



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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November 4, 2024

**NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS ON DRAFT RULES
(By 5 p.m., Wednesday, November 27, 2024)**

Re: Relating to Electricity Markets and Compliance with the Clean Energy Transformation Act, Docket UE-210183

TO ALL INTERESTED PERSONS:

On May 3, 2021, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to promulgate new rules to implement certain sections of the Clean Energy Transformation Act (CETA). The Commission filed the CR-101 in Docket UE-210183.

BACKGROUND

CETA requires investor-owned electric utilities (1) to eliminate coal-fired generation from their portfolios by the end of 2025; (2) to ensure that all retail sales of electricity to their retail customers will be greenhouse gas neutral by 2030; and (3) to source all of their power from renewable and non-emitting resources by 2045. Furthermore, CETA requires that the utilities ensure that all customers are benefiting from the transition to clean energy through the equitable distribution of energy and nonenergy benefits and reductions of burdens to vulnerable and highly impacted communities.

In 2020, the Commission adopted three sets of rules to begin implementing CETA's requirements.¹ This docket initiated the second phase of rulemaking to implement the legislation. RCW 19.405.130(3) required the Department of Commerce (Commerce) and the Commission to adopt

¹ Integrated Resource Planning and Clean Energy Implementation Plans in Dockets UE-190698 & UE-191023, Purchase of Resources, Docket U-190837, and the Energy Independence Act, Docket UE-190652.

rules by June 30, 2022, defining the requirements for complying with RCW 19.405.030 through 19.405.050 with electric market purchases from centralized markets, and to address the prohibition of double counting of nonpower attributes under RCW 19.405.140. Commerce and the Commission both adopted rules from their respective rulemakings. Commerce additionally adopted rules providing an interpretation of compliance with RCW 19.405.040(1)(a).²

On June 29, 2022, the Commission used its discretion to delay the adoption of rules related to the interpretation of “use” when implementing chapter RCW 19.405. In October 2023, the Commission reinitiated its efforts to address the interpretation of “use”, requesting comments on draft rules. After addressing the feedback received from the publication of the October 2023 draft rules, the Commission released updated draft rules on April 9, 2024, requesting further comments.³ The Commission then requested additional analysis from the IOUs and accepted comments from other parties on May 30, 2024.

RESPONSE TO COMMENTS AND ANALYSIS PROVIDED AFTER MAY 30, 2024

The Commission appreciates the additional analysis and comments submitted in response to the updated proposed draft rules, and to the commenters for their thoughtful contributions and continued participation in Docket UE-210183.

After considering the feedback received by the parties, the Commission has decided to move forward without implementation of the monthly use cap. At this time, although the Commission believes it has the authority to implement a monthly use cap, the Commission recognizes that such a cap could potentially create additional rate pressures on consumers.

The Commission understands the plain language of the CETA’s requirement to “use” renewable and non-emitting electricity to mean more than acquiring the rights to renewable power with no additional requirement. Given the difficulties of tracking nonpower attributes, the approaching 2030 greenhouse gas neutrality standard under CETA, and the feedback that has been collected over the course of this docket, the Commission has not found a preferable alternative to act further on this understanding of “use” and declines to implement one in this rulemaking.

By this notice, the Commission issues updated proposed draft rules adding additional reporting requirements to WAC 480-100-650(3)⁴. The purpose of these additions is to obtain the data that would have been used to calculate and assess the monthly use cap in the annual clean energy progress report. The Commission intends that interested parties will use this information to assess the utilities’ implementation of renewable and non-emitting electricity at a more granular level than the four-year compliance period.

REQUEST FOR WRITTEN COMMENTS FOR DRAFT RULES

The Commission seeks comments from interested parties regarding the updated draft of the rules, and requests that interested parties file those comments by 5 p.m. on Wednesday, November 27,

² WAC 194-40-410, WAC 194-40-415.

³ UE-210183 Draft Rules (OTS-5035.1), UE-210183 (October 25, 2023)

⁴ The additions are included as WAC 480-100-650(3)(l) and WAC 480-100-650(3)(m)

2024.

The Commission will post all comments on its website at www.utc.wa.gov/casedocket/2021/210183.

If you have questions regarding this request or this rulemaking in general, you may contact staff lead Charlie Inman at (360) 664-1303, or by email at charlie.inman@utc.wa.gov.

JEFF KILLIP
Executive Director and Secretary