

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of)	DOCKET NO. UE-131723
)	
Energy Independence Act Rulemaking, WAC 480-109)	COMMENTS OF THE INDUSTRIAL CUSTOMERS OR NORTHWEST UTILITIES
_____)	

I. INTRODUCTION

On April 9, 2014, The Washington Utilities and Transportation Commission (the “Commission” or “WUTC”) served notice inviting comments regarding proposed revisions to the rules implementing Initiative Measure No. 937, titled the Energy Independence Act (“EIA”), which are contained in Washington Administrative Code Chapter 480-109. The Industrial Customers of Northwest Utilities (“ICNU”) appreciates the opportunity to participate in the workshops scheduled by the Commission regarding the EIA implementation rules, and submits these Comments regarding certain of Staff’s proposed revisions.

II. COMMENTS

ICNU is generally supportive of changes to the Washington Administrative Code that reduce the administrative burden of the parties and the Commission, and that promote greater transparency and predictability in the implementation of the EIA. In particular, ICNU appreciates that Staff’s proposed draft rules eliminate the unnecessary provision allowing the use of the Council’s Conservation Calculator. The draft rules also specify that integration costs must be included when utilities calculate the incremental costs of compliance with the EIA.

ICNU takes this opportunity to respond to the second question posed by the Commission in its April 9, 2014, notice, and to recommend one change to Staff's redline proposal as reflected in the attached Workshop Comment Form; however, ICNU reserves the right to provide additional comments at the Thursday, May 15, 2014, workshop.

1. Incremental Cost Calculations

In its previous comments in this rulemaking, ICNU, as well as the Northwest Energy Coalition, noted that the Commission should work with stakeholders to develop a uniform methodology for calculating incremental costs of RPS compliance. In addition, ICNU noted that any method must account for the costs of integrating variable renewable resources into a utility's generation fleet. Commission Staff responded by creating a framework for calculating incremental costs that includes integration costs, and that will provide some consistency if adopted. ICNU generally supports this framework.

The Commission has requested comments regarding methodologies for the calculation of the integration cost component of incremental costs – specifically, whether a uniform methodology for the calculation of integration costs is necessary. ICNU understands that it may be difficult for each utility subject to WAC 480-109-040 to use precisely the same methodology. However, as ICNU noted in its previous Comments, one of the primary goals of calculating integration costs is to provide accurate and transparent information to the Commission and the parties. As a result, ICNU believes that it is more important for each utility to calculate integration costs consistently with its IRP, including its wind integration study, than it is for the calculation of integration costs to be identical between utilities.

2. Market Purchases as Lowest-Cost Resource

ICNU also recommends a minor modification to the proposed Staff language for WAC 480-109-040(2)(a)(iv) to clarify the role of market purchases in the calculation of incremental costs. ICNU's proposed language and supporting rationale is contained in the attached Workshop Comment Form.

III. CONCLUSION

ICNU appreciates the effort exerted by Staff to produce the informal draft revision of WAC Chapter 480-109. ICNU respectfully requests the Commission adopt the modifications to Staff revisions of WAC § 480-109 presented in these comments.

Dated this 9th day of May, 2014.

Respectfully submitted,

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