BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Amending and Adopting Rules in WAC 480-100 Relating to Markets and Compliance Requirements for the Clean Energy Transformation Act	DOCKET UE-210183 GENERAL ORDER R-610 ORDER ADOPTING RULES PERMANENTLY

1 **STATUTORY OR OTHER AUTHORITY:** The Washington Utilities and Transportation Commission (Commission) takes this action under Notice WSR # 25-15-112, filed with the Code Reviser on July 18, 2025. The Commission has authority to take this action pursuant to RCW 80.01.040, RCW 80.04.160, Chapter 80.28 RCW ("Gas, electrical, and water companies."), Chapter 19.280 RCW ("electric utility resource plans"), and Chapter 19.405 RCW ("Washington clean energy transformation act").

2 **STATEMENT OF COMPLIANCE:** This proceeding complies with the Administrative Procedure Act (Chapter 34.05 RCW), the State Register Act (Chapter 34.08 RCW), the State Environmental Policy Act of 1971 (RCW 43.21C), and the Regulatory Fairness Act (Chapter 19.85 RCW).

3 **DATE OF ADOPTION:** The Commission adopts these rules on the date this Order is entered.

4 **CONCISE STATEMENT OF PURPOSE AND EFFECT OF THE RULE:** RCW 19.405.130(3) requires the Commission to adopt rules by June 30, 2022, defining the requirements for meeting the obligations under RCW 19.405.030 – .050 with market purchases from the Energy Imbalance Market (EIM) and other centralized markets to address the prohibition on double counting of nonpower attributes under RCW 19.405.040 that could occur under other programs. The Commission completed the required rulemaking, but conducts this additional rulemaking to clarify remaining interpretive questions. This rulemaking specifically addresses questions including interpreting and implementing RCW 19.405.040(1)(a) regarding the use of electricity for compliance with RCW 19.405.030 through RCW 19.405.050 and other portions of Chapter 19.405 RCW, the Clean Energy Transformation Act (CETA) that may be affected by rules interpreting RCW 19.405.040(1)(a). This statement must identify the

Commission's reasons for adopting the rule, describe the differences between the version of the proposed rules published in the register and the rules adopted (other than editing changes), summarize the comments received regarding the proposed rule changes, and state the Commission's responses to the comments reflecting the Commission's consideration of them.

5 To avoid unnecessary duplication in the record of this docket, the Commission designates the discussion in this Order, including appendices, as its concise explanatory statement. This Order provides a complete but concise explanation of the agency's actions and its reasons for taking those actions.

6 **REFERENCE TO AFFECTED RULES**: This Order adopts the following sections of the Washington Administrative Code:

Amend	WAC 480-100-605	Definitions.
Amend	WAC 480-100-650	Reporting and compliance.
Adopt	WAC 480-100-670	Use of renewable energy credits other than unbundled RECs to comply with the greenhouse gas neutral standard.
Adopt	WAC 480-100-675	Portfolio planning requirements to comply with the greenhouse gas neutral standard.
Adopt	WAC 480-100-680	Use of RECs and NPAs to comply with the 100 percent renewable or nonemitting standard.

7 **PREPROPOSAL STATEMENT OF INQUIRY:** The Commission filed a Preproposal Statement of Inquiry (CR-101) on May 3, 2021, at WSR # 21-10-088. The statement advised interested persons that the Commission was initiating a rulemaking to implement the requirements of CETA, which requires investor-owned electric utilities to (1) eliminate coal-fired generation from their portfolios by the end of 2025; (2) ensure that all retail sales of electricity to their retail customers will be greenhouse gas neutral by the end of 2030; and (3) source all of their power from renewable and non-emitting resources by the end of 2045. The statement clarified that the Commission adopted three sets of rules to begin CETA implementation in 2020, and that this notice signified the beginning of the second phase of rulemaking specifically addressing compliance 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. The Commission informed persons of this inquiry by providing notice of the subject and the CR-101 to everyone on the Commission's list of persons, cities, and counties requesting such information pursuant to RCW 34.05.320(3), as well as all regulated electric and natural gas companies and the Commission's list of utility

attorneys. On May 13, 2021, the Commission issued an Addendum to the CR-101 Notice, clarifying that initial written comments would be due June 2, 2021.

8 **STAKEHOLDER PARTICIPATION:** Pursuant to the initial notice, the Commission issued a second notice of opportunity to file written comments on the CR-101 and a list of questions enumerated in the notice on May 17, 2021. The Commission received written comments in response to the May 2021 notices on June 2, 2021, and June 14, 2021, respectively. The Commission received additional written comments in response to its notices on November 12, 2021, December 6, 2021, February 9, 2022, April 22, 2022, November 24, 2023, February 16, 2024, May 10, 2024, June 21, 2024, November 27, 2024, April 25, 2025, and August 9, 2025. The Commission conducted an adoption hearing on September 2, 2025, and workshops and/or technical conferences on June 22, 2021, August 12, 2021, September 27, 2021, December 6, 2021, December 14, 2021, and February 22, 2024.

9 Commenters and workshop participants include Western Power Trading Forum (WPTF), Avista d/b/a Avista Utilities (Avista) , Alliance of Western Energy Consumers (AWEC), Bonneville Power Administration (BPA), Northwest Intermountain Power Producers Coalition (NIPPC), PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp), Public Generating Pool (PGP), Puget Sound Energy (PSE), Northwest Energy Coalition (NWEC), Climate Solutions, Renewable Northwest (RNW), Center for Resource Solutions (CRS), Public Counsel Unit of the Attorney General's Office (Public Counsel), U.S. Energy Storage Association, Renewable Hydrogen Alliance (RHA), Copenhagen Infrastructure Partners (CIP), Northwest Energy Efficiency Council, Columbia Riverkeeper, FlexCharging, Washington Public Utility Districts Association (WPUDA), Natural Resources Defense Council (NRDC), The Northwest Requirements Utilities (NRU), Pacific Northwest Generating Cooperative (PNGC), Washington Rural Electric Cooperative Association (WRECA), King County, Avangrid Renewables, Powerex Corporation, the Washington Environmental Council, and various members of the public. A summary of all written comments and Commission staff's responses to CR-101 comments are contained in Appendix B, attached to, and made part of this Order.

10 **SMALL BUSINESS ECONOMIC IMPACT:** The proposed rules apply only to the large investor-owned utility companies and thus will have no effect on small business. Following notice of a Small Business Impact Economic Statement Questionnaire requesting responses by March 9, 2022, the Commission issued a Small Business Impact Economic Statement that confirmed that the proposed rules will not disproportionately affect small businesses. Following additional Small Business Impact Economic Statement Questionnaires requesting responses by November 24, 2023, and May 10, 2024, the Commission received no additional responses. The final rules adopted by the

Commission in this order do not deviate significantly from the version proposed in May 2024 as they relate to small businesses. Therefore, the Commission concludes that the adopted rules do not disproportionately affect small businesses.

11 **NOTICE OF PROPOSED RULEMAKING:** The Commission filed a first notice of Proposed Rulemaking (CR-102) on March 23, 2022, at WSR #22-07-100 (First Notice). The Commission filed a second notice (Adoption Notice or Second Notice) of Proposed Rulemaking (CR-102) on July 18, 2025, at WSR #25-15-112. The Commission scheduled this matter for telephonic and virtual oral comment and adoption under Notice WSR #25-15-112 at 9:00 a.m. on Tuesday, September 2, 2025. The Adoption Notice provided interested persons the opportunity to submit written comments to the Commission by August 19, 2025, two weeks prior to the hearing.

12 **WRITTEN COMMENTS:** The Commission received written comments in response to the Adoption Notice from PSE, PacifiCorp, Avista, and NIPPC. Written comments received after the Adoption Notice are addressed below.

13 **RULEMAKING HEARING:** The Commission considered the proposed rules for adoption at a rulemaking hearing on Tuesday, September 2, 2025, before Chair Brian J. Rybarik, Commissioner Ann E. Rendahl, and Commissioner Milton H. Doumit. The Commission heard a presentation by Commission staff (Staff) and oral comments from representatives of Avista, PacifiCorp, PSE, BPA, and NIPPC, all of whom enhanced the written comments they previously provided. The Washington Department of Ecology also requested minor clarifications to language in the adopted rules, which are addressed below.

14 **ADDITIONAL WRITTEN COMMENTS:** The Commission did not receive any additional comments after the August 19, 2025, written comment deadline.

15 **SUGGESTIONS FOR CHANGES:** The rules have been revised and edited multiple times throughout the CR-101 phase based upon comments from stakeholders. After the Commission issued the proposed rules, stakeholders suggested changes in both written and oral comments. The suggested changes and Staff's recommended responses are summarized in Appendix B. The Commission adopts Staff's responses and recommendations from the CR-101 phase as its own, while opining on major changes to the proposed rules in paragraphs 15 through 25. The Commission further revises the proposed rules presented at the adoption hearing as described in paragraphs 15 through 25 below.

Discussion

16 Throughout this process, the Commission has considered multiple possible restrictions on the use of nonpower attributes for primary compliance with CETA within a four-year compliance period. Though the Commission declines to adopt any of these restrictions at this time, the Commission has the authority to place restrictions on the use of nonpower attributes beyond the statutory limits based on its interpretation of "use". Additionally, the Commission is not obligated to mirror the rules adopted by Commerce here or in future changes to these rules. Though the Commission does not adopt any of the restrictions considered in the CR-101 phase, we add additional reporting requirements in WAC 480-100-650 to monitor the occurrence of resource shuffling as CETA implementation continues.

17 As stated in the previous adoption order in this docket,[1] the Commission finds the relevant statutory language in CETA ambiguous on the question of whether "retained Renewable Energy Credits (RECs)"[2] are eligible for primary compliance under RCW 19.405.040. Good faith arguments could be made on both sides of this question, and the Commission does not see any clear evidence of the legislative intent on this specific question within the legislative history. Therefore, the Commission must endeavor to follow what it believes the legislative intent was, focusing on achieving the stated policy goals of CETA.

18 The Commission finds that allowing retained RECs to count toward primary compliance under RCW 19.405.040(1) furthers the legislative intent of CETA. The period between 2030 and 2045 is one in which flexibility will be needed in order to meet CETA's clean energy goals while also keeping customer rates affordable. Adopting an interpretation that does not allow retained RECs to count toward primary compliance would require electric utilities and large combination utilities to implement complicated accounting systems. Given that retained RECs must be generated by the utility or purchased as a bundled product, the Commission finds that the complicated accounting and tracking systems necessary to ensure retained RECs are not counted toward primary compliance would not be in the public interest. Allowing retained RECs to count toward primary compliance still requires a utility to buy or build enough renewable and nonemitting generation to meet the 80 percent primary compliance requirement under CETA. The Commission will take this standard into account when setting interim targets in Clean Energy Implementation Plans (CEIPs) and Integrated System Plans (ISPs) moving

[1] GENERAL ORDER R-604, page 14 para. 46. June 29, 2022.

[2] "Retained RECs" are renewable energy credits (RECs) that are generated by a utility, and the energy associated with that REC is sold as unspecified

forward. Parties have objected that adopting this interpretation could reduce the incentives the utilities have to make progress on the clean energy transition.[3] The Commission disagrees, and notes that going forward the agency will review interim targets in light of the statutory interpretation we adopt today. Although the Commission is not bound to follow the same rules adopted by Commerce, we are concerned about the potential impact of adopting a different interpretation than the one Commerce has adopted in its rules.

19 The Commission reiterates here what it stated in the previous adoption order regarding the 2045 standard in RCW 19.405.050:[4] The Commission finds that retained RECs would not be consistent with the plain language of RCW 19.405.050(1), which requires utilities to "supply" retail load with electricity from 100 percent renewable and nonemitting resources. The Commission therefore expects utility long term planning to account for the need to supply 100 percent of retail load in 2045 without the ability to use retained RECs for compliance.

20 PacifiCorp states concerns regarding the sufficiency of using a cost allocation methodology for CETA compliance. The Commission reiterates in this order that for multi-state utilities, we expect that a cost allocation methodology will be sufficient for determining that a utility is in compliance with the 100 percent renewable or nonemitting standard. Any interstate cost allocation methodology approved by the Commission is assumed to be accurate and sufficient for the purpose of determining CETA compliance.

21 During the adoption hearing, the Department of Ecology (Ecology) requested two clarifications regarding the draft rules. First, Ecology requested that the Commission clarify whether the specification of double-counting within a "load-based program" in proposed WAC 480-100-670(8) extends to the discussion of offering specified power in subsection (b). We affirm that the specification of "load-based program" in WAC 480-100-670(8) extends to subsection (b).

22 Second, Ecology requested that the Commission consider whether in-market attribution of resources to a Washington-based greenhouse gas regulation area[5] qualifies as a load-based program, and whether attribution under such a construct would be considered

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[3] Docket UE-210183, Comments of Renewable Northwest, the Northwest Energy Coalition, and Climate Solutions, pg. 2 (Apr. 25, 2025).

[4] GENERAL ORDER R-604, page 11, paragraph 38 ("However, we still expect that the electric utilities we regulate are engaged in planning and acquiring resources to achieve CETA's final goal: supplying 100 percent R&N electricity in providing electric service for retail customers equitably, cost effectively, and reliably.")

[5] Ecology provides an example of CAISO tariff Sec 29.32 , 33.32 (FERC approved)

double-counting. Ecology noted that if the Commission does consider in-market attribution to be a load-based program, and therefore double-counting CETA-eligible attributes, it would create difficulties for Cap-and-Invest implementation. The Commission does not believe that in-market attribution is a load-based program, as it exists to serve greenhouse gas accounting within a day-ahead market. The accounting of CETA-eligible attributes occurs in a post-market setting, distinct from the in-market attribution framework that will be used in developing day-ahead markets. As such, the Commission clarifies here that it does not consider in-market attribution to be a load-based program.

23 In written comment in response to the Adoption Notice, Avista proposes changing the hourly analysis requirement in proposed WAC 480-100-675(2) to a monthly requirement, arguing that additional clarification is needed on how such an hourly analysis should be implemented. The Commission rejects this request. On this issue, we expect Avista and other affected utilities to construct an hourly analysis that functions within the context of the utility's planning procedures and limitations. The Commission encourages all companies to work with Staff and technical advisory groups to implement an hourly analysis that demonstrates actionable steps toward CETA compliance. The Commission notes that if a company is unable to perform these functions with an hourly analysis, it may apply for a rule exemption to substitute a monthly analysis. Any company seeking an exemption must demonstrate that it is not able to conduct an hourly analysis.

24 Also, in response to the Adoption Notice, PacifiCorp and PSE offer minor changes to the wording of the monthly reporting requirements in proposed WAC 480-100-650(3)(l). PacifiCorp proposes clarifying that the reported information should be disaggregated monthly, not reported monthly, as the information would be included in annual Clean Energy Progress Reports. The Commission agrees with this proposal and adopts the language suggested by PacifiCorp.

25 PSE notes in written comment that the Annual Clean Energy Progress Reports are not required during years that Clean Energy Compliance Reports are submitted and proposes changing the start date for data reporting in proposed WAC 480-100-650(3)(l) to July 1, 2027. The Commission recognizes this issue but prefers that the requested information be reported annually regardless of the nature of the report filed in a given year. In the existing rule implementing CETA, WAC 480-100-650(1)(h) specifies that information in subsection WAC 480-100-650(4) shall be reported in both progress reports and compliance reports. Consequently, the Commission retains the annual reporting requirement, but moves the requirement from WAC 480-100-650(3) to WAC 480-100-650(4).

