

TO: Nick Garcia, Utilities and Transportation Commission

FROM: Danielle Dixon, Senior Policy Associate, NW Energy Coalition  
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SUBJECT: Scoping comments for upcoming rulemaking on Initiative 937

DATE: January 15, 2007

Thank you for the opportunity to submit scoping comments prior to the UTC's issuance of a CR-101 regarding development of rules for implementation of Initiative 937, the Clean Energy Initiative. The Initiative sets clear requirements for qualifying electric utilities to acquire eligible renewable energy resources and energy conservation, and provides the Utilities and Transportation Commission with flexibility to rely on its existing policies and procedures for much of the implementation. We therefore believe the UTC's rulemaking should focus on a narrow set of issues that would benefit from additional substantive or process-related details. Our proposed areas of inquiry follow, organized according to the relevant sections in the Initiative.

### **Sec. 3: Definitions**

(9) Within the definition of "distributed generation," specify what qualifies as an "integrated cluster of such facilities."

### **Sec. 4: Energy Conservation and Renewable Energy Targets**

(1)(c) Within the provision providing utilities with flexibility to include high efficiency cogeneration in meeting their conservation targets:

- Provide calculation to determine the fuel chargeable to power heat rate of a cogeneration unit
- Provide details regarding how savings from high efficiency cogeneration will be determined, and then how those savings will be applied to a utility's cost-effective conservation potential assessment and subsequent conservation target.

(2) Establish guidelines for utility documentation and tracking of acquisitions of eligible renewable resources and renewable energy credits.

(2)(c) In determining its eligible renewable energy requirement, specify the methods a utility would use to calculate its annual load based on the previous 2-year period.

(2)(e) Specify how a REC can be used the year after it is produced, and how that would be tracked. (This may be addressed by the REC trading system selected by CTED in 3(17).)

(2)(g) Show how the heat value of a renewable resource would be calculated in a co-firing application so that the utility can count that as eligible in meeting the renewable requirement.

(2)(i) Specify the process a utility would undertake to get approval for use of the force majeure clause and what documentation would be necessary.

### **Sec. 5: Resource Costs**

(1)(b) Within the provision establishing how the cost cap is to be calculated for the renewable energy requirement:

- Specify what constitutes a “reasonable available substitute resource” and what qualifies as an “equivalent amount” (e.g., is that on an energy or capacity basis).
- Specify what qualifies as the “same contract length or facility life.”
- Provide the procedures a utility must follow to compare the costs of eligible renewables to substitute resources, including documentation requirements and timelines.

### **Sec. 6: Accountability and Enforcement**

(3) Specify the form and process that will be used to notify customers of penalties incurred.

(4) Provide details regarding how the Commission will consider and provide incentives for utilities to exceed the clean energy targets provided in I-937.

### **Sec. 7: Reporting and Public Disclosure**

(1), (2) & (3) Provide details regarding the form of the reports that will be used by the investor owned utilities to submit progress reports to the UTC and CTED, as well as the form of the reports that will be made available to utility customers. Specify what “make available” for customers means in practice.

Thank you again for considering these scoping comments. We look forward to working with you to ensure clear, efficient and timely implementation of I-937.