

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFIC POWER and LIGHT
COMPANY'S

Final 2013 Renewable Compliance
Report under RCW 19.285.070 and
WAC 480-109-210

DOCKET UE-131063

ORDER 02

ORDER ACKNOWLEDGING
COMPLIANCE WITH 2013
RENEWABLE ENERGY TARGET

BACKGROUND

A. The Energy Independence Act

- 1* Washington voters approved Initiative 937, the Energy Independence Act (EIA), in the 2006 general election. Now codified at RCW 19.285, the EIA includes a renewable portfolio standard (RPS), which requires electric utilities with 25,000 or more customers to obtain certain percentages of their electricity from new renewable resources, beginning in 2012. RCW 19.285.060(6) authorizes the Washington Utilities and Transportation Commission (Commission) to enforce the EIA with respect to investor-owned utilities.¹
- 2* On March 13, 2015, the Commission adopted new rules for EIA enforcement.² The new rules were adopted after an extensive public process involving Commission Staff (Staff), utility representatives, and other stakeholders. The new rule, WAC 480-109, imposes additional RPS reporting requirements on investor-owned utilities. All references to WAC 480-109 in this order refer to the rule as adopted on March 13, 2015.
- 3* RCW 19.285.030(20) authorized the Washington State Department of Commerce (Commerce) to select a tracking body to verify the certificates representing eligible generation that utilities use for compliance with the EIA. Commerce selected the Western Renewable Energy Generation Information System (WREGIS) to perform this function.

¹ RCW 19.285.030(11) defines “investor-owned utility” by reference to RCW 19.29A.010. RCW 19.29A.010(19) provides: “‘Investor-owned utility’ means a company owned by investors that meets the definition of RCW 80.040.010 and is engaged in distributing electricity to more than one retail customer in the state.”

² Docket UE-131723, General Order R-578 (March 13, 2015).

WAC 480-109-200(3) requires that all eligible renewable generation used by investor-owned utilities for EIA compliance be registered and retired in WREGIS.

B. Company Filings

4 On May 31, 2013, Pacific Power & Light Company (Pacific Power or Company) initiated this docket by filing with the Commission a Renewable Report under RCW 19.285.070 and WAC 480-109-210 (RPS Report). Based on its average annual load for 2011 and 2012, Pacific Power reported that its 2013 renewable energy target was 120,716 megawatt-hours (MWh). In Order 01 in this docket, dated Sept. 9, 2013, the Commission accepted Pacific Power’s calculation of its 2013 target.

5 WAC 480-109-210(6) requires utilities to submit a final RPS compliance report within two years of the initial report, in which the utility documents the certificates that it retired in WREGIS to comply with its target and request a compliance determination from the Commission. Pacific Power filed its final RPS report on June 1, 2015, which identifies the following 120,717 MWh that the Company generated or acquired for 2013 RPS compliance:

Facility Name (Location)	Resource Type	Vintage	Amount (MWh)	Facility On-Line Date	Ownership/ Contract
Goodnoe Hills (Goldendale, WA)	Wind	2012	17,609	05/31/2008	Company- owned
Leaning Juniper (Arlington, OR)	Wind	2012	15,200	09/14/2006	Company- owned
Marengo I (Dayton, WA)	Wind	2012	28,558	08/01/2007	Company- owned
Marengo II (Dayton, WA)	Wind	2012	14,136	06/28/2008	Company- owned
Tuana Springs (Twin Falls Cnty, ID)	Wind	2012/2013	43,002	05/14/2010	Unbundled REC purchase
Prospect 2 (Rogue River, OR)	Water (Incremental Hydro)	2013	293	Upgrade 1999	Company- owned
Lemolo 1 (N. Umpqua R., OR)	Water (Incremental Hydro)	2013	997	Upgrade 2003	Company- owned

Lemolo 2 (N. Umpqua R., OR)	Water (Incremental Hydro)	2013	102	Upgrade 2009	Company- owned
J.C. Boyle (Klamath R., OR)	Water (Incremental Hydro)	2013	189	Upgrade 2005	Company- owned
Subtotal, WREGIS resources:					120,086
Wanapum Fish Bypass (Columbia R., WA)	Water (Incremental Hydro)	2013	631	Upgrade 2008	Contract w/ Grant Cnty PUD
Subtotal, non-WREGIS resources:					631
Total MWh + RECs Acquired:					120,717
2013 Target (MWh):					120,716

