

Clean Energy Transformation Act

Rulemaking Workshop – Potential Planning Requirement Rules (Sections 6 and 14)

November 13, 2019 – 1 p.m. to 4 p.m.

1011 Plum Street SE, Olympia, WA

[Webex](#) (link)

Meeting #: 802 932 598

Password: CETA135!

Agenda

- 1:00 Welcome and introductions
- 1:15 Discussion of procedural requirements – CEIP
- Deadline -- 1/1/2022 and every four years thereafter
 - Public involvement
 - Public notice of work plan, publication of draft plan, written comments, board hearing
 - Adoption by governing board, publication of final plan
 - Submission to Commerce
 - Auditor review
 - Data availability
- 2:15 Break
- 2:30 Intersections and dependencies
- IRP -- deadline 9/1/2020 and every four years thereafter (?)
 - Clean energy action plan – 10-year plan within IRP
 - CEIP reference to “long-range resource plan”
 - Equitable distribution provision in 19.405.040(8)
 - Energy Independence Act – conservation potential and targets
- 3:00 Discussion of key substantive provisions
- Resource adequacy standard
 - Targets and demonstration of progress
 - Participant suggested topics
- 3:50 Wrap-up
- 4:00 Adjourn

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Discussion topics

CEIP Excerpt (RCW 19.405.060)

(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 RCW [19.405.040\(1\)](#) and [19.405.050\(1\)](#) that:

- (i) Proposes interim targets for meeting the standard under RCW 19.405.040(1) during the years prior to 2030 and between 2030 and 2045, as well as specific targets for energy efficiency, demand response, and renewable energy;
- (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);
- (iii) Is consistent with subsection (4) of this section; and
- (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 RCW 19.405.040(1) and 19.405.050 (1) 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.

CEIP Excerpt (RCW 19.405.060) continued...

(2)(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:

- i. Maintaining and protecting the safety, reliable operation, and balancing of the electric system;
- ii. Planning to meet the standards at the lowest reasonable cost, considering risk;
- 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
- 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.¹

¹ This text is shaded because it addresses an optional action by a utility governing board.

IRP Excerpt (RCW 19.280.030)

Each electric utility must develop a plan consistent with this section.

(1) Utilities with more than twenty-five thousand customers that are not full requirements customers must 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:

- 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;
- b. An assessment of commercially available conservation and efficiency resources, 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. 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;
- 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;
- 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, including but not limited to battery storage and pumped storage, and addressing overgeneration events, if applicable to the utility's resource portfolio;
- f. 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;
- g. A determination of resource adequacy metrics for the resource plan consistent with the forecasts;

- h. 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;
- i. An identification of an appropriate resource adequacy requirement and measurement metric consistent with prudent utility practice in implementing RCW [19.405.030](#) through [19.405.050](#);
- j. The integration of the demand forecasts, 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 RCW [19.405.030](#) through [19.405.050](#), at the lowest reasonable cost and risk to the utility and its customers, while maintaining and protecting the safety, reliable operation, and balancing of its electric system;
- k. An assessment, informed by the cumulative impact analysis conducted under RCW [19.405.140](#), 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
- l. A ten-year clean energy action plan for implementing RCW [19.405.030](#) through [19.405.050](#) 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.