



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE
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Clean Energy Transformation Act (SB 5116)
Rulemaking Workshop – Planning Issues (Sections 6 and 14)
Sept. 18, 2019
Commerce Olympia Office
9:00 a.m. – 12:00 noon

Webinar Option:

<https://lync.wa.gov/commerce.wa.gov/meet/glenn.blackmon/N9D43Z4D>

Phone Option: (360) 407-3813, Conference ID 3989917#

Agenda

Meeting Objectives:

- Identify areas where there needs to be rules
- Prioritize areas where rulemaking is most important
- Hear from practitioners and subject matter experts on what is most important

Schedule:

- 9:00 Introductions and Welcome – Rebecca Stillings and Rachel Revisky
- 9:10 Agenda Review and Opening Remarks – Rebecca Stillings
- 9:15 Presentations
The Energy Authority, Climate Solutions, Snohomish PUD, NW Energy Coalition
- 10:05 Presentations Q&A
- 10:25 Reviewing Rulemaking Priorities – Rachel Revisky
- 10:30 Updating Priorities- Rachel Revisky
- 10:35 BREAK
- 10:45 Shift and Share – Rebecca Stillings
- 11:55 Wrap Up and Next Steps – Glenn Blackmon
- 12:00 End of Workshop

TEMPORARY PARKING PERMIT



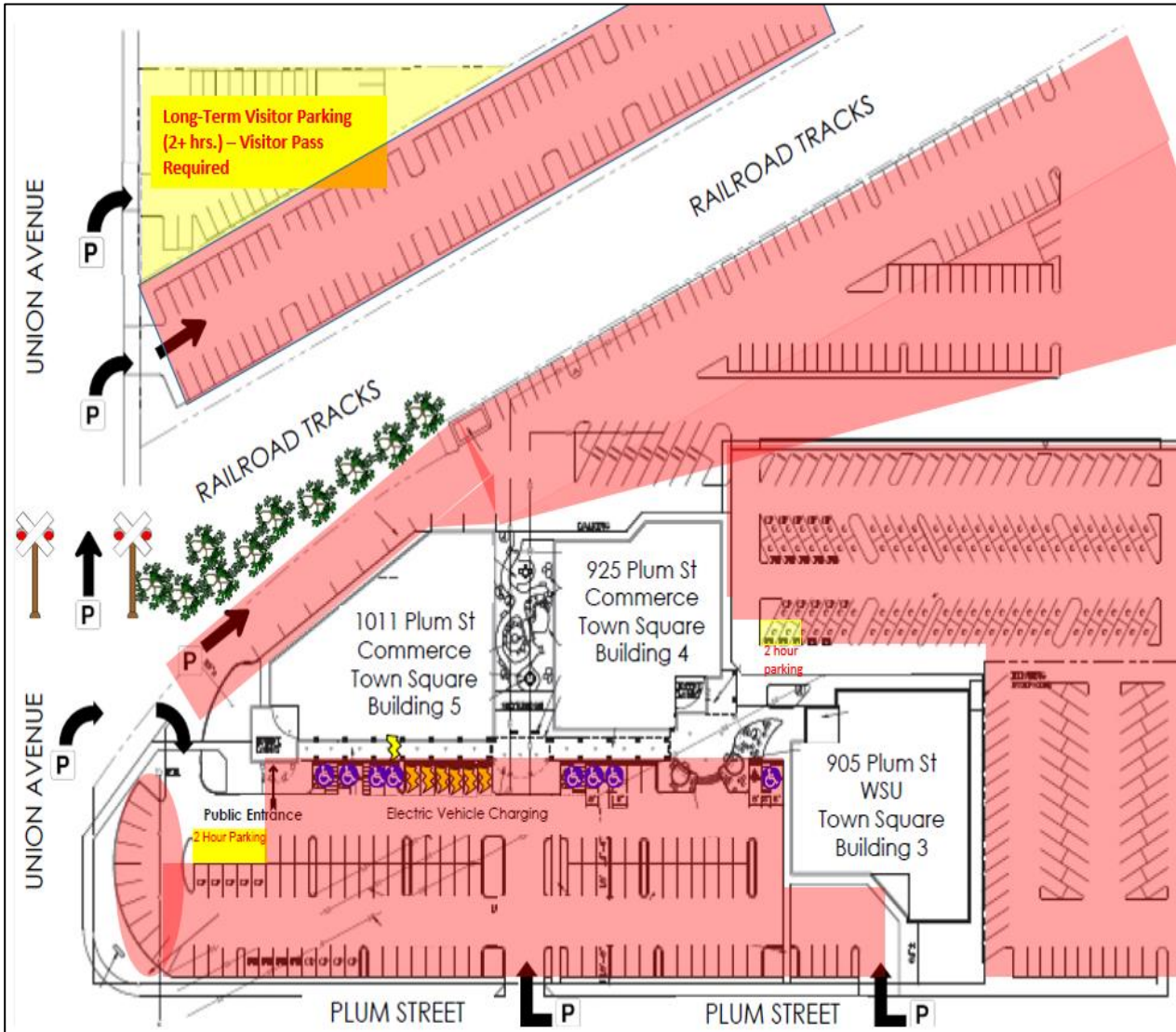
Visitor Permit
Dept. of Commerce
Town Square Campus

