to incremental programs for compliance with CETA; (b) descriptions of, and details about, capital budgeting for all investment; or (c) both?

71. Public Counsel believes that the Commission should require the utilities to provide both information on program budgets for compliance with CETA and information about capital budgeting and investment in the CEIPs. The CEIPs are to include targets for energy efficiency, demand response, and renewable energy and identify specific actions they will take to meet their goals. The statute requires specificity and Public Counsel supports the inclusion of information on program budgets as well as capital budgets in the CEIP.

III. CONCLUSION

72. Public Counsel appreciates the opportunity to provide comments on these Notice questions. We look forward to reviewing other parties' comments and participating in further discussions on these topics. If there are any questions regarding these comments, please contact Nina Suetake at nina.suetake@atg.wa.gov, Corey Dahl at corey.dahl@atg.wa.gov, or Stephanie Chase at stephanie.chase@atg.wa.gov.

Dated this 28th day of February, 2020.

ROBERT W. FERGUSON
Attorney General

/s/ Nina Suetake

NINA SUETAKE, WSBA No. 53574
Assistant Attorney General
Public Counsel Unit
Email: Nina.Suetake@ATG.WA.GOV
Phone: (206) 389-2055