

The following is the Commission’s plan to implement the various requirements specified in Engrossed Second Substitute Senate Bill 5116 (clean energy), Engrossed House Bill 1126 (distributed energy) and Engrossed Third Substitute House Bill 1257 (energy efficiency), all of which were adopted during the 2019 legislative session. These three statutes require that the Commission develop rules or policy statements by specified deadlines, which, for most rules or processes, end on either January 1, 2021, or July 1, 2022. To meet these timelines, the Commission has organized its multi-year efforts into three phases:

- 1) Phase 0 initiates the overall effort and will proceed from July 1, 2019, to August 30, 2019;
- 2) Phase I covers the period beginning August 2019 and ending January 1, 2021. Phase I includes only those efforts required to be completed by January 1, 2021;
- 3) Phase II begins January 1, 2021, and focuses on those efforts that must be completed on or before June 30, 2022.

Below is a description, by phase, of the Commission’s plan to initiate rulemakings and policy inquiries over the next three years. At the end of this document is a list of projects that are being delayed by the required rulemaking work. The Commission seeks feedback from stakeholders on this group of projects and on whether any of these must be completed before June 30, 2022.

Phase 0: July 1, 2019 – August 30, 2019.

1. Open Docket U-190485 to issue a Notice of Workshop for stakeholder feedback on proposed process timelines and scope of issues. This docket will only be used for considering stakeholder feedback on process and for gathering an initial interested parties list.
2. Open Docket U-190531, Inquiry into Valuation of Public Service Company Property Used and Useful after Rate Effective Date, to issue a Notice of Opportunity to File Written Comments.
3. After the Commission has considered the public’s feedback, the Commission will publish the final timeline in Docket U-190485 and on an external agency website.
4. Close the existing Integrated Resource Plan (IRP) Rulemaking (Docket U-161024) and incorporate remaining components into Phase I and II rulemakings.¹
5. Close Docket U-190485.

¹ The remaining items include IRP Procedural rules, Acquisition (Requests for Proposals), and Distribution System Planning.

Phase I: August 2019 - January 1, 2021.

Phase I only includes the elements that must be completed by January 1, 2021, as required by Section 10 of SB 5116.

1. Publish the social cost of carbon with inflation rate on the Commission’s website. This will provide utilities immediate guidance on a significant input in IRPs and conservation plans.
2. Issue a Policy Statement in Docket U-190531, on the process for valuing public service company property that becomes used and useful after the rate effective date.
3. Initiate four rulemakings and one policy statement on the following projects, all in separate, new dockets:

Project	Scope
Electric IRP Updates Rulemaking	E2SSB 5116 and EHB 1126: Amending WAC 480-100-238, Electric Integrated Resource Plans (IRP) <ol style="list-style-type: none"> a. Update inputs to IRPs (e.g., hydro eligibility and tracking;² resource adequacy; distributed energy resources principles from EHB 1126; and demand response). b. Update structure of IRPs. c. Update public involvement process. d. Updated outputs of IRP Clean Energy Action Plans. (§ 14(2)) e. Incorporate the social cost of carbon into IRPs. (§ 14(3)(a)) f. Refine the development of avoided costs to reflect E2SSB 5116 and social cost of carbon. g. Develop resource value test based on review of E2SSB 5116 and social cost of carbon. h. Discuss equitable distribution of benefits, if needed. (§ 4(8)) i. Discuss assessment informed by cumulative impact analysis, if needed. (§ 14(1)(k))
Used and Useful Standard Policy Statement	E2SSB 5116: Policy statement Establish process to identify, review, and approve property that becomes used and useful after rate-effective period. (§ 20(3))
Energy Independence Act (EIA) Rulemaking	E2SSB 5116: Amending WAC 480-109, Energy Independence Act (EIA) rules <ol style="list-style-type: none"> a. Streamline E2SSB 5116 with EIA rules. (§ 10³) b. Discuss equitable distribution of benefits, if needed. (§ 4(8)) c. Discuss low-income definition, if needed. (§ 2(25)) d. Discuss energy assistance need definition, if needed. (§ 2(16)) e. Incorporate low-income energy efficiency target. (§ 12(3)(a)(iv))

² Laws of 2019, ch. 288 §§ 28-29.

³ Section references in this table are to Laws of 2019, ch. 288 unless otherwise noted.

Project	Scope
	f. Incorporate updates to hydro eligibility and tracking. (§§ 28 and 29)
Clean Energy Implementation Plans (CEIP) Rulemaking	E2SSB 5116: New Chapter, Clean Energy Implementation Plans (CEIPs) <ul style="list-style-type: none"> a. Provide guidelines for Clean Energy Implementation Plans. (§ 6) b. Discuss equitable distribution of benefits. (§ 4(8)) c. Develop incremental cost methodology. (§ 6)
Acquisition Rulemaking	E2SSB 5116: Amending WAC 480-107, Resource Acquisition (Requests for Proposals, or RFP) <ul style="list-style-type: none"> a. Incorporate existing work on RFPs in Docket U-161024. b. Ensure that the E2SSB 5116 standard is met in construction and acquisition of property and the provision of electric service. (§ 5) c. Incorporate resource adequacy consideration.

Phase II: January 2021 – June 30, 2022.

Phase II includes rulemakings required by E2SSB 5116 with deadlines after January 1, 2021, and the rulemakings associated with implementing E3SHB 1257, which has an implementation date of 2022.

1. Initiate four rulemakings on the following projects, all in new, separate dockets:

Project	Scope	Timeline
Cumulative Impact Analysis Rulemaking ⁴	E2SSB 5116: Amending WAC 480-100-238, Electric IRP rule <ul style="list-style-type: none"> a. Amend IRP rules to incorporate the Cumulative Impact Analysis. (§ 14(11)) 	Must be completed by December 31, 2021.
Carbon and Electricity Markets Rulemaking ⁵	E2SSB 5116: New Chapter, Carbon and Electricity Markets <ul style="list-style-type: none"> a. Define requirements for load met with market purchases. (§ 13) 	Must be completed by June 30, 2022.
Natural Gas Conservation Rulemaking	E3SHB 1257: New Chapter <ul style="list-style-type: none"> a. Adopt natural gas energy efficiency rules. (§ 11) 	Initial targets must take effect by 2022.

⁴ This rulemaking will rely on a cumulative impact analysis developed by the Department of Health. The deadline for the cumulative impact analysis is December 31, 2020 (SB 5116, § 24). We assume here that the rulemaking will commence after January 1, 2021.

⁵ This project will begin with a stakeholder work group in 2020, in cooperation with the Department of Commerce. Commerce will be conducting a concurrent rulemaking on the same topic. We assume the rulemaking will begin after January 1, 2021.

Project	Scope	Timeline
Natural Gas IRP Rulemaking	E3SHB 1257: Amending WAC 480-90-238, Natural Gas IRP rule <ul style="list-style-type: none"> a. Adopt social cost of carbon for conservation. (§ 15) 	Energy efficiency targets incorporating the social cost of carbon must take effect by 2022.

Projects without statutory deadlines

This group consists of important projects that would support the implementation of the various energy legislation or other Commission policy, but that are not expressly required by 2019 legislation. At current staffing levels, and at current and projected workload requirements, it is not likely that the Commission will have the resources to commit to these projects in the near future.