VALID UNTIL

DATE	TIME	
Sep 18 2019	8:00-1:00	<input checked="" type="checkbox"/> AM
		<input checked="" type="checkbox"/> PM



PARKING INFORMATION



VISITORS:

Visitor parking is only permitted in the yellow highlighted areas and is classified as short- or long-term, depending on the duration of your visit.

Short-term (2 hours or less)

- No permit is required
- 5 short-term parking stalls are available
- If no short-term parking is available, please see the receptionist for a long-term visitor parking permit.

Long-term (More than 2 hours)

- One long-term visitor parking lot is available with 30 stalls
- If no long-term parking is available, please use on-street parking spaces.

ACCESSIBLE PARKING:

- Visitors and employees with a valid, properly displayed disabled placard may park in designated accessible stalls or any available space.
- Visitors must also display a long-term parking permit, even in short-term parking or employee parking areas.

ELECTRIC VEHICLES (EV):

- Visitors and employees with an EV may use the EV chargers for up to 4 hours.
- Visitors must display a long-term parking permit

NOTE: TOWN SQUARE CAMPUS PARKING IS ADMINISTERED BY, TRANSWESTERN CORP. FAILURE TO PARK IN THE APPROPRIATE SPACE MAY RESULT IN THE VEHICLE BEING TOWED AT THE OWNER'S EXPENSE. THE DEPARTMENT OF COMMERCE IS NOT RESPONSIBLE FOR IMPROPERLY PARKED VEHICLES.

NOTE: This document was prepared in response to stakeholders who requested specific questions or issues that may be discussed at the CETA workshop on 9/18/2019. It is not intended to exclude other possible questions or issues or to suggest that a rule is necessary on any particular topic.

<p>Section 14 (RCW 19.280.030)</p>	
<p>Sec. 14. RCW 19.280.030 and 2015 3rd sp.s. c 19 s 9 are each amended to read as follows:</p> <p>Each electric utility must develop a plan consistent with this section.</p> <p>(1) Utilities with more than twenty-five thousand customers that are not full requirements customers (shall) <u>must</u> develop or update an integrated resource plan by September 1, 2008. At a minimum, progress reports reflecting changing conditions and the progress of the integrated resource plan must be produced every two years thereafter. An updated integrated resource plan must be developed at least every four years subsequent to the 2008 integrated resource plan. The integrated resource plan, at a minimum, must include:</p>	<p><i>Should a rule specify the methodologies or standards for any of the plan components in subsections (a) through (j)?</i></p>
<p>(a) A range of forecasts, for at least the next ten years or longer, of projected customer demand which takes into account econometric data and customer usage;</p>	
<p>(b) An assessment of commercially available conservation and efficiency resources, <u>as informed, as applicable, by the assessment for conservation potential under RCW 19.285.040 for the planning horizon consistent with (a) of this subsection.</u> Such assessment may include, as appropriate, opportunities for development of combined heat and power as an energy and capacity resource, demand response and load management programs, and currently employed and new policies and programs needed to obtain the conservation and efficiency resources;</p>	
<p>(c) An assessment of commercially available, utility scale renewable and nonrenewable generating technologies including a comparison of the benefits and risks of purchasing power or building new resources;</p>	

Section 14 (RCW 19.280.030)	
(d) A comparative evaluation of renewable and nonrenewable generating resources, including transmission and distribution delivery costs, and conservation and efficiency resources using "lowest reasonable cost" as a criterion;	
(e) An assessment of methods, commercially available technologies, or facilities for integrating renewable resources, <u>including but not limited to battery storage and pumped storage</u> , and addressing overgeneration events, if applicable to the utility's resource portfolio;	
(f) <u>An assessment and ten-year forecast of the availability of regional generation and transmission capacity on which the utility may rely to provide and deliver electricity to its customers;</u>	<i>Is the term "regional generation and transmission capacity" clear?</i>
(g) <u>A determination of resource adequacy metrics for the resource plan consistent with the forecasts;</u>	<i>Is the term "resource adequacy metrics" clear?</i>
(h) <u>A forecast of distributed energy resources that may be installed by the utility's customers and an assessment of their effect on the utility's load and operations;</u>	
(i) <u>An identification of an appropriate resource adequacy requirement and measurement metric consistent with prudent utility practice in implementing sections 3 through 5 of this act;</u>	<i>Is the term "prudent utility practice" clear?</i> <i>Is the term "resource adequacy requirement" clear? Does it differ in meaning from "resource adequacy metric" in subsection (g)?</i>
(j) <u>The integration of the demand forecasts ((and)), resource evaluations, and resource adequacy requirement into a long-range assessment describing the mix of supply side generating resources and conservation and efficiency resources that will meet current and projected needs, including mitigating overgeneration events and implementing sections 3 through 5 of this act, at the lowest reasonable cost and risk to the utility and its ((ratepayers)) customers, while maintaining and protecting the safety, reliable operation, and balancing of its electric system; ((and</u>	

Section 14 (RCW 19.280.030)	
<p>(g)) <u>(k) An assessment, informed by the cumulative impact analysis conducted under section 24 of this act, of: Energy and nonenergy benefits and reductions of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits, costs, and risks; and energy security and risk; and</u></p>	<p><i>[RESERVED for future discussion. The analysis required in Sec. 24 is due by December 31, 2020.]</i></p>
<p><u>(1) A (short-term plan identifying) ten-year clean energy action plan for implementing sections 3 through 5 of this act at the lowest reasonable cost, and at an acceptable resource adequacy standard, that identifies the specific actions to be taken by the utility consistent with the long-range integrated resource plan.</u></p>	<p><i>Should a rule specify minimum requirements for the 10-year clean energy action plan?</i></p> <p><i>Should a rule specify whether a resource adequacy standard is “acceptable”?</i></p>
<p><u>(3) (a) An electric utility shall consider the social cost of greenhouse gas emissions, as determined by the commission for investor-owned utilities pursuant to section 15 of this act and the department for consumer-owned utilities, when developing integrated resource plans and clean energy action plans. An electric utility must incorporate the social cost of greenhouse gas emissions as a cost adder when:</u></p> <p><u>(i) Evaluating and selecting conservation policies, programs, and targets;</u></p> <p><u>(ii) Developing integrated resource plans and clean energy action plans; and</u></p> <p><u>(iii) Evaluating and selecting intermediate term and long-term resource options.</u></p> <p><u>(b) For the purposes of this subsection (3): (i) Gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters must be considered a nonemitting resource; and (ii) qualified biomass energy must be considered a nonemitting resource.</u></p>	<p><i>[NOTE: Cost values to be used was covered at the 8/22 workshop and in comments submitted on 9/6.]</i></p> <p><i>Should a rule specify one or more acceptable methodologies for incorporating GHG emission costs into the listed activities?</i></p> <p><i>Should a rule specify the scope of GHG emissions to be incorporated (point of combustion, upstream emissions, etc.)?</i></p> <p><i>Is the term “cost adder” clear?</i></p>

