

Utilities & Transportation Commission
2019-2022 Energy Legislation Implementation Plan (final)
Docket U-190485, issued August, 2019

The following is the Commission's plan to implement the various requirements specified in Engrossed Second Substitute Senate Bill 5116 (clean energy), Engrossed House Bill 1126 (distributed energy) and Engrossed Third Substitute House Bill 1257 (energy efficiency), as well as the other legislation adopted during the 2019 legislative session.¹ These statutes require that the Commission develop rules or policy statements, or conduct other work, which, for most processes, must be completed on either January 1, 2021, or July 1, 2022. To meet these timelines, the Commission has organized its multi-year effort into three phases:

- 1) Phase 0 initiated the overall effort and is now complete;
- 2) Phase I covers the period beginning August 2019 and ending January 1, 2021. Phase I includes efforts required to be completed or started by January 1, 2021;
- 3) Phase II begins January 1, 2021, and focuses on those efforts that must be completed or started by June 30, 2022.

Below is a description, by phase, of the Commission's plan to initiate rulemakings, policy inquiries, and other work over the next three years. Some projects occur in multiple phases. We have highlighted work led by other agencies.

As described in Phase 0, below, the Commission sought feedback from stakeholders on work that must be completed before June 30, 2022, and incorporated this feedback into its final implementation plan. The Commission may revise its plan depending on changing circumstances, including staffing resources, workload not associated with the rulemaking, changes in law, or any other unforeseen circumstances.

¹ Chapter references in this document refer to the Laws of 2019, ch. 288 (E2SSB 5116-Clean Energy), ch. 285 (E3SHB 1257-Energy Efficiency), ch. 284 (Hydrofluorocarbon Emissions), ch. 109 (Concerning the Electrification of Transportation), ch. 287 (Advancing Green Transportation Adoption), ch. 235 (Net Metering), ch. 286 (Appliance Standards), ch. 222 (Electrical Production Attribution Fuel Mix), ch. 205 (EHB 1126-Distributed Energy Resource Plans), ch. 388 (Natural Disaster Mitigation and Resiliency Activities), ch. 77 (Electric Utility Wildland Fire Prevention).

Phase 0: July 1, 2019 – August 30, 2019. COMPLETED

1. Open Docket U-190485 to issue a Notice of Workshop for stakeholder feedback on proposed process timelines and scope of issues. This docket will only be used for considering stakeholder feedback on process and for gathering an initial interested parties list.
2. Open Docket U-190531, Inquiry into Valuation of Public Service Company Property Used and Useful after Rate Effective Date, and issue a Notice of Opportunity to File Written Comments.
3. Publish the final plan in Docket U-190485 and on an external agency website. The Commission considered the public's feedback in revising this final implementation plan.
4. Close the existing Integrated Resource Plan (IRP) Rulemaking (Docket U-161024) and incorporate remaining components into Phase I and II rulemakings.²
5. Close Docket U-190485.

Phase I: August 2019 - January 1, 2021.

Phase I includes the elements that must be completed by January 1, 2021, as required by Section 10 of E2SSB 5116. It also includes other required work, including some that will be started but not necessarily completed by that date.

1. Publish the social cost of carbon with inflation rate on the Commission's website by September 15, 2019. This will provide utilities immediate guidance on a significant input in IRPs and conservation plans.
2. Issue a Policy Statement in Docket U-190531 on the process for valuing public service company property that becomes used and useful after the rate effective date. The notice was issued on July 5, 2019. The policy statement may include elements of ratemaking adequacy.
3. Initiate the following projects, in separate, new dockets as needed:

Project	Scope ³	Timing
Department of Health Work Group	Cumulative Impact Analysis Participate in the Department of Health's work group on cumulative impact analysis. (§ 24)	Began Q3 2019

² The remaining items include IRP Procedural rules, Acquisition (Requests for Proposals), and Distribution System Planning.

³ All chapter references in this document are to the Laws of 2019. Section references in this table are to Laws of 2019, ch. 288, unless otherwise noted.

Project	Scope ³	Timing
Acquisition Rulemaking	E2SSB 5116: Amending WAC 480-107, Resource Acquisition (Requests for Proposals, or RFP) a. Incorporate existing work on RFPs from Docket U-161024. b. Ensure that the E2SSB 5116 standard is met in construction and acquisition of property and the provision of electric service. (§ 5) c. Incorporate resource adequacy considerations. (§ 6(2)(a)(iv)) d. Discuss equitable distribution of benefits. (§ 6(1)(c)(iii))	Begin Q3 2019, Complete Q2 2020
Joint Markets Workgroup	E2SSB 5116: With the Department of Commerce, initiate a Carbon and Electricity Markets Workgroup for regular discussions to inform Phase II rulemaking.	Expected start Q3 2019
Electric IRP Updates Rulemaking Docket UE-190698	E2SSB 5116 and EHB 1126: Amending WAC 480-100-238, Electric Integrated Resource Plans (IRP) a. Update inputs to IRPs (e.g., hydro eligibility and tracking; ⁴ resource adequacy; distributed energy resources principles from EHB 1126; and demand response). b. Update structure of IRPs. c. Update public involvement process. d. Update outputs of IRP Clean Energy Action Plans. (§ 14(2)) e. Incorporate the social cost of carbon into IRPs. (§ 14(3)(a)) f. Refine the development of avoided costs to reflect E2SSB 5116 and social cost of carbon. g. Develop resource value test based on review of E2SSB 5116 and social cost of carbon. h. Discuss equitable distribution of benefits. (§ 4(8)) i. Discuss assessment informed by cumulative impact analysis, as needed. (§ 14(1)(k)) j. Incorporate distributed energy resources elements from EHB 1126. (ch. 205, § 1)	Begin Q3 2019, Complete Q4 2020
Energy Independence Act (EIA) Rulemaking Docket UE-190652	E2SSB 5116: Amending WAC 480-109, Energy Independence Act (EIA) rules a. Streamline E2SSB 5116 with EIA rules. (§ 10(3)) b. Discuss equitable distribution of benefits. c. Discuss low-income definition, if needed. (§ 2(25)) d. Discuss energy assistance need definition, if needed. (§ 2(16))	Begin Q3 2019, Complete Q1, 2020

⁴ Laws of 2019, ch. 288, §§ 28-29.

Project	Scope ³	Timing
	e. Consider incorporating low-income energy efficiency target. f. Incorporate updates to hydro eligibility and tracking. (§§ 28 and 29)	
Department of Natural Resources Work Group	Electric Utility Wildland Fire Prevention Advisory Committee. (ch. 77)	Expected start Q3 2019
Renewable Natural Gas Workshop	E3SHB 1257: Renewable natural gas provisions Hold a workshop with stakeholders to discuss commission expectations around renewable natural gas proposals. (ch. 285, §§ 13 and 14)	Q4 2019
Report to Legislature	Greenhouse Gas Emissions from Natural Gas. (ch. 285, § 16)	Q4 2019
Department of Commerce Advisory Committee	State Energy Strategy Advisory Committee Participate in the Department of Commerce's advisory committee on the development of the state energy strategy. (§ 22)	Expected start Q4 2019
Department of Ecology Rulemaking	Energy Transformation Projects Participate in and consult with the Department of Ecology's rulemaking on energy transformation projects. (§ 10)	Expected start Q4 2019
Department of Commerce Advisory Committee	Energy and Climate Policy Advisory Committee Participate in the Department of Commerce's advisory committee charged with the development of climate policy. (§ 23)	Expected start Q1 2020
Clean Energy Implementation Plans (CEIP) Rulemaking	E2SSB 5116: New Chapter, Clean Energy Implementation Plans (CEIPs) a. Provide guidelines for Clean Energy Implementation Plans. (§ 6) b. Discuss equitable distribution of benefits. (§ 4(8)) c. Develop incremental cost methodology at the beginning of the rulemaking. (§ 6) d. Address reporting and compliance, and the penalty process. (§ 9(1)(a))	Begin Q1 2020, Complete Q4 2020
Department of Commerce Rulemaking	Thermal Renewable Energy Credits Participate in and consult with the Department of Commerce's rulemaking on the use of thermal renewable energy credits. (§ 10)	Expected Q2 2020
Begin natural gas IRP and conservation rulemakings	E3SHB 1257: New Chapter; Amend WAC 480-90-238 a. Adopt natural gas energy efficiency rules. (ch. 285, § 11) b. Adopt social cost of carbon for conservation. (ch. 285, § 15)	Begin Q2 2020, Complete Q2 2021

Project	Scope ³	Timing
Energy Facilities Site Evaluation Council Work Group	Transmission Corridors Work Group. (ch. 288, § 25) Participate in the Energy Facilities Site Evaluation Council's work group on transmission corridors.	Expected Q3 2020
Department of Ecology Report to Legislature	Provide consultation to the Department of Ecology's Report on Reducing Hydrofluorocarbons and Increasing Use of Refrigerants with Low Global Warming Potential. (ch. 284, § 8)	Expected Q3, Q4, 2020

Phase II: January 2021 – June 30, 2022.

Phase II includes rulemakings required by E2SSB 5116 with deadlines after January 1, 2021, and the completion of rulemakings associated with implementing E3SHB 1257 that have an implementation date of January, 2022. It also lists other work that must be started or completed within this time frame.

1. Initiate the following projects, in new, separate dockets as needed:

Project	Scope	Timing
Continue natural gas IRP and conservation rulemakings	E3SHB 1257: New Chapter; Amend WAC 480-109-238 a. Adopt natural gas energy efficiency rules. (ch. 285, § 11) b. Adopt social cost of carbon for conservation. (ch. 285, § 15)	Begin Q2 2020, Complete Q2 2021
Cumulative Impact Analysis Rulemaking ⁵	E2SSB 5116: Amending WAC 480-100-238, Electric IRP rule Amend IRP rules to incorporate the Cumulative Impact Analysis. (ch. 288, § 14(11))	Begin Q1 2021, Complete Q4 2021
Carbon and Electricity Markets Rulemaking ⁶	E2SSB 5116: New Chapter, Carbon and Electricity Markets Define requirements for load met with market purchases. (ch. 288, § 13) Coordinate with the Department of Commerce.	Begin Q2 2021, Complete Q2 2022

⁵ This rulemaking will rely on a cumulative impact analysis developed by the Department of Health. The deadline for the cumulative impact analysis is December 31, 2020 (SB 5116, § 24).

⁶ This project will begin with a stakeholder work group in 2019, in cooperation with the Department of Commerce. Commerce will conduct a concurrent rulemaking on the same topic.

Project	Scope	Timing
Report to Legislature	Greenhouse Gas Emissions from Natural Gas. (ch. 285, § 16)	Q4 2022
Department of Commerce Report to Legislature	Report on Standards Review, Reliability, Emerging Tech, and Impacts. (ch. 288, § 8) Provide consultation to the Department of Commerce.	Complete Q4 2023