C. Use of Hydropower

- 6 WAC 480-109-200(7) lists three methods from which a utility may choose to calculate the portion of an upgraded hydropower facility’s output that is eligible renewable generation (incremental hydropower) per RCW 19.285.030(12)(b). Pacific Power used Method Two to calculate the eligible output of Company-owned hydro facilities.
- 7 In its initial 2013 RPS report, Pacific Power identified 635 MWh of incremental hydropower from Wanapum Dam, an upgraded hydropower facility owned and operated by Grant County PUD, which would be available to the Company for 2013 RPS compliance.
- 8 Subsequent to the Company’s initial 2013 RPS report, the Commission adopted a new rule that requires all eligible renewable generation used for RPS compliance by investor-owned utilities to be registered in WREGIS.³ The Wanapum Dam facility is not registered in WREGIS.
- 9 The Commission’s adoption order for the new EIA rule allowed utilities to request a one-time waiver of the WREGIS registration requirement in WAC 480-109-200(3) to use non-WREGIS resources for final 2013 RPS compliance if the utility could document why the resource was not registered in WREGIS.⁴

³ WAC 480-109-200(3).

⁴ Docket UE-131723, General Order R-578 (March 13, 2015), footnote 54 (page 29).

- 10 In its final 2013 RPS compliance report filed on May 29, 2015, the Company included 631 MWh of eligible hydropower generation that it had acquired from Wanapum Dam and petitioned the Commission for a one-time waiver of WAC 480-109-200(3) to count that generation towards its 2013 RPS target.
- 11 In its petition, Pacific Power states that it continues to work with Grant County on the WREGIS registration issue. If the commission denies the petition, the Company indicates that it would use RECs from other resources to replace the 631 MWh that it obtained from Grant County.
- 12 Staff's memo supports the Company's petition.

DISCUSSION

- 13 We agree with Staff that final 2013 RPS compliance filing is subject to the rule adopted in March 13, 2015, and in the absence of a waiver of WAC 480-109-200(3), the Wanapum Dam generation is ineligible for the Company's 2013 RPS compliance.
- 14 We recognize that registration of Wanapum Dam in WREGIS is beyond Pacific Power's control, and that the brief window between the adoption of WAC 480-109 and the filing of the final compliance report gave the utility little time to make alternate arrangements.

FINDINGS AND CONCLUSIONS

- 15 (1) The Washington Utilities and Transportation Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electrical companies.
- 16 (2) Pacific Power is an electrical company and a public service company subject to Commission jurisdiction and is an "investor-owned utility" under RCW 19.285.030(11).
- 17 (3) Pacific Power serves more than 25,000 customers within the State of Washington, and it is a "qualifying utility" within the meaning of RCW 19.285.030(19).

- 18 (4) Under RCW 19.285.040(2)(a)(i) and WAC 480-109-200(1)(a), Pacific Power's renewable energy target for 2013 was 120,716 megawatt-hours.
- 19 (5) In Pacific Power's Final Renewable Compliance Report, filed on June 1, 2015, the Company demonstrated that it had acquired 120,717 megawatt-hours of eligible generation.
- 20 (6) Pacific Power retired 120,086 certificates for the resources that are registered in WREGIS.
- 21 (7) Pacific Power provided proper documentation to support its waiver petition per the Commission's direction in UE-131723, General Order R-578.
- 22 (8) Pacific Power acquired 631 megawatt-hours of eligible hydro generation from Wanapum Dam.
- 23 (9) Pacific Power has complied with all reporting and filing requirements set out in Order 01.

ORDER

THE COMMISSION ORDERS:

- 24 (1) Pacific Power and Light Company complied with the two-step reporting process identified by the Commission in Order 01 of this docket.
- 25 (2) Pacific Power and Light Company's petition to count 631 MWh of Wanapum Dam generation towards its 2013 RPS target is granted.
- 26 (3) Pacific Power and Light Company has generated or acquired 120,717 megawatt-hours of RECs and eligible generation for the purpose of 2013 RPS compliance, and retired corresponding certificates for all resources that are registered in the Western Renewable Energy Generation Information System.
- 27 (4) Pacific Power and Light Company has complied with its 2013 RPS target as required by RCW 19.285.040(2)(a)(i).

DATED at Olympia, Washington, and effective June 25, 2015.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner