

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

Developing a Commission jurisdictional
specific cost-effectiveness test for distributed
energy resources incorporating CETA

DOCKET UE-210804

**COMMENTS OF PUBLIC COUNSEL
ON
DRAFT POLICY INVENTORY AND DER IMPACTS TEMPLATE**

July 25, 2022

1. On July 5, 2022, the Washington Utilities and Transportation Commission (UTC or Commission) issued an initial Notice of Opportunity to Comment and Virtual Workshop (hereinafter “Notice”) under Docket UE-210804, “Developing a Commission jurisdictional specific cost-effectiveness test for distributed energy resources incorporating CETA.” The Notice was accompanied by a draft “Policy Inventory and DER Impacts” (“Template”), in Excel format, for parties to consider and provide input on policies applicable to evaluating the costs and benefits of Distributed Energy Resources (DER) in Washington, along with associated impacts. The template also included a page for Washington utilities to “document current utility practices for impacts valued for DERs.”
2. The Notice and the Template are part of the effort initiated by the Commission, under this docket, to establish a Washington-specific, cost-effectiveness test for distributed energy resources, recognizing the policy directives and priorities articulated under the 2019 Clean Energy Transformation Act (CETA) along with other relevant legislation and policy directives. As a preliminary matter, the Commission has chosen to follow the process outlined in the National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources (NSPM) to develop a jurisdiction-specific test.
3. The NSPM outlines a five-step process for developing a jurisdiction-specific test. The first of these is to articulate applicable policy goals; the second is to identify and include all utility system impacts; and the third is to determine which non-utility system impacts to include. The current Notice appears to be intended to support these three steps in the NSPM process.¹ If so, Public Counsel believes it would be more productive to organize the Template by “Policy

¹ The Template circulated by Staff includes a reference to Step 4 of the NSPM process above the “WA Policy Inventory” table. Step 4 is to “ensure that benefits and costs are properly addressed.” However, it seems premature to address this step prior to identifying policy priorities and impacts to be considered.

Goal”, and to support each goal with applicable statutory or regulatory references. This is the approach that Public Counsel has taken in providing the attached revised draft template.²

4. Further, as complex as this process is, it is not necessary to seek policy directives where there are none. For example, RCW 19.285.020 contains a “Declaration of Policy” that helps to illuminate the rationale for aspects of the Energy Independence Act, but no actual direction for evaluating resources. Such general declarations cannot serve as the basis of a jurisdiction-specific, cost-benefit test, and have not been included in Public Counsel’s draft version of the Template.

5. Public Counsel believes that the revised form of the Template attached will better assist UTC Commission Staff (Staff) and other stakeholders in the process of determining which policy impacts to include in Washington jurisdictional test.

6. Public Counsel looks forward to expeditiously reaching consensus on a list of relevant jurisdictional policy priorities (Step 1) and relevant utility and non-utility impacts (Steps 2 and 3, respectively) so that Staff and stakeholders can move on to the next steps of the NSPM process. These include determining how costs and benefits are to be determined and counted (Step 4) and ensuring that all steps and approaches established by this process are thoroughly and transparently documented (Step 5).

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/s/ 

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² Enclosed as Attachment A to these comments.