



RULE-MAKING ORDER
(RCW 34.05.360)

CR-103 (10/1/89)

Agency: Washington State Energy Office

- Permanent Rule
 Emergency Rule

(1) Date of adoption: October 4, 1994

(2) Purpose: To allow the state to manage protracted shortages of electric energy, and to prevent system-wide collapses of the regional transmission grid.

(3) Citation of existing rules affected by this order:
Repealed: None
Amended: None
Suspended: None

(4) Authority for adoption:
Statute: RCW 43.21F.045
Other Authority: None

(5.1) **PERMANENT RULE ONLY**
Pursuant to notice filed as WSR 94-11-128 on May 18, 1994 (date).
Describe any changes other than editing from proposed to adopted version:
None

(5.2) **EMERGENCY RULE ONLY**
Pursuant to RCW 34.05.350 the agency for good cause finds:
 (a) That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
 (b) That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

(5.3) Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?
 Yes No If yes, explain:

(6) Effective date of rule:

Permanent Rules	Emergency Rules
<input checked="" type="checkbox"/> 31 days after filing	<input type="checkbox"/> Immediately
<input type="checkbox"/> Other (specify) _____ *	<input type="checkbox"/> Later (specify) _____

*(If less than 31 days after filing, specific finding in 5.3 under RCW 34.05.380(3) is required)

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NAME (TYPE OR PRINT)
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SIGNATURE
Judith Merchant

TITLE
Director

DATE
10/4/94

Chapter 194-22 WAC

WASHINGTON STATE CURTAILMENT PLAN FOR ELECTRIC ENERGY

NEW SECTION

WAC 194-22-010 Purpose and goal. The purpose of this chapter is to establish the process by which the state of Washington and Washington state utilities will initiate and implement state-wide electric load curtailment when there is an insufficient supply of electric energy. This chapter constitutes the Washington state curtailment plan for electric energy (plan). The plan is not intended to be activated for relatively short-term emergencies such as those caused by extremely cold weather or the temporary loss of a major generating plant, but for regional, protracted shortages of electric energy. The plan will be activated by the Washington state energy office for regional emergencies for which regional curtailment is necessary. Such emergencies may or may not coincide with other emergencies for which other actions, such as repair of damaged facilities, are necessary.

The goal of this plan is to accomplish necessary curtailment while treating consumers fairly and equitably, minimizing adverse impacts from curtailment, complying with existing state laws and regulations, and providing for smooth, efficient, and effective curtailment administration.

NEW SECTION

WAC 194-22-020 Definitions. "Base billing period" is one of the billing periods comprising the base year. Base billing period data may be weather-normalized at each utility's discretion before being used to calculate the amount of curtailment required by consumers.

"Base year" is the period from which required curtailment is calculated. It is normally the twelve-month period immediately preceding imposition of state-initiated load curtailment.

"Critical load consumer" includes consumers that supply essential services relating to public health, safety, welfare, or energy production, and includes but is not limited to those consumers listed in RCW 43.21G.030.

"Curtailment" means electric load reduction, irrespective of the means by which that reduction is achieved.

"Curtailment target" is the maximum amount of energy that a consumer may use and still remain in compliance with the state

curtailment request or order; the curtailment target is figured individually for each consumer.

"Direct service industries" means industries, primarily aluminum plants, that receive electric power directly from the Bonneville Power Administration (BPA).

"Excess power consumption" is that amount of electric energy consumed during any billing period which is above the consumer's calculated curtailment target. It is calculated as one of two values:

*Actual or estimated load minus curtailment target; or

*Weather-normalized load minus curtailment target. Under mandatory curtailment, if a consumer's electric energy consumption exceeds the threshold consumption level, all excess power consumption is subject to penalty unless exempted (see WAC 194-22-110, mandatory curtailment enforcement).

"General use customer" refers to any nonresidential consumer who purchased and consumed five average megawatts or less during the base year.

"Major use consumer" refers to any consumer who purchased and consumed over five average megawatts during the base year.

"Minimum audit level" is the minimum percentage of consumers in each consuming sector that must be audited each billing period under mandatory curtailment. The minimum audit level is set by the state and subject to change.

"Region" includes the states of Washington, Oregon, Idaho, and those portions of Montana that are west of the continental divide and/or within the control area of the Montana Power Company.

"Regional curtailment plan for electric energy, May 22, 1992" is the model document on which this plan is based. The regional curtailment plan for electric energy and appendices are a policy document the state will use to guide implementation of this plan. Where there are discrepancies, this chapter applies.

