

**WSR 25-15-112
PROPOSED RULES
UTILITIES AND TRANSPORTATION
COMMISSION**

[Filed July 18, 2025, 2:30 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 21-10-088.

Title of Rule and Other Identifying Information: WAC 480-100-600 through 480-100-650, planning and compliance. The proposed rules revise WAC 480-100-605 and 480-100-650; and add new WAC 480-100-700, 480-100-750, and 480-100-800 to implement chapter 19.405 RCW, with a focus on RCW 19.405.030, 19.405.040, 19.405.050, 19.405.130, and other portions of chapter 19.405 RCW that may affect or be affected by these subsections as enacted in E2SSB 5116, the Clean Energy Transformation Act (CETA). The utilities and transportation commission (commission) is considering these changes under commission Docket UE-210183.

Hearing Location(s): On September 2, 2025, at 9:00 a.m., at 621 Woodland Square Loop S.E., Lacey, WA 98503 (with online attendance available).

Date of Intended Adoption: September 2, 2025.

Submit Written Comments to: Jeff Killip, Executive Director and Secretary, 621 Woodland Square Loop S.E., Lacey, WA 98503, email records@utc.wa.gov, beginning the date of publication, by two weeks prior to the hearing.

Assistance for Persons with Disabilities: Contact human resources, phone 360-664-1160, email humanresources@utc.wa.gov, by two weeks prior to the hearing.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: RCW 19.405.130(3) requires the commission to adopt rules by June 30, 2022, defining the requirements for meeting the obligations under RCW 19.405.030 - 19.405.050 with market purchases from the energy imbalance market and other centralized markets and to address the prohibition on double counting of nonpower attributes under RCW 19.405.040 that could occur under other programs. This rule making specifically finishes unresolved questions from the previously adopted rules, interpreting and implementing RCW 19.405.040 (1)(a) regarding the use of electricity for compliance with RCW 19.405.030 through 19.405.050 and other portions of chapter 19.405 RCW that may be affected by these portions of CETA.

Reasons Supporting Proposal: The Washington legislature in 2019 passed CETA, which in RCW 19.405.130(3) requires the commission to promulgate new rules by June 30, 2022, for investor-owned electric utilities. After completing the required rules, the commission returns to clarify remaining interpretive questions.

Statutory Authority for Adoption: RCW 80.01.040 and 80.04.160; and chapters 80.28, 19.280, and 19.405 RCW.

Statute Being Implemented: Chapters 19.405, 80.28, and 19.280 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Washington utilities and transportation commission, governmental.

Name of Agency Personnel Responsible for Drafting: Charlie Inman, 621 Woodland Square Loop S.E., Lacey, WA 98503, 360-742-2628; Implementation and Enforcement: Jeff Killip, 621 Woodland Square Loop S.E., Lacey, WA 98503, 360-664-1173.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. The commission is not an agency to which RCW 34.05.328 applies.

This rule proposal, or portions of the proposal, is exempt from requirements of the Regulatory Fairness Act because the proposal:

Is exempt under RCW 19.85.025(4).

Explanation of exemptions: These rules establish planning, reporting, and compliance requirements for electric investor owned utilities subject to commission regulations. The electric utilities subject to these rules do not meet the definition of small businesses under chapter 19.85 RCW. Out of an abundance of caution, the commission conducted the minor cost analysis as outlined in (3) below.

Scope of exemption for rule proposal:

Is fully exempt.

The proposed rule does not impose more-than-minor costs on businesses. Following is a summary of the agency's analysis showing how costs were calculated. The commission is proposing to adopt rules to implement provisions of CETA by (1) defining the requirements for complying with RCW 19.405.030 through 19.405.050 with renewable energy certificates and nonpower attributes; (2) addressing the prohibition of double counting of nonpower attributes under RCW 19.405.040; and (3) interpreting the requirement to "use" electricity for compliance with RCW 19.405.040 (1)(a).

On April 9, 2024, the commission mailed a notice to all stakeholders interested in the rule making, providing a copy of the draft rules and an opportunity to respond to a small business economic impact statement questionnaire. The notice requested that entities affected by the proposed rules provide information about possible cost impacts of the rules with specific information for each rule that the entity identified as causing an impact. The commission did not receive any information in response to the questionnaire. In subsequent iterations of the proposed draft rules, new requirements of regulated electric utilities were removed, lessening the potential operational and fiscal impact on the regulated electric utilities.

Based on the information available to it, the commission determined that the proposed rules merely implement the statute as required by the legislature. The commission further determined that the proposed rules adopt statutory requirements for investor-owned utilities, none of which are small businesses, and the proposed rules do not impose more-than-minor costs on small businesses.

A copy of the detailed cost calculations may be obtained by contacting Charlie Inman, 621 Woodland Square Loop S.E., Lacey, WA 98503, phone 360-742-2628, email Charlie.inman@utc.wa.gov.

July 18, 2025

Jeff Killip

Executive Director and Secretary

RDS-5035.3

AMENDATORY SECTION (Amending WSR 22-14-055, filed 6/29/22, effective 7/1/22)

WAC 480-100-605 Definitions. The definitions below apply to all of WAC 480-100-600 through 480-100-665.

"Allocation of electricity" means, for the purposes of setting electricity rates, the costs and benefits associated with the resources used to provide electricity to an electric utility's retail electricity consumers that are located in this state.

"Alternative lowest reasonable cost and reasonably available portfolio" means, for purposes of calculating the incremental cost of compliance in RCW 19.405.060(3), the portfolio of investments the utility would have made and the expenses the utility would have incurred if not for the requirement to comply with RCW 19.405.040 and 19.405.050. The alternative lowest reasonable cost and reasonably available portfolio must include the social cost of greenhouse gases in the resource acquisition decision in accordance with RCW 19.280.030 (3) (a).

"Biomass energy" includes: Organic by-products of pulping and the wood manufacturing process; animal manure; solid organic fuels from wood; forest or field residues; untreated wooden demolition or construction debris; food waste and food processing residuals; liquors derived from algae; dedicated energy crops; and yard waste.

Biomass energy does not include:

- Wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic;
- Wood from old growth forests; or
- Municipal solid waste.

"Carbon dioxide equivalent" or "CO₂e" means a metric measure used to compare the emissions from various greenhouse gases based upon their global warming potential.

"CEAP" means the clean energy action plan.

"CEIP" means the clean energy implementation plan.

"Centralized electricity market" means a wholesale electricity market that facilitates the purchase and sale of electricity between multiple participants.

"Coal-fired resource" means a facility that uses coal-fired generating units, or that uses units fired in whole or in part by coal as feedstock, to generate electricity. Coal-fired resource does not include:

- An electric generating facility that is included as part of a limited duration wholesale power purchase, not to exceed one month, made by an electric utility for delivery to retail electric customers that are located in this state for which the source of the power is not known at the time of entry into the transaction to procure the electricity; or

- An electric generating facility that is subject to an obligation to meet the standards contained in RCW 80.80.040 (3) (c).

"Commission" means the Washington utilities and transportation commission.

"Conservation and efficiency resources" means any reduction in electric power consumption that results from increases in the efficiency of energy use, production, transmission, or distribution.

"Cost-effective" means that a project or resource is forecast:

- (a) To be reliable and available within the time it is needed; and (b) to meet or reduce the electric power demand of the intended consumers

at an estimated incremental system cost no greater than that of the least-cost similarly reliable and available alternative project or resource, or any combination thereof.

"Customer benefit indicator" means an attribute, either quantitative or qualitative, of resources or related distribution investments associated with customer benefits described in RCW 19.405.040(8).

"Demand response" means changes in electric usage by demand-side resources from their normal consumption patterns in response to changes in the price of electricity, or to incentive payments designed to induce lower electricity use, at times of high wholesale market prices or when system reliability is jeopardized. Demand response may include measures to increase or decrease electricity production on the customer's side of the meter in response to incentive payments.

"Distributed energy resource" means a nonemitting electric generation or renewable resource or program that reduces electric demand, manages the level or timing of electricity consumption, or provides storage, electric energy, capacity, or ancillary services to an electric utility and that is located on the distribution system, any subsystem of the distribution system, or behind the customer meter, including conservation and energy efficiency.

"Energy assistance" means a program undertaken by a utility to reduce the household energy burden of its customers.

- Energy assistance includes, but is not limited to, weatherization, conservation and efficiency services, and monetary assistance, such as a grant program or discounts for lower income households, intended to lower a household's energy burden.

- Energy assistance may include direct customer ownership in distributed energy resources or other strategies if such strategies achieve a reduction in energy burden for the customer above other available conservation and demand-side measures.

"Energy assistance need" means the amount of assistance necessary to achieve an energy burden equal to six percent for utility customers.

"Energy burden" means the share of annual household income used to pay annual home energy bills.

"Equitable distribution" means a fair and just, but not necessarily equal, allocation of benefits and burdens from the utility's transition to clean energy. Equitable distribution is based on disparities in current conditions. Current conditions are informed by, among other things, the assessment described in RCW 19.280.030 (1)(k) from the most recent integrated resource plan.

"Fossil fuel" means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such a material.

"Greenhouse gas" includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and any other gas or gases designated by the department of ecology by rule under RCW 70A.45.010.

"Highly impacted community" means a community designated by the department of health based on the cumulative impact analysis required by RCW 19.405.140 or a community located in census tracts that are fully or partially on "Indian country," as defined in 18 U.S.C. Sec. 1151.

"Implementation period" means the four years after the filing of each clean energy implementation plan through 2045. The first implementation period will begin January 1, 2022, and will end December 31, 2025, and the second implementation period will begin on January 1, 2026, and will end on December 31, 2029.

"Integrated resource plan" or "IRP" means an analysis describing the mix of generating resources, conservation, methods, technologies, and resources to integrate renewable resources and, where applicable, address overgeneration events, and efficiency resources that will meet current and projected needs at the lowest reasonable cost to the utility and its ratepayers and that complies with the requirements specified in RCW 19.280.030(1).

"Lowest reasonable cost" means the lowest cost mix of generating resources and conservation and efficiency resources determined through a detailed and consistent analysis of a wide range of commercially available resources. At a minimum, this analysis must consider resource cost, market-volatility risks, demand-side resource uncertainties, resource dispatchability, resource effect on system operation, the risks imposed on the utility and its customers, public policies regarding resource preference adopted by Washington or the federal government, and the cost of risks associated with environmental effects, including emissions of carbon dioxide. The analysis of the lowest reasonable cost must describe the utility's combination of planned resources and related delivery system infrastructure and show consistency with chapters 19.280, 19.285, and 19.405 RCW.

"Market allocation" means a greenhouse gas accounting or reporting mechanism that operates after the dispatch of a centralized electricity market and that assigns electricity and emissions to individual utilities or other load-serving entities participating in a centralized electricity market based on resources owned or under contract to those entities and market purchases.

"Natural gas" means naturally occurring mixtures of hydrocarbon gases and vapors consisting principally of methane, whether in gaseous or liquid form, including methane clathrate. Natural gas does not include renewable natural gas or the portion of renewable natural gas when blended into other fuels.

"Nonemitting electric generation" means electricity from a generating facility or a resource that provides electric energy, capacity, or ancillary services to an electric utility and that does not emit greenhouse gases as a by-product of energy generation. Nonemitting electric generation does not include renewable resources.

"Nonpower attributes" or "NPA" means all environmentally related characteristics, exclusive of energy, capacity reliability, and other electrical power service attributes, that are associated with the generation of electricity including, but not limited to, the facility's fuel type, geographic location, vintage, qualification as a renewable resource, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of carbon dioxide and other greenhouse gases. Nonpower attributes ~~((does))~~ do not include any aspects, claims, characteristics, and benefits associated with the on-site capture and destruction of methane or other greenhouse gases at a facility through a digester system, landfill gas collection system, or other mechanism, which may be separately marketable as greenhouse gas emission reduction credits, offsets, or similar tradable commodities. However, these separate avoided emissions may not result in or otherwise have the effect of attributing greenhouse gas emissions to the electricity.

"Primary compliance" means the portion of the greenhouse gas neutrality standard contained in RCW 19.405.040 (1)(a) that cannot be met through the alternative compliance options under RCW 19.405.040 (1)(b).

"Renewable energy credit" or "REC" means a tradable certificate of proof of one megawatt-hour of a renewable resource. The certificate includes all of the nonpower attributes associated with that one megawatt-hour of electricity and the certificate is verified by a renewable energy credit tracking system selected by the department of commerce.

"Renewable resource" means water; wind; solar energy; geothermal energy; renewable natural gas; renewable hydrogen; wave, ocean, or tidal power; biodiesel fuel that is not derived from crops raised on land cleared from old growth or first growth forests; or biomass energy.

"Resource" includes, but is not limited to, generation, conservation, distributed generation, demand response, efficiency, and storage.

"Resource allocation framework" means a system or protocol that allows for the market allocation of specific resources dispatched in a centralized electricity market that the commission has determined to have sufficient safeguards against the double counting of nonpower attributes.

"Resource need" means any current or projected deficit to reliably meet electricity demands created by changes in demand, changes to system resources, or their operation to comply with state or federal requirements. Such demands