

3 On March 13, 2015, the Commission adopted a new rule for implementation and enforcement of the EIA, which is codified at WAC 480-109. The new rule adopts RPS enforcement practices developed by the Commission since the Act was implemented in 2012 – including the two-step compliance process explained above – and created new reporting requirements. The rule made the following key changes to the RPS reporting process:

- Requires registration of all resources used for RPS compliance in WREGIS (WAC 480-109-200(3)).
- Formally incorporates the three methodologies that the Commission has accepted for calculating which portion of the output of upgraded hydropower facilities is eligible, incremental hydropower for RPS compliance (WAC 480-109-200(7)).
- Requires calculation of the incremental cost of RPS compliance according to the Commission’s approved methodology (WAC 480-109-210(2)(a)).
- Requires utilities that operate in more than one state to explain and document how they determined Washington’s allocation of renewable energy credits (RECs) (WAC 480-109-210(2)(e)).
- Requires utilities that sell RECs to report the amount and proceeds of those sales (WAC 480-109-210(2)(f)).

4 On June 1, 2015, Pacific Power filed with the Commission a compliance report under RCW 19.285.070 and WAC 480-109-210 (RPS Report). At the request of Commission Staff (Staff), the Company filed replacement pages on July 10, 2015, to clarify the company’s process for allocating renewable energy generation to Washington, as required by WAC 480-109-210(2)(e). Staff’s memo for the July 30, 2015, Open Meeting stated that the Company’s replacement pages failed to fully explain the allocation process, and requested that the Commission grant Staff and the Company additional time to further refine the allocation language and ensure that Pacific Power’s report accurately represented Washington’s allocation of renewable generation. The Commission granted this request.

5 Pacific Power filed a replacement report on August 14, 2015, that further clarified the allocation process and updated the company’s reporting tool to accurately reflect Washington’s share of the company’s renewable generation.

6 Due to the different allocation methods employed by the states in which Pacific Power operates, the Company has insufficient renewable resources in its west balancing area to meet every state’s allocation entitlement. To provide Washington ratepayers with their full allocation of renewable generation, the company provides additional RECs from

other resources at its discretion. Previously, Pacific Power shareholders purchased additional RECs to meet the Company's Washington obligation. Recent amendments to the EIA allow a utility to use resources in other states in which it operates for Washington's RPS; Pacific Power proposes to use Company resources located in Idaho and Wyoming to provide Washington ratepayers with their full allocation. Staff recommends that the Commission find that the Idaho- and Wyoming-based resources identified in the Company's report are eligible renewable resources pursuant to RCW 19.285.030(12)(e).

- 7 Pacific Power's RPS Report and subsequent replacement pages included all items required by WAC 480-109-210 and RCW 19.285.070(1). Pacific Power reported an average load in 2013 and 2014 of 4,105,467 MWh, yielding a 2015 target of 123,155 MWh. The RPS Report includes additional renewable resources over previous reports, specifically: Wolverine Creek, Top of the World, Dunlap I, Campbell Hills/Three Buttes, Glenrock I, Rolling Hills, and Seven Mile Hill.
- 8 The Company seeks an order from the Commission confirming that Pacific Power has complied with the Commission's EIA reporting requirements and accepting the Company's calculations and eligibility of the renewable resources identified in the RPS Report for 2015.
- 9 On June 4, 2015, the Commission issued a Notice inviting interested persons to file written comments on Pacific Power's Initial RPS Report. During the comment period, the Commission received written comments from Commission Staff, Boise White Paper (Boise), and joint written comments from Renewable Northwest and NW Energy Coalition (RNW/NWEC). Boise expressed support for the Company's incremental cost calculation, particularly the Company's assumption that its incremental hydropower facilities have an incremental cost of zero. RNW/NWEC praised Pacific Power for meeting the target rather than relying on an alternative compliance method, and argued that when the Company uses an eligible resource that is cheaper than the non-eligible resource, it should calculate a negative incremental cost, rather than deeming an incremental cost of zero as the Company did.
- 10 Staff believes that Pacific Power correctly calculated its target for supplying 3 percent of its retail load in 2015 with renewable resources, and that the Company has acquired sufficient resources to meet that target.
- 11 Staff recommends that the Commission issue an order in this docket determining: (1) The 2015 renewable energy target for Pacific Power is 123,155 megawatt-hours; (2) Pacific Power has complied with the June 1, 2015, reporting requirements, and these reporting

requirements include Pacific Power's plan for meeting its RPS obligation in 2015; (3) Pacific Power has demonstrated that, by January 1, 2015, Pacific Power acquired 123,155 megawatt-hours of eligible renewable resources for its use in 2015; (4) Pacific Power must file a second report in this docket no later than June 1, 2017, that lists the certificate numbers in WREGIS for every megawatt-hour and renewable energy credit that Pacific Power retired to meet the January 1, 2015, target.

DISCUSSION

12 The Commission accepts Pacific Power's calculation of 123,155 megawatt-hours as the Company's renewable energy target for 2015 and determines that Pacific Power has identified sufficient resources to be able to meet that target. The Commission will make its final determination about whether Pacific Power has met its 2015 target when the Company requests such a finding, which Pacific Power must make in this docket no later than June 1, 2017.

FINDINGS AND CONCLUSIONS

- 13 (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, regulations, practices, and accounts of public service companies, including electric companies.
- 14 (2) Pacific Power is an electric company and a public service company subject to Commission jurisdiction.
- 15 (3) Pacific Power serves more than 25,000 customers within the State of Washington and is a "qualifying utility" within the meaning of RCW 19.285.030(18).
- 16 (4) Pacific Power has properly calculated its renewable energy target for 2015 to be 123,155 megawatt-hours.
- 17 (5) Wolverine Creek, Top of the World, Dunlap I, Campbell Hills/Three Buttes, Glenrock I, Rolling Hills, and Seven Mile Hill are renewable resources built after March 1, 1999; are located in a state in which Pacific Power serves retail customers; and are owned by Pacific Power or sell their output to the Company under a long-term contract. These are therefore eligible renewable resources under RCW 19.285.030(12)(e).
- 18 (6) By January 1, 2015, Pacific Power had acquired sufficient eligible renewable resources to supply at least 3 percent of its load for the remainder of 2015.

- 19 (7) Pacific Power has met the reporting requirements of RCW 19.285.070 and WAC 480-109-210. These reporting requirements include Pacific Power's plan for meeting its RPS obligation for the remainder of 2015.
- 20 (8) Pursuant to WAC 480-109-210(4), Pacific Power must provide a summary of its RPS Report to its customers, by bill insert or other suitable method, within ninety-days of the date of this Order.
- 21 (9) Pursuant to WAC 480-109-200(3), Pacific Power must register in WREGIS all Company-owned incremental hydropower facilities on which the Company intends to rely for compliance with RPS requirements.
- 22 (10) Pursuant to WAC 480-109-210(6), Pacific Power must file a report no later than June 1, 2017, that lists the certificate numbers in WREGIS for every megawatt-hour and renewable energy credit that Pacific Power retired to meet the January 1, 2015, target.

ORDER

THE COMMISSION ORDERS:

- 23 (1) The Commission accepts the calculation of 123,155 megawatt-hours as the 2015 renewable energy target for Pacific Power & Light Company.
- 24 (2) Pacific Power & Light Company has identified eligible renewable resources sufficient to supply at least three percent of its load for 2015.
- 25 (3) Pacific Power & Light Company has complied with the June 1, 2015, reporting requirements pursuant to WAC 480-109-210.
- 26 (4) Pacific Power & Light Company must file a second report no later than June 1, 2017, that provides the information necessary to determine whether Pacific Power & Light Company met the 2015 renewable energy target of 123,155 megawatt-hours.
- 27 (5) Pacific Power & Light Company must register in the Western Renewable Energy Generation Information System all Company-owned incremental hydropower facilities on which the Company intends to rely for compliance with renewable portfolio standard requirements.

- 28 (6) Pacific Power & Light Company must file a report no later than June 1, 2017, that lists the certificate numbers in the Western Renewable Energy Generation Information System for every megawatt-hour and renewable energy credit that Pacific Power & Light Company retired to meet the January 1, 2015, target.
- 29 (7) The Commission Secretary is authorized to accept or approve a filing that complies with the requirements of this Order.

DATED at Olympia, Washington, and effective August 27, 2015.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner