

**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-170694

ORDER 01

ORDER APPROVING
COMPLIANCE WITH ELIGIBLE
RENEWABLE ENERGY TARGET
REPORTING REQUIREMENTS
FOR 2017

BACKGROUND

- 1 The Energy Independence Act (EIA or Act)¹ 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.² 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.”³
- 2 The Commission has implemented these requirements by establishing a two-step compliance process.⁴ 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 2017, for example, may be demonstrated as late as June 1, 2019. 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 2017 obligation. The Commission will consider Pacific Power’s compliance with its 2017 target when Pacific Power requests such a finding, which the Company must do through a filing in this docket no later than June 1, 2019.

¹ RCW Chapter 19.285.

² RCW 19.285.060(6).

³ WAC 480-109-210(3)(b).

⁴ WAC 480-109-210(1) and (6).

3 On June 1, 2017, Pacific Power filed with the Commission a compliance report under
RCW 19.285.070 and WAC 480-109-210 (RPS Report). On August 3, 2017, Pacific
Power filed a revised report that corrects several errors in its initial filing.

4 Pacific Power has purchased and likely will continue to purchase unbundled RECs to
meet future RPS compliance obligations.⁵ Table 1, below, summarizes Pacific Power’s
2017 target and the total amount of resources that the Company had acquired by January
1, 2017:

Table 1: Pacific Power’s 2017 Renewable Resource Target and Compliance Plan

2017 Target (MWh)	Incremental Hydro (MWh)	2016 RECs	2017 RECs	Purchased RECs	Total Compliance Resources (MWh)
364,047	1,832	71,112	138,440	152,663	364,047

5 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 2017.

6 On June 13, 2017, 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 related to Pacific
Power’s incremental cost assumptions. Despite these concerns, RNW/NWEC were
pleased the Company met its target and recommended the Commission approve the RPS
Report.

7 Based on the information that the Company provided in its RPS Report and supplemental
filing, Staff believes that Pacific Power correctly calculated its 2017 RPS target, and that
it has acquired sufficient resources to meet that target. Although Commission rules
require the Company to document its use of renewable resources under various renewable
energy programs in its annual report, Staff requests the Commission require Pacific

⁵ These costs are collected through Schedule 95. To review Pacific Power’s accounting petitions
related to REC purchase costs, see dockets UE-143915 and UE-161067.

Power to include that information in its final compliance report, which will allow Staff to determine whether its resources meet EIA requirements.

- 8 Staff recommends that the Commission issue an order in this docket determining: (1) the 2017 renewable energy target for Pacific Power is 364,047 MWh; (2) Pacific Power has demonstrated that, by January 1, 2017, it acquired at least 364,047 MWh of eligible renewable resources for its use in 2017; (3) Pacific Power has complied with the June 1, 2017, reporting requirements pursuant to WAC 480-109-210; (4) in its final compliance report for 2017 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 364,047 megawatt-hours as the Company's renewable energy target for 2017 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 2017 target when the Company requests such a finding, no later than June 1, 2019. To assist Staff with determining whether Pacific Power's resources meet EIA eligibility requirements, Pacific Power must provide details about which certificates were used for its various renewable energy programs, as required by WAC 480-109-210(2)(d)(i), in its final compliance report for 2017.

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 2017 to be 364,047 megawatt-hours.
- 14 (5) By January 1, 2017, Pacific Power had acquired sufficient eligible renewable resources to supply at least 9 percent of its load for the remainder of 2017.

- 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 2017.
- 16 (7) Pursuant to WAC 480-109-210(5), Pacific Power must provide a summary of its RPS Report to its customers, by bill insert or other suitable method, within 90 days of the date of this Order.
- 17 (8) Pursuant to WAC 480-109-210(6), Pacific Power must file a report no later than June 1, 2019, 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, 2017, target.

ORDER

THE COMMISSION ORDERS:

- 18 (1) The Commission accepts the calculation of 364,047 megawatt-hours as the 2017 renewable energy target for Pacific Power & Light Company.
- 19 (2) Pacific Power & Light Company has identified eligible renewable resources sufficient to supply at least 9 percent of its load for 2017.
- 20 (3) Pacific Power & Light Company has complied with the June 1, 2017, reporting requirements pursuant to WAC 480-109-210.
- 21 (4) 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 various renewable energy programs in 2017.
- 22 (5) 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 10, 2017.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner