

PROPOSED RULE MAKING



CR-102 (December 2017) (Implements RCW 34.05.320)

Do **NOT** use for expedited rule making

Agency: Washington State Department of Commerce

Original Notice

Supplemental Notice to WSR _____

Continuance of WSR _____

Preproposal Statement of Inquiry was filed as WSR 19-14-050 ; or

Expedited Rule Making--Proposed notice was filed as WSR _____ ; or

Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or

Proposal is exempt under RCW _____.

Title of rule and other identifying information: (describe subject) The proposed rules amend Chapter 194-37 (Energy Independence Act) and create a new section in new Chapter 194-40 (Clean Energy Transformation Act).

Hearing location(s):

Date: **Time:** **Location:** (be specific) **Comment:**

Date:	Time:	Location: (be specific)	Comment:
Dec. 16, 2019	10:00 AM	Washington Department of Commerce 1011 Plum Street SE Olympia, WA 98501	

Date of intended adoption: Dec. 18, 2019 (Note: This is **NOT** the **effective** date)

Submit written comments to:

Name: Austin Scharff

Address: Washington Department of Commerce, PO Box 42525, Olympia, WA 98504

Email: ceta@commerce.wa.gov

Fax:

Other:

By (date) Dec. 16, 2019

Assistance for persons with disabilities:

Contact Austin Scharff

Phone: 360 764-9632

Fax:

TTY:

Email: austin.scharff@commerce.wa.gov

Other:

By (date) December 9, 2019

Purpose of the proposal and its anticipated effects, including any changes in existing rules: WAC 194-37: The proposed rules incorporate legislative changes to RCW 19.285.030 and 19.285.040. These changes improve accountability of renewable energy claims by adopting an industry-standard definition of a renewable energy credit and expand the eligibility to hydropower to include federal projects marketed by the Bonneville Power Administration. WAC 194-40: The proposed new rules establish a new chapter for rules related to the Clean Energy Transformation Act (Chapter 19.405 RCW) and utility planning laws (Chapter 19.280 RCW). The new rule sections establish the purpose and scope of the chapter and establish specific cost values for consumer-owned utilities to use when incorporating the social cost of greenhouse gas emissions into planning, evaluation, and resource acquisition.

Reasons supporting proposal: The proposed rules implement statutory changes, improve resource decisions by requiring consideration of damages caused by greenhouse gas pollution, and maintain consistent approaches to cost evaluation by between consumer-owned utilities and investor-owned utilities.

Statutory authority for adoption: RCW 19.405.010, RCW 19.285.080

Statute being implemented: RCW 19.285.030, RCW 19.285 040, RCW 19.280.030, Chapter 19.405 RCW.

Is rule necessary because of a:

Federal Law? Yes No
Federal Court Decision? Yes No
State Court Decision? Yes No

If yes, CITATION:

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: Rulemaking activity will continue under WSR 19-14-050 as the agency develops rules to implement the Clean Energy Transformation Act.

Name of proponent: (person or organization) Washington Department of Commerce Private Public Governmental

Name of agency personnel responsible for:			
	Name	Office Location	Phone
Drafting:	Glenn Blackmon, Ph.D.	1011 Plum Street SE PO Box 42525 Olympia, WA 98504-2525	360 339-5619
Implementation:	Washington Department of Commerce	1011 Plum Street SE PO Box 42525 Olympia, WA 98504-2525	360 407-6000
Enforcement:	Attorney General of Washington	1125 Washington Street SE PO Box 40100 Olympia, WA 98504-0100	360 725-6200

Is a school district fiscal impact statement required under RCW 28A.305.135? Yes No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

- Name:
- Address:
- Phone:
- Fax:
- TTY:
- Email:
- Other:

Is a cost-benefit analysis required under RCW 34.05.328?

Yes: A preliminary cost-benefit analysis may be obtained by contacting:

- Name:
- Address:
- Phone:
- Fax:
- TTY:
- Email:
- Other:

No: Please explain: RCW 34.05.328 does not apply to the Department of Commerce.

Regulatory Fairness Act Cost Considerations for a Small Business Economic Impact Statement:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see chapter 19.85 RCW). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.061 because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by RCW 34.05.313 before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3). Check all that apply:

RCW 34.05.310 (4)(b)
(Internal government operations)

RCW 34.05.310 (4)(e)
(Dictated by statute)

RCW 34.05.310 (4)(c)
(Incorporation by reference)

RCW 34.05.310 (4)(f)
(Set or adjust fees)

RCW 34.05.310 (4)(d)
(Correct or clarify language)

RCW 34.05.310 (4)(g)
((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under RCW ____.

Explanation of exemptions, if necessary:

COMPLETE THIS SECTION ONLY IF NO EXEMPTION APPLIES

If the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

No Briefly summarize the agency's analysis showing how costs were calculated. The proposed rules do not impose any additional cost on any person. Electric utilities have greater flexibility by meeting renewable energy targets under the Energy Independence Act and have greater certainty concerning the cost values to be used in resource planning and evaluation.

Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses, and a small business economic impact statement is required. Insert statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Date: November 5, 2019

Name: Sarah Coggins

Title: Legislative Coordinator

Signature:

