

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFIC POWER &  
LIGHT COMPANY'S

Renewable Energy Target Progress  
Report under RCW 19.285.070 and WAC  
480-109-210

DOCKET UE-160777

ORDER 01

ORDER APPROVING  
COMPLIANCE WITH ELIGIBLE  
RENEWABLE ENERGY TARGET  
REPORTING REQUIREMENTS  
FOR 2016

**BACKGROUND**

- 1* The Energy Independence Act (EIA or Act)<sup>1</sup> requires qualifying electric utilities to obtain certain percentages of their electricity from eligible renewable resources. The Washington Utilities and Transportation Commission (Commission) enforces compliance with the EIA by investor-owned utilities.<sup>2</sup> Ultimately, the Commission must determine “whether the utility has generated, acquired or arranged to acquire enough renewable energy credits or qualifying generation to comply with its renewable resource target.”<sup>3</sup>
- 2* The Commission has implemented these requirements by establishing a two-step compliance process.<sup>4</sup> Because a utility may comply with its renewable portfolio standards (RPS) obligation by using renewable energy credits (RECs) acquired in the year after the target year, ultimate compliance for 2016, for example, may be demonstrated as late as June 1, 2018. Accordingly, there will be two Commission decisions for each year’s compliance: (1) a determination that the Company has enough resources to meet the statutory target; and (2) the retrospective compliance decision. Before the Commission is the initial resource-adequacy filing made by Pacific Power & Light Company (Pacific Power or Company) for its 2016 obligation. The Commission will consider Pacific Power’s compliance with its 2016 target when Pacific Power requests such a finding, which the Company must do through a filing in this docket no later than June 1, 2018.

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<sup>1</sup> RCW Chapter 19.285.

<sup>2</sup> RCW 19.285.060(6).

<sup>3</sup> WAC 480-109-210(3)(b).

<sup>4</sup> WAC 480-109-210(1) and (6).

3 On June 1, 2016, Pacific Power filed with the Commission a compliance report under RCW 19.285.070 and WAC 480-109-210 (RPS Report). On June 16, 2016, Pacific Power filed a revised, redacted compliance report. On July 6, 2016 Pacific Power submitted another revised, slightly less redacted version of the report. At the request of Commission Staff (Staff), Pacific Power made a supplemental filing on July 27, 2016, to clarify its multistate allocation methodology. Based on the information that the Company provided in its RPS Report and supplemental filing, Staff believes that Pacific Power correctly calculated its 2016 RPS target, and that it has acquired sufficient resources to meet that target. Table 1, below, summarizes Pacific Power’s 2016 target and the total amount of resources that the Company had acquired by January 1, 2016:

**Table 1: Pacific Power’s 2016 Renewable Resource Target and Compliance Plan**

<b>2016 Target (MWh)</b>	<b>Incremental Hydro (MWh)</b>	<b>2015 Generation and RECs</b>	<b>2016 Generation and RECs</b>	<b>Total Resources (MWh)</b>
370,166	1,903	215,961	152,302	370,166

4 Pacific Power seeks an order from the Commission confirming that the Company 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 2016.

5 On June 3, 2016, the Commission issued a Notice inviting interested persons to file written comments on Pacific Power’s RPS Report. During the comment period, the Commission received written comments from Staff and joint written comments from Renewable Northwest and Northwest Energy Coalition (RNW/NWEC). RNW/NWEC praised the Company for meeting its RPS target without relying on alternative compliance methods, but expressed concern about the transparency of its renewable resource costs and incremental cost calculations. Despite these concerns, RNW/NWEC were pleased the Company met its target and recommended the Commission approve the RPS Report.

6 Staff believes that Pacific Power correctly calculated its 2016 RPS target, and that the Company has acquired sufficient resources to meet that target. With the information provided in the Company’s supplemental filing, Staff believes that Pacific Power has correctly calculated its multistate allocation calculation and complied with the reporting requirements in WAC 480-109-210.

