

**WAC 173-444-070 Criteria for energy transformation projects.**

(1) Criteria for use by electric utilities and the manner in which to use them for projects intended to serve as energy transformation projects will exist in a comprehensive protocol authored and maintained by ecology, as well as in supporting documents derived from a variety of sources.

(2) The goal of the comprehensive protocol is to ensure that the criteria, standards, elements, and requirements established in RCW 19.405.020(18), 19.405.040, and 19.405.100(7) are clearly defined, relevant to, and actionable for projects that conform to eligible categories of energy transformation projects. The comprehensive protocol will be applicable to project proponents, electric utilities, verification entities, oversight authorities, and interested parties.

(3) At a minimum the comprehensive protocol will include context, instructions, quantitative factors, methodologies, procedures, data, and external references to address the following:

(a) Applicability (pursuant to RCW 19.405.020 (18)(a)): Description of the range of projects to which the protocol applies in a manner consistent with the list of eligible categories of energy transformation projects developed and maintained through WAC 173-444-060.

(b) Assessment parameters (pursuant to RCW 19.405.020 (18)(a) and 19-405-040(3)):

(i) Identification of the primary effects of the project, including fossil fuel reductions and energy impacts; which will be necessary for analysis and included in the project plan; and

(ii) Key secondary effects, such as benefits to utility customers, and the geographic regions in which these effects occur which are, at a minimum, important inputs into other elements of the project plan.

(c) Temporal scope (pursuant to RCW 19.405.040 (2)(a), (b), and (d)):

(i) Identification of the time scale over which the project is expected to persist; and

(ii) The capability of the project to provide the projected or expected level of benefits over time, in addition to any procedures for ensuring those benefits over time.

(d) Quantification methods (pursuant to RCW 19.405.040 (2)(a), (b), and(4)):

(i) Methodologies to be employed to measure or estimate energy benefits, emission reductions and other effects from the project categories address in the comprehensive protocol, potentially varying from project category to project category; and

(ii) Proration methods, as applicable to a particular project category, to distinguish and separate electricity use from fossil fuel effects; and

(iii) Conversion factors for greenhouse gas emissions from projects, to be used as directed in the relevant methodologies to ensure the project benefits can be expressed in units of energy for compliance purposes if the use of direct energy benefits are not appropriate.

(e) Baseline procedures (pursuant to RCW 19.405.040 (2)(a), (b), and (4)): Conditions and procedures by which to establish a baseline or benchmark against which to measure project performance over time.

(f) Equity effects (pursuant to RCW 19.405.020 (18)(a) and 19.405.040(8)):

(i) Narrative or analysis sufficient to contribute to the overall demonstration, consistent with the requirements of an approving body

or regulatory agency to implement RCW 19.405.040(8), that the benefits to utility customers identified in (b) of this subsection are occurring through:

(A) An equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities; and

(B) Long-term and short-term public health and environmental benefits and reduction of costs and risks; and

(C) Energy security and resiliency.

(ii) Any other information to ensure that the project plan provides the necessary information and inputs for any determinations, processes, or other steps required by the approving bodies or regulatory agencies for their assessment of the equity requirements in chapter 19.405 RCW.

(g) Fossil fuel effects (pursuant to RCW 19.405.040(3)): Analysis sufficient to demonstrate that the project does not create a new use of fossil fuels resulting in a net increase of fossil fuel usage.

(h) Additionality tests (pursuant to RCW 19.405.040 (2)(e) and (f)):

(i) Procedures or demonstrations that the project is not required by another statute, rule, or other legal requirement; and

(ii) Not reasonably assumed to occur absent the investment in the project, or, if an investment has already been made, not reasonably assumed to occur absent additional funding in the near future.

(i) Monitoring and reporting procedures (pursuant to RCW 19.405.100(7)): A description of the planned approaches or procedures that ensure that project outcomes are measurable, and reported over time through regulatory requirements or voluntary action, including any such procedures that an approving body may put in place.

(j) Verification procedures (pursuant to RCW 19.405.040 (2)(d) and 19.405.100(7)):

(i) Demonstration or attestation of commitment to third-party verification of the project, for the period of time for which the benefits of the project are proposed to be applied toward the requirements of chapter 19.405 RCW, in a manner consistent with the requirements of WAC 173-444-080; and

(ii) Meeting or ensuring compliance with any additional project verification requirements for the project category which may intersect with any of the criteria identified in this section, such as fuel inspections or infrastructure inspections.

(k) Enforcement regimes (pursuant to RCW 19.405.040 (2)(c)): Identification of relevant regulatory or compliance authorities that have jurisdiction over aspects of the project to establish which jurisdiction or jurisdictions have the authority to enforce, and whether the project is enforceable by the state of Washington.

(4) The comprehensive protocol may adopt or adapt other protocols, methodologies, guidance, or similar documents in whole or in part from other project-based programs or policy bodies, and apply those elements to some or all of the included elements of the comprehensive protocol.

(5) Additional information or analysis may be required for a given program category or categories by the comprehensive protocol.

(6) Ecology will post the initial comprehensive protocol for public comment for a period of not less than sixty days before finalizing the initial version of the protocol.

(7) Ecology will modify or expand the comprehensive protocol to reflect new information, improve the applicability of the embodied in-

formation to existing projects, and to ensure the ability of the comprehensive protocol to incorporate and account for new projects.

(a) Ecology will establish a web-based mechanism, as well as alternative comment pathways, for soliciting comment on the comprehensive protocol to ensure timely updates are possible.

(b) Ecology will evaluate the comprehensive protocol every six months and update it as necessary.

(8) Ecology will post any such modifications to the existing comprehensive protocol for public comment for a period of not less than thirty days before making any changes to the protocol.

(9) The publication process for the comprehensive protocol will use a versioning system, so that the version of the protocol in place at the time that it is used for the purposes outlined in this chapter will be easily discernible and memorialized for use in other processes.

(10) Ecology will post the most recent version of the comprehensive protocol and supporting documents on the agency website and will make them available in alternative forms upon request.

[Statutory Authority: Chapter 19.405 RCW, RCW 19.405.020(18), 19.405.040, 19.405.100 and 70A.45.010. WSR 21-02-091 (Order 19-08), § 173-444-070, filed 1/6/21, effective 2/6/21.]