Section 14 (RCW 19.280.030)	
<p><u>(4) To facilitate broad, equitable, and efficient implementation of this act, a consumer-owned energy utility may enter into an agreement with a joint operating agency organized under chapter 43.52 RCW or other nonprofit organization to develop and implement a joint clean energy action plan in collaboration with other utilities.</u></p>	<p><i>Should a rule specify any conditions or requirements for agreements with a joint operating agency or other nonprofit organizations?</i></p>
<p><u>(5) All other utilities may elect to develop a full integrated resource plan as set forth in subsection (1) of this section or, at a minimum, shall develop a resource plan that:</u></p> <p>(a) Estimates loads for the next five and ten years;</p> <p>(b) Enumerates the resources that will be maintained and/or acquired to serve those loads; ((and))</p> <p>(c) Explains why the resources in (b) of this subsection were chosen and, if the resources chosen are not: (i) Renewable resources; (ii) methods, commercially available technologies, or facilities for integrating renewable resources, including addressing any overgeneration event; or (iii) conservation and efficiency resources, why such a decision was made; <u>and</u></p> <p><u>(d) By December 31, 2020, and in every resource plan thereafter, identifies how the utility plans over a ten-year period to implement sections 4 and 5 of this act.</u></p>	<p><i>Should a rule establish any minimum standards for the statement required in subsection (d)?</i></p> <p><i>Should a rule clarify the timing of the subsection (d) requirements relative to the September date in subsection (7)?</i></p>
<p>((3)) <u>(6) Assessments for demand side resources included in an integrated resource plan may include combined heat and power systems as one of the measures in a conservation supply curve. The value of recoverable waste heat resulting from combined heat and power must be reflected in analyses of cost-effectiveness under this subsection.</u></p>	
<p>((4)) <u>(7) An electric utility that is required to develop a resource plan under this section must complete its initial plan by September 1, 2008.</u></p>	
<p>((5) Resource) <u>(8) Plans developed under this section must be updated on a regular basis, <u>on intervals approved by the commission or the department, or at a minimum on intervals of two years.</u></u></p>	<p><i>Should Commerce approve a different reporting interval? Is this discretion available only to approve a more frequent reporting interval?</i></p>
<p>((6)) <u>(9) Plans shall not be a basis to bring legal action against electric utilities.</u></p>	

Section 14 (RCW 19.280.030)	
<p>((7)) (10)(a) To maximize transparency, the commission, for investor-owned utilities, or the governing body, for consumer-owned utilities, may require an electric utility to make the utility's data input files available in a native format. Each electric utility shall publish its final plan either as part of an annual report or as a separate document available to the public. The report may be in an electronic form.</p> <p>(b) Nothing in this subsection limits the protection of records containing commercial information under RCW 80.04.095.</p>	<p><i>Should a rule specify any minimum requirements for publication of plans and data?</i></p>
<p>(11) By December 31, 2021, the department and the commission must adopt rules establishing the requirements for incorporating the cumulative impact analysis developed under section 24 of this act into the criteria for developing clean energy action plans under this section.</p>	<p><i>[RESERVED for future discussion. The analysis required in Sec. 24 is due by December 31, 2020.]</i></p>