7 To ensure that Pacific Power appropriately discloses the required information, Staff believes that Pacific Power should be required to file with the Commission in this docket the same 2016 renewable portfolio standard report that the Company will make available to the public and its customers. Disclosure is required by WAC 480-109-210(4) and (5), and RCW 19.285.070.

8 Staff recommends that the Commission issue an order in this docket determining: (1) The 2016 renewable energy target for Pacific Power is 370,166 megawatt-hours (MWh); (2) Pacific Power has demonstrated that, by January 1, 2016, the Company acquired at least 370,166 MWh of eligible renewable resources for its use in 2016; (3) Pacific Power has complied with the June 1, 2016, reporting requirements pursuant to WAC 480-109-210; (4) Fifteen days before Pacific Power makes its 2016 renewable portfolio standard report available to the public and its customers, the Company must file a copy of the same report and documents with the Commission in this docket; and (5) In the final compliance report for 2016 required by WAC 480-109-210(6), Pacific Power must provide details about which certificates were used for its various renewable energy programs.

### **DISCUSSION**

9 The Commission accepts Pacific Power's calculation of 370,166 megawatt-hours as the Company's renewable energy target for 2016 and determines that Pacific Power has identified sufficient resources to be able to meet that target. The Commission further agrees with Staff that additional reporting of the public report is necessary. The Commission will make its final determination on whether Pacific Power has met its 2016 target when the Company requests such a finding, which Pacific Power must make in this docket no later than June 1, 2018.

### **FINDINGS AND CONCLUSIONS**

10 (1) The 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.

11 (2) Pacific Power is an electrical company and a public service company subject to Commission jurisdiction.

12 (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).

13 (4) Pacific Power has properly calculated its renewable energy target for 2016 to be 370,166 megawatt-hours.

- 14 (5) By January 1, 2016, Pacific Power had acquired sufficient eligible renewable resources to supply at least 9 percent of its load for the remainder of 2016.
- 15 (6) 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 2016.
- 16 (7) Fifteen days prior to posting on its website, pursuant to WAC 480-109-210(4), Pacific Power must provide documentation to the Commission of the RPS Report it intends to post on the website.
- 17 (8) Fifteen days prior to sending the summary of its report in a bill insert or other document provided to its customers, pursuant to WAC 480-109-210(5), Pacific Power must provide this summary of its RPS Report to the Commission.
- 18 (9) Pursuant to WAC 480-109-210(6), Pacific Power must file a report no later than June 1, 2018, that lists the certificate numbers in Western Renewable Energy Generation Information System (WREGIS) for every megawatt-hour and renewable energy credit that Pacific Power retired to meet the January 1, 2016, target.

## **ORDER**

### **THE COMMISSION ORDERS:**

- 19 (1) The Commission accepts the calculation of 370,166 megawatt-hours as the 2016 renewable energy target for Pacific Power & Light Company.
- 20 (2) Pacific Power & Light Company has identified eligible renewable resources sufficient to supply at least 9 percent of its load for 2016.
- 21 (3) Pacific Power & Light Company has complied with the June 1, 2016, reporting requirements pursuant to WAC 480-109-210.
- 22 (4) Fifteen days prior to posting on its website, pursuant to WAC 480-109-210(4), Pacific Power & Light Company must provide documentation to the Commission of the Renewable Portfolio Standards Report it intends to post on the website.
- 23 (5) Fifteen days prior to sending the bill insert or other document provided to its customers, pursuant to WAC 480-109-210(5), Pacific Power & Light Company must provide a summary of its RPS Report to the Commission.

- 24 (6) Pacific Power & Light Company's final compliance report must list certificate numbers for every renewable energy credit that Pacific Power & Light Company retired in the Western Renewable Energy Generation Information System and details about which certificates were used for its voluntary renewable energy programs in 2016.
- 25 (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 12, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner