

**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-180500

ORDER 01

ORDER APPROVING
COMPLIANCE WITH ELIGIBLE
RENEWABLE ENERGY TARGET
REPORTING REQUIREMENTS
FOR 2018

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 2018, for example, may be demonstrated as late as June 1, 2020. 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

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).

Power or Company) for its 2018 obligation. The Commission will consider Pacific Power's compliance with its 2018 target when Pacific Power requests such a finding, which the Company must do through a filing in this docket no later than June 1, 2020.

3 On June 1, 2018, Pacific Power filed with the Commission a compliance report under RCW 19.285.070 and WAC 480-109-210 (RPS Report). On July 5, 2018, Pacific Power filed a revised report to correct its historical load data. The 2018 target identified in the revised report is 369,133 megawatt hours (MWh).

4 Table 1 summarizes Pacific Power's 2018 target and the total amount of resources that the company had acquired by January 1, 2018, and illustrates the Company's overall compliance position. Pacific Power has purchased and likely will continue to purchase unbundled RECs to meet future RPS compliance obligations.⁵

Table 1: Pacific Power's 2018 Renewable Resource Target and Compliance Plan

2018 Target (MWh)	Incremental Hydro (MWh)	2017 RECs	2018 RECs	Purchased RECs	Total Compliance Resources (MWh)
369,133 ⁶	*	145,218	*	*	369,133

5 Pacific Power intends to utilize unbundled RECs from six new solar facilities. The four solar facilities located in Oregon are Adams Solar, Bear Creek Solar, Bly Solar, and Elbe Solar. The two solar facilities located in Utah are Pavant Solar and Enterprise Solar. Adams Solar and Elbe Solar are eligible for use against RPS compliance by any utility in Washington. Bear Creek Solar and Bly Solar are still under construction, but are expected to be completed before the end of 2018. Once they are in operation, they will be eligible for use against RPS compliance by any utility in Washington.

6 The RPS allows Pacific Power to use resources located in Utah and Wyoming, where it has retail customers, if the company owns or contracts with those resources for

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.

⁶ The Company submitted a revised report on July 5, 2018, to correct its historical load information and 2018 target. As a result of the correction, the 2018 target has increased to 369,133 MWh from the target of 356,074 MWh identified in the company's initial report submitted June 1, 2018.

electricity; Pacific Power is the only company eligible to use resources in these two states for RPS compliance.⁷

7 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 2018.

8 On June 7, 2018, 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. Similar to joint comments filed in 2017, the organizations expressed concerns 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.

9 Based on the information that the Company provided in its RPS Report and supplemental filing, Staff believes that Pacific Power correctly calculated its 2018 RPS target, and that it has acquired sufficient resources to meet that target.

10 Pacific Power reported its actual incremental cost for the 2018 compliance plan as \$2,341,618, or 0.7 percent of revenue requirement.⁸ The RPS report contained sufficient information to review incremental cost calculations.

11 Pacific Power will need to document its use of renewable resources under various renewable energy programs, which will allow Staff to review the eligibility of the resources for meeting the EIA requirement. Because the statute explicitly disallows any resources used for Green Power programs in RCW 19.29A.090, the Commission requires companies to include some information about the usage of the certificates. While the rule requires this information in the annual report, Staff requests the Commission to require the Company to list details about program usage, as described in WAC 480-109-210(2)(d)(i), in the final compliance report for 2018 required by WAC 480-109-210(6).

12 Staff recommends that the Commission issue an order in this docket determining: (1) the 2018 renewable energy target for Pacific Power is 369,133 MWh; (2) Pacific Power has

⁷ RCW 19.285.030(12)(e).

⁸ WAC 480-109-210(2)(a).

demonstrated that, by January 1, 2018, it acquired at least 369,133 MWh of eligible renewable resources, equivalent renewable energy credits, or a combination of the two, sufficient to supply at least 9 percent of its load for 2018; (3) Pacific Power has complied with the June 1, 2018, reporting requirements pursuant to WAC 480-109-210; (4) Adams Solar and Elbe Solar are eligible for RPS compliance by any utility in Washington; Bear Creek Solar and Bly Solar are eligible for RPS compliance on the condition that the Company provides proof of operation; and Pavant Solar and Enterprise Solar are only eligible for Pacific Power's RPS compliance; and (5) in its final compliance report for 2018 required by WAC 480-109-210(6), Pacific Power must provide details about which certificates were used for its various renewable energy programs.

DISCUSSION

13 The Commission accepts Pacific Power's calculation of 369,133 megawatt-hours as the Company's renewable energy target for 2018 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 2018 target when the Company requests such a finding, no later than June 1, 2020. Each facility used for RPS compliance must also be registered in the Western Renewable Energy Generation Information System (WREGIS) pursuant to WAC 480-109-200(3). 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 2018.

FINDINGS AND CONCLUSIONS

- 14 (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.
- 15 (2) Pacific Power is an electrical company and a public service company subject to Commission jurisdiction.
- 16 (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).
- 17 (4) Pacific Power has properly calculated its renewable energy target for 2018 to be 369,133 megawatt-hours.

- 18 (5) By January 1, 2018, Pacific Power had acquired sufficient eligible renewable resources, equivalent renewable energy credits, or a combination of the two to supply at least 9 percent of its load for the remainder of 2018.
- 19 (6) Pacific Power & Light Company may utilize unbundled RECs from 6 solar facilities, as follows: a) Adams Solar and Elbe Solar, which are eligible for RPS compliance by any utility in Washington; b) Bear Creek Solar and Bly Solar, which are eligible for RPS compliance subject to the condition that Pacific Power & Light Company provides proof of operation; and c) Pavant Solar and Enterprise Solar, which may only be used by Pacific Power & Light Company for RPS compliance. Each facility used for RPS compliance must also be registered in WREGIS.
- 20 (7) 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 2018.
- 21 (8) Pursuant to WAC 480-109-210(4), Pacific Power must provide a summary of its RPS Report to its customers, by bill insert or other suitable method, within 30 days of the date of this Order.
- 22 (9) Pursuant to WAC 480-109-210(6), Pacific Power must file a report no later than June 1, 2020, 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, 2018, target.

ORDER

THE COMMISSION ORDERS:

- 23 (1) The Commission accepts the calculation of 369,133 megawatt-hours as the 2018 renewable energy target for Pacific Power & Light Company.
- 24 (2) Pacific Power & Light Company has identified eligible renewable resources, equivalent renewable energy credits, or a combination of the two sufficient to supply at least 9 percent of its load for 2018.
- 25 (3) Pacific Power & Light Company has complied with the June 1, 2018, reporting requirements pursuant to WAC 480-109-210.

- 26 (4) Adams Solar and Elbe Solar are eligible for RPS compliance by any utility in Washington subject to their registration in WREGIS.
- 27 (5) Bear Creek Solar and Bly Solar are eligible for RPS compliance subject to the condition that Pacific Power & Light Company provides proof of operation and proof of registration with WREGIS.
- 28 (6) Pavant Solar and Enterprise Solar may only be used by Pacific Power & Light Company for RPS compliance.
- 29 (7) 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 2018.
- 30 (8) 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 9, 2018.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner