

UTC Comment form for Energy Independence Act Rulemaking, Informal Draft WAC 480-109, Docket UE-131723

Submit this form by 5 PM Friday, May 9, 2014 via the Commission’s Web portal at www.utc.wa.gov/e-filing or by e-mail to records@utc.wa.gov.

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Name of Organization or “self”

In the first column, fill in the section or subsection of interest in the rule. In the next columns provide the specific text, proposal for change, and rationale.

Comment 1	Current Text	Proposed Text	Rationale for proposed change
Regarding Informal Draft WAC 480-109-040(2)(a)	<p>(a) Incremental cost calculation. To calculate its incremental cost, a utility must:</p> <p>(i) Determine the levelized cost of energy for each eligible resource, including integration costs, expressed in dollars per megawatt hour;</p> <p>(ii) Select and document the lowest-reasonable-cost, non-eligible resource available to the utility. The non-eligible resource may not be a spot market purchase, and must have the same contract length or facility life as the eligible resource;</p>	<p>(a) Incremental cost calculation. To calculate its incremental cost, a utility must:</p> <p>(iii) Determine the levelized cost of energy for each eligible resource, including integration costs, expressed in dollars per megawatt hour;</p> <p>(iv) Select and document the lowest-reasonable-cost, non-eligible resource available to the utility. The non-eligible resource may not be a spot market purchase, and must have the same contract length or facility life as the eligible resource;</p>	<p>The “spot market” language in subsection (2)(a)(iv) should be deleted because it is unnecessary and redundant. A spot market purchase does not typically refer to a power purchase agreement that would have the same contract length or facility life as the eligible resource in question.</p> <p>To the extent any market purchase has the same contract length as the life of an eligible resource, and it were to be the lowest cost alternative, it should be used in the calculation.</p> <p>ICNU is concerned that leaving in the unnecessary language could have the effect of discouraging the use of the true lowest cost alternative when a front office transaction is the lowest cost alternative. Since spot market trades could not, by definition, fit the requirements of subsection (iv), this language should be removed to avoid confusion and controversy in the future.</p>