

August 5, 2010

Mr. David W. Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

BY EMAIL TO records@utc.wa.gov

RE: Docket No. UE-100849 - Reply Comments of Renewable Northwest Project, NW Energy Coalition, Climate Solutions, Cascade Chapter of the Sierra Club, and Washington Environmental Council

Dear Mr. Danner:

In accordance with the Commission's July 1 Notice of Opportunity to File Written Comments, Renewable Northwest Project, NW Energy Coalition, and allied parties offer the following three brief observations as their Reply Comments:

1. On the core regulatory issues raised in the Commission's Consolidated List of Issues, relatively broad agreement is apparent in three areas. First, meeting renewable portfolio standard ("RPS") targets is an element of need in prudence review. Second, to meet RPS targets at the lowest reasonable cost, utilities will need to have the flexibility to time renewable resource acquisitions—and potentially to acquire in advance of RPS target dates—in light of reasonable predictions of the cost of and demand for renewable power, changes in renewable technology, and changes in federal and state incentives supporting renewable energy development. Third, a renewable energy generation facility is used and useful if it is in service and providing a benefit to Washington ratepayers, no matter when it was acquired relative to RPS target dates. The Commission can adopt a policy statement (or other order) to give utilities greater certainty on these issues.
2. Many issues raised in this proceeding relate to matters of legislative policy that cannot be resolved directly in this forum, nor even discussed comprehensively enough to warrant the Commission making recommendations for legislation. We urge the Commission to maintain its focus on regulatory issues and leave I-937 to the Legislature.
3. If the Commission moves forward with rulemaking in connection with this proceeding, we recommend that it consider adopting a more rigorous approach to planning review, with a goal to bring greater focus to the public policy elements of the existing "lowest reasonable cost" analysis. The "lowest reasonable cost" rule already requires resource analysis to include consideration of "public policies regarding resource preference adopted by Washington state or the federal government, and the cost of risks associated with environmental effects including emissions of carbon dioxide." The Commission could give greater meaning to this rule by specifically requiring utilities to

consider scenarios for meeting the state's adopted greenhouse gas reduction goals, or even by considering an added rate of return for utilities that achieve a specified level of emissions reduction.

We appreciate the opportunity to comment and look forward to participating in the upcoming Commission workshop.

Sincerely,

/s/ Megan Walseth Decker

Megan Walseth Decker
Senior Staff Counsel
Renewable Northwest Project
917 SW Oak Street, Suite 303
Portland, OR 97205

On behalf of Renewable Northwest Project, NW Energy Coalition,
Climate Solutions, Cascade Chapter of the Sierra Club,
and Washington Environmental Council