"Regional load" is the electric load placed by ultimate consumers within the region on their respective utility suppliers.

"State" means the Washington state energy office. Other state agencies which may participate in curtailment activities include: The office of the governor; the utilities and transportation commission; the joint senate and house energy and utilities committee established during energy emergencies; and the department of community, trade, and economic development.

"State contacts" refers to individuals who represent the state of Washington in connection with curtailment issues.

"State-initiated" refers to actions taken by the state to implement load curtailment.

"Threshold consumption level" is the maximum amount of energy that a consumer can use during mandatory load curtailment without being subject to enforcement measures (see WAC 194-22-110, mandatory curtailment enforcement) taken under this plan. The threshold consumption level is set by the state and subject to change.

"Utility contacts" refers to individuals representing utilities in connection with curtailment issues.

"Utility coordinator" is the director of the northwest power pool.

"Utility curtailment reports" are reports summarizing curtailment data, which must be submitted monthly to the state and

the utility coordinator. Reporting requirements are provided by the state to utilities.

"Weather-normalization" is the procedure used to reflect the impact of weather on utility load levels, sometimes referred to as "weather-adjustment."

NEW SECTION

WAC 194-22-030 Curtailment stages. State curtailment directives apply to all retail loads served within the state of Washington. Under this plan, curtailment is requested or ordered as a percentage of historical, base billing period electric energy consumption, weather normalized at the discretion of each utility, for all individual residential, general, and major use consumers in the state of Washington. Curtailment stages are associated with increasing energy deficits, and are therefore likely to be implemented in a sequential manner, however, circumstances may require nonsequential implementation.

The five curtailment stages are:

Curtailment			
<u>Stage #</u>	<u>Nature</u>	<u>Percent</u>	<u>Type of Curtailment</u>
Stage 1	Voluntary	No specified %	Uniform among all consumers
Stage 2	Voluntary	5% +	Uniform among all consumers
Stage 3	Mandatory	5 to 15%	Uniform among all consumers
Stage 4	Mandatory	15% 15% + 15% +	Residential consumers General use consumers Major use consumers
Stage 5	Mandatory	% associated with Stage 4 + additional curtailment	Continued consumer curtailment plus utility action, including plant closures and possible black-outs

NEW SECTION

WAC 194-22-040 Initiation of load curtailment. The state, in consultation with regional state and utility contacts, will determine if curtailment is required, and if so, the appropriate initial stage. It is the intent of the state to initiate state-wide curtailment concurrent with Oregon, Idaho, and Montana, leading to an effective regional curtailment and consistent implementation policies. The state will formally notify the utility coordinator and all electric utilities operating within the state of Washington that regional and state-wide electric load curtailment are in effect. If any stage associated with a specific level of curtailment is declared (Stages 2-5), the state will

publicly announce the need for curtailment and provide all utilities operating within the state of Washington with written instructions regarding utility obligations during the period of state-initiated load curtailment. Upon notification by the state, utilities shall immediately initiate curtailment on their own systems in conformance with this plan.

NEW SECTION

WAC 194-22-050 **Curtailment administration--Stage by stage utility obligations.** Throughout the curtailment period, utilities will provide consumers with as much useful information as they reasonably can. The requirements specified below represent minimum actions to be taken. All requirements for lower level stages continue to apply to higher level stages. Utilities will provide information to the public, state and utility coordinator in conformance with the regional curtailment plan for electric energy, Appendix B, "Types of Curtailment Information."

(1) Stage 1 requirements: Utilities will begin providing curtailment information to all consumers. Utilities shall also assist states, as appropriate, in briefing the media about the shortage.

(2) Stage 2 requirements: Utilities will:

(a) Notify consumers of the percentage level of state-initiated voluntary curtailment;

(b) Provide curtailment tips to consumers;

(c) Answer consumer questions about curtailment;

(d) Provide curtailment reports to the states and the utility coordinator; and

(e) Provide more detailed information to the media than provided in Stage 1.

(3) Stage 3 requirements: Utilities will:

(a) Notify consumers of the percentage level of state-ordered mandatory curtailment;

(b) Calculate base billing period data and curtailment targets for all consumers subject to audit in the current billing period;

(c) Provide curtailment targets to all consumers who request such data for their own accounts;

(d) Provide consumers with information about how to apply for exemption and adjustment of base year data (utilities may elect to provide this information only to audited consumers or those subject to penalties (see WAC 194-22-110, mandatory curtailment enforcement) under this plan);

(e) Process requests for exemption and base year data adjustments from those consumers selected for audit who would otherwise be subject to penalties (see WAC 194-22-110, mandatory curtailment enforcement); and

(f) Implement the enforcement requirements (see WAC 194-22-110, mandatory curtailment enforcement) of the plan.

(4) Stage 4 requirements: Utilities will notify consumers of any applicable changes in state-initiated mandatory curtailment.

(5) Stage 5 requirements: Utilities will collaborate with the state to develop and implement the most effective methods for

securing the required load curtailment and to minimize the economic and human hardships of the last stage of load curtailment.

NEW SECTION

WAC 194-22-060 Curtailment administration--Suggested curtailment actions. Utilities will provide their consumers with curtailment information about actions they can take to reduce their electric energy consumption. The state and utilities will work together to develop this material. The recommendations will be based on the actions described in the regional curtailment plan for electric energy, Appendix C, "Curtailment Measures." Utilities are responsible for tailoring curtailment information to their service areas, adding utility-specific information, printing the material in an appropriate form, and disseminating it to their consumers.

NEW SECTION

WAC 194-22-070 Curtailment administration--Base year, base billing period data. The state will select a base year to be used in calculating curtailment targets for individual consumers. Base year and base billing period data may be weather-normalized at each utility's discretion using standard utility procedures, and will be calculated for any consumer audited under this plan. Utilities may elect to audit residential and general use consumers for whom no actual base year or base billing period data exists, but must estimate data for such consumers. Utilities will estimate base year and base billing period data for all major use consumers for whom no actual billing data exists.

NEW SECTION

WAC 194-22-080 Curtailment administration--Curtailment targets. Under voluntary curtailment utilities need do no more than provide curtailment tips to consumers, provided sufficient curtailment is being achieved equitably between states and utilities. At the direction of the state, utilities will provide individual consumers with curtailment targets. Utilities will provide retrospective, current, and forthcoming billing period curtailment target data to all consumers as directed by the state. Under mandatory curtailment the following will apply:

(1) At a minimum, utilities will provide retrospective, current, and forthcoming billing period curtailment target data to any audited consumer and to any consumer who so requests.

(2) Utilities may elect to audit up to one hundred percent of their customers, provided that each billing period minimum audit level requirements are met. Unless adjusted by the state, the minimum audit level will be at least one percent of residential consumers, five percent of general use consumers, one hundred percent of major use consumers, and any consumer whose previous billing period consumption exceeded the threshold consumption level. Such consumers will continue to be audited until their energy use falls below the threshold consumption level. Once their energy use falls below that level, they will be audited again only if selected by sample.

(3) For audit, new samples will be drawn each month. The number of consumers exempted or excluded from audit will not affect the sample size.

(4) Unless a utility is auditing one hundred percent of its residential and general use consumers, all such consumers selected for audit will be chosen on a random sample basis, except that the following consumers will be excluded:

(a) Consumers granted an exemption under this plan; and

(b) Consumers with an estimated power bill in the current billing period.

Utilities may elect to exclude residential and general use consumers with estimated base billing period data, if the state does not require their inclusion in the pool of consumers subject to audit.

(5) Any existing curtailment of load based on contractual provisions between an industrial consumer and its utility does not count towards the consumer's required curtailment obligation to the state, excepting where such curtailment represents fifty percent of the consumer's base year consumption level. This exemption may be suspended by the state under Stage 5 of mandatory curtailment.

NEW SECTION

WAC 194-22-090 **Curtailment administration--Excess power consumption.** Excess power consumption is calculated at each utility's discretion as one of two values: Actual or estimated load minus curtailment target; or weather-normalized load minus curtailment target. Enforcement measures (see WAC 194-22-110, mandatory curtailment enforcement) will only be assessed on excess power consumption if a consumer's actual, estimated or weather-normalized load is greater than the threshold consumption level.

NEW SECTION

WAC 194-22-100 **Curtailment administration--Threshold consumption level.** The threshold consumption level assigned to each consumer class is identified in the table below. These values are subject to change by the state.

Type of Consumer	Threshold Consumption Level
Residential consumers	10% above curtailment target
General use consumers	10% above curtailment target
Major use consumers	2% above curtailment target

NEW SECTION

WAC 194-22-110 Curtailment administration--Mandatory curtailment enforcement. The state will take whatever measures are available and appropriate at the time mandatory curtailment is instituted to ensure that consumers comply with the mandates of the plan.

Enforcement measures applicable to BPA's DSI customers may be assessed by the state based on billing data provided by BPA.

NEW SECTION

WAC 194-22-120 Curtailment administration--Exemptions and adjustments. (1) Utilities will inform consumers how to apply for exemption from plan requirements and for adjustments of base billing period data. Utilities may elect to process exemptions and adjustments only for audited consumers. Consumers seeking an exemption or adjustment shall apply first to their utility and then, if dissatisfied with that outcome, to the state.

(2) No automatic consumer exemptions will be granted under mandatory state-initiated load curtailment. Critical load consumers may be exempted once they have demonstrated to their utility that they have eliminated all nonessential energy use and are using any reliable, cost-effective back-up energy resources. Exempted consumers should be informed that exemption may not protect them from Stage 5 black-outs.

(3) Exemptions for consumers not qualifying as critical load consumers under this plan will be evaluated based on whether curtailment would result in unreasonable exposure to health or safety hazards, seriously impair the welfare of the affected consumer, cause extreme economic hardship relative to the amount of energy saved, or produce counterproductive results.

(4) Utilities will maintain a list of all consumers applying for exemption, noting the account, the nature of the requested exemption (base year adjustment or exemption from the mandatory curtailment order), the rationale provided by the consumer, and the action taken by the utility with respect to the request. Records regarding exemption determinations will be made available to the Washington state energy office upon request.

NEW SECTION

WAC 194-22-130 Curtailment administration--State appeals board. (1) In the event that mandatory curtailment is ordered, the state shall form an electricity curtailment appeals board (board) to process consumer requests for either exemption or adjustment of base year data where the consumer is appealing a utility determination. The board shall consist of twelve members: The director of the state energy office or designee who shall serve as chair, the chair of the Washington utilities and transportation commission or designee, and one representative from each of the following groups as appointed by the governor; public utility districts, cooperative, municipal, and investor-owned utilities, county and municipal government, commercial and industrial users, and two citizens at large.

(2) The board will:

(a) Develop its own plans and procedures for hearing appeals;

(b) Initiate communications with utilities for receiving appeals; and

(c) Provide information to the governor for any case in which the board refuses to grant the requested exemption or adjustment.

(3) Throughout the appeals process, the state will periodically inform the appealing consumers and their respective utilities of the status of the appeals.

NEW SECTION

WAC 194-22-140 Utility exemption from plan. The state expects all electric utilities to comply with all aspects of this plan, and to work together to assist each other in conforming to curtailment requirements. Nevertheless, utilities may appeal to the state requesting an exemption from any aspect of this plan. A petition for exemption shall identify specific requirements from which a utility wishes to be exempted, demonstration of need for the exemption, and alternative actions the utility will take in lieu of complying with plan requirements.

NEW SECTION

WAC 194-22-150 Utility waiver of liability and financial relief. Utilities are released from liability and may seek financial relief from the extraordinary costs of curtailment in accordance with RCW 43.21G.050 and 43.21G.080.

NEW SECTION

WAC 194-22-160 Scheduling curtailment. During periods of mandatory curtailment a consumer is obligated to provide the requisite amount of curtailment within each billing period. Within that billing period, and subject to equipment limitations and utility rules on load fluctuations, consumers are free to schedule their curtailment so as to minimize the economic cost, hardship, or inconvenience they experience as a result of the mandatory curtailment requirement.

NEW SECTION

WAC 194-22-170 Purchase of curtailment requirements. General and major use customers may, with approval from the state, and with the assistance and approval of effected utilities, sell curtailment requirements to other regional general and major use customers, which would allow reduced curtailment for one customer and a commensurate increase in curtailment requirements for the other. No arrangement under this section may be carried out that contravenes the goals of regional curtailment. No sale of curtailment requirements may result in a net increase in actual electricity consumption during the curtailment year.

NEW SECTION

WAC 194-22-180 Consumer owned generation. Consistent with the need for safety and system protection, consumers having their own generation facilities or access to electricity from nonutility power sources may use energy from those other sources to supplement their curtailed power purchases from their electric utility.

NEW SECTION

WAC 194-22-190 Return to normal operations. The state will develop a plan for returning to normal utility operations based upon the circumstances at the end of the shortage. The nature of the actions required will depend on the last existing stage of curtailment and the actions taken and processes put in place during the curtailment. At a minimum, the procedures will address public information matters and the close-out of curtailment administrative procedures.