26 **COMMISSION ACTION:** After considering all of the information regarding this proposal, the Commission finds and concludes that it should amend and adopt the rules as proposed in the CR-102 at WSR #25-15-112 with the changes described in paragraph 27 below.

27 **CHANGES FROM PROPOSAL:** The Commission adopts the proposal with the following changes from the text noticed at WSR #25-15-112:

480-100-650(3)(l)	Delete all text, which will be moved to 480-100-650(4)(e)
480-100-650(4)(e)	Insert "Beginning July 1, 2026, and each year thereafter, the following information shall be reported annually, disaggregated on at least a monthly basis, in megawatt hours: (i) The total amount of renewable or nonemitting energy that is generated or purchased, categorized by resource type, justified by associated RECs or NPAs; (ii) The amount of renewable or nonemitting energy that the utility counts towards primary compliance, categorized by resource type, identified by the vintage of the associated RECs or NPAs; (iii) The total load served by the utility before line losses; (iv) The retail load served by the utility; and (v) The total amount of energy storage resource charging and dis-charging, for supply-side resources owned or contracted by the utility, categorized by resource type."
480-100-650(m)	Rename this subsection as subsection (l), following the removal of the previous subsection (l).

28 **STATEMENT OF ACTION; STATEMENT OF EFFECTIVE DATE:** After reviewing the entire record, the Commission determines that amendment of WAC 480-100-605 and WAC 480-100-650 is necessary, as well as the addition of new WAC 480-100-700, 480-100-750, and 480-100-800 to implement chapter 19.405 RCW, with a focus on RCW 19.405.030, 19.405.040, 19.405.050, and 19.405.130 and other portions of chapter 19.405 to read as set forth in Appendix C, as rules of the Washington Utilities and Transportation Commission, to take effect immediately pursuant to RCW 34.05.380(3)(a).

ORDER

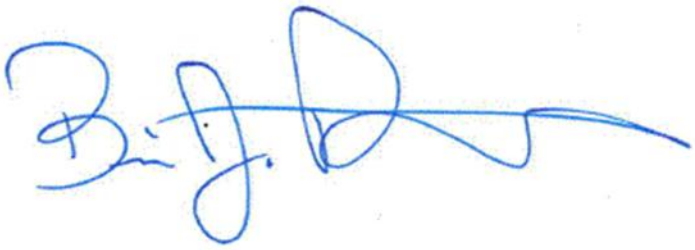
29 **THE COMMISSION ORDERS:**

30 The Commission amends WAC 480-100-605 and WAC 480-100-650 and creates WAC 480-100-670, WAC 480-100-675, and WAC 480-100-680 to read as set forth in Appendix C, as rules of the Washington Utilities and Transportation Commission, to take effect immediately.

31 This Order and the rule set out below, after being recorded in the register of the Washington Utilities and Transportation Commission, shall be forwarded to the Code Reviser for filing pursuant to RCW 80.01 and RCW 34.05 and WAC 1-21.

DATED at Olympia, Washington, December 11, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



BRIAN J. RYBARIK, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner

Note: The following is added at Code Reviser request for statistical purposes:

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, amended 0, repealed 0; Federal Rules or Standards: New 0, amended 0, repealed 0; or Recently Enacted State Statutes: New 0, amended 0, repealed 0.

Number of Sections Adopted at Request of a Nongovernmental Entity: New 0, amended 0, repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 3, amended 2, repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 3, amended 2, repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, amended 0, repealed 0; Pilot Rule Making: New 0, amended 0, repealed 0; or Other Alternative Rule Making: New 3, amended 2, repealed 0.

Appendix A

Previous CR-102 Comment Matrix

Appendix B

CR-101 Comment Matrix

Appendix C

WAC 480-100 - RULES