Project	Scope
Interconnection Standard Rulemaking	Amending WAC 480-108, Interconnection <ul style="list-style-type: none"> a. Incorporate IEEE 1547. b. Revisit interconnection rules to examine role of smart inverters, soft costs, and Tier 1 applications.
Capital Budgeting Rulemaking	Amending WAC 480-100-257, Commission Basis Reports <ul style="list-style-type: none"> a. Amend rule on Commission Basis Reports to: <ul style="list-style-type: none"> • Provide information necessary for the development of the incremental cost methodology. (Supports E2SSB 5116, § 6(3)) • Support the review of capital spending. (Supports E2SSB 5116, § 20(3))
Distribution System Planning Rulemaking	New Chapter <ul style="list-style-type: none"> a. Incorporate existing distribution system planning work from Docket U-161024 to address EHB 1126 in a new chapter. b. Address distributed energy resources guidance.
Reliability and Resiliency Rulemaking	Amending WAC 480-100-388 through 398, Reliability <ul style="list-style-type: none"> a. Incorporate existing work in the reliability inquiry docket UE-190027 to include resiliency. (Supports E2SSB 5116, § 4(8)) b. Create resiliency assessment process.
Demand Response Policy Statement	Policy statement <ul style="list-style-type: none"> a. Provide guidance on demand response cost benefit analysis. (Supports EHB 1126 and E2SSB 5116) b. Provide guidance on pricing. (Supports EHB 1126) c. Provide guidance on target setting. (Supports E2SSB 5116, § 14(2))

Project	Scope
Pricing Signals Policy Statement	Policy statement Explore improvements to pricing structures, including: <ul style="list-style-type: none"> a. Temporal and locational pricing signals. (Supports EHB 1126) b. Customer communications. c. Update UE-060649, the most recent policy statement on pricing.
Pilot Projects Policy Statement	Policy statement Develop policy statement to clarify information that the Commission uses to review utility pilot programs in general rate cases and CEIPs. (Supports EHB 1126, § 1(3))
Rate Making Adequacy Inquiry	Docket U-180907 Continue the inquiry into the adequacy of the current regulatory framework, incorporating legislative direction on ratemaking alternatives. (Supports E2SSB 5116, § 20)

Other Commission Proceedings

Below, for context, are other major ongoing and projected proceedings before the Commission that will require concurrent Commission action with the work outlined above. Note that Commission action is subject to a statutory deadline in general rate cases; other projected end-dates are estimates.⁶ These proceedings are in addition to other Commission actions in the transportation and water sectors.

Proceeding, Docket No.	Timeline
Avista Corp. General Rate Case (GRC) Dockets UE-190334, UG-190335, and UE-190222	Now – March 2020
Cascade Natural Gas Corp. GRC Docket UG-190210	Now – February 2020
Northwest Natural Gas Co. GRC Docket UG-180153	Now – November 2020
Puget Sound Energy GRC Dockets UE-190529 and UG-190530	Now – May 2020

⁶ See RCW 80.04.130(1) (allowing the Commission to suspend a rate for a period not exceeding ten months from the time that the rate would otherwise go into effect).

Avista Corp., Remand from Superior Court Dockets UE-150204 and UG-150205	Hearing October 30, 2019
Avista Electric Integrated Resource Plan (IRP)	Now – February 2020
Avista Gas IRP	February 2020 – January 2021
Cascade Natural Gas Corp. IRP	January 2020 – December 2021
Northwest Natural Gas Co. IRP	January 2020 – December 2021
Pacific Power IRP	Now – December 2019
Puget Sound Energy IRP	Now – January 2020
Advanced Metering Infrastructure Rulemaking Docket U-180525	Now – December 2020
Cost of Service Rulemaking Dockets UE-170002 and UG-170003	Now – December 2020
Lurito-Gallagher Rulemaking Docket TG-131255	Now – December 2020
Broadband Rulemaking to Implement SB 5511 Docket UT-190473	Now – July 2020
Rulemaking to Consider Possible Changes to Rules in Chapter 48-120 WAC, Relating to Service Obligations of Telephone Companies Docket UT-180831	Now – July 2020
Broadband grant application technical review	July 2021 – July 2022
Frontier Acquisition Docket TBD	Pending
Dig law budget proviso	Pending
Sustainability recycling advisory committee	Pending
Recycling development center	Pending
Crude oil volatility – High risk inspections	Pending
Autonomous vehicle task force	Pending
Qwest Corp., PS/ALI Service Proceeding Dockets UT-190262 et al.	Now – December 2019
CenturyLink Formal Complaint Related to July 2017 911 Service Docket UT-190209	Hearing September 24, 2019