Section 6 (RCW 19.404.060)	
<p>(2)(a) By January 1, 2022, and every four years thereafter, each consumer-owned utility must develop and submit to the department a four-year clean energy implementation plan for the standards established under sections 4(1) and 5(1) of this act that:</p>	
<p>(i) Proposes interim targets for meeting the standard under section 4(1) of this act during the years prior to 2030 and between 2030 and 2045, as well as specific targets for energy efficiency, demand response, and renewable energy;</p>	<p><i>Should a rule specify the time periods for interim targets (such as a target for the period 2022 through 2025 and 2026 through 2029)?</i></p> <p><i>Are interim targets expressed in the same terms as targets under Section 4(1): Amount of nonemitting electric generation and electricity from renewable sources as a percent of the utility's retail electric loads over the period?</i></p> <p><i>Should a rule specify minimum levels for interim targets to demonstrate progress (such interim target for 2022-2025 target must be at least X% of the target in 4(1))?</i></p>

Section 6 (RCW 19.404.060)	
	<p><i>For the compliance periods between 2030 and 2045, should a rule specify minimum levels for interim targets?</i></p> <p><i>Should a rule specify the minimum requirements for energy efficiency, demand response, and renewable energy targets?</i></p>
<p>(ii) Is informed by the consumer-owned utility's clean energy action plan developed under RCW 19.280.030(1) or other ten-year plan developed under RCW 19.280.030(5);</p>	
<p>(iii) Is consistent with subsection (4) of this section; and</p>	
<p>(iv) Identifies specific actions to be taken by the consumer owned utility over the next four years, consistent with the utility's long-range resource plan and resource adequacy requirements, that demonstrate progress towards meeting the standards under sections 4(1) and 5(1) of this act and the interim targets proposed under (a)(i) of this subsection. The specific actions identified must be informed by the consumer-owned utility's historic performance under median water conditions and resource capability and by the consumer owned utility's participation in centralized markets. In identifying specific actions in its clean energy implementation plan, the consumer-owned utility may also take into consideration any significant and unplanned loss or addition of load it experiences.</p>	<p><i>Should a rule specify the minimum requirements to demonstrate progress?</i></p> <p><i>Should a rule more clearly specify a no-backsliding standard? If so, how should this standard reflect hydro variability and centralized markets?</i></p> <p><i>Should a rule specify a standard for significant and unplanned loss or addition of load?</i></p>
<p>(b) The governing body of the consumer-owned utility must, after a public meeting, adopt the consumer-owned utility's clean energy implementation plan. The clean energy implementation plan must be submitted to the department and made available to the public. The governing body may adopt more stringent targets than those proposed by the consumer-owned utility and periodically adjust or expedite timelines if it can be demonstrated that such targets or timelines can be achieved in a manner consistent with the following:</p>	<p><i>[RESERVED for discussion with other reporting requirements.]</i></p>

<p>Section 6 (RCW 19.404.060)</p> <p>(i) Maintaining and protecting the safety, reliable operation, and balancing of the electric system;</p> <p>(ii) Planning to meet the standards at the lowest reasonable cost, considering risk;</p> <p>(iii) Ensuring that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency; and</p> <p>(iv) Ensuring that no customer or class of customers is unreasonably harmed by any resulting increases in the cost of utility-supplied electricity as may be necessary to comply with the standards.</p>	
<p>(4)(a) A consumer-owned utility must be considered to be in compliance with the standards under sections 4(1) and 5(1) of this act if, over the four-year compliance period, the average annual incremental cost of meeting the standards or the interim targets established under subsection (2) of this section meets or exceeds a two percent increase of the consumer-owned utility's retail revenue requirement above the previous year. All costs included in the determination of cost impact must be directly attributable to actions necessary to comply with the requirements of sections 4 and 5 of this act.</p>	<p><i>[RESERVED for future discussion]</i></p>
<p>(b) If a consumer-owned utility relies on (a) of this subsection as a basis for compliance with the standard under section 4(1) of this act, and it has not met eighty percent of its annual retail electric load using electricity from renewable resources and nonemitting electric generation, then it must demonstrate that it has maximized investments in renewable resources and nonemitting electric generation prior to using alternative compliance options allowed under section 4(1)(b) of this act.</p>	<p><i>[RESERVED for future discussion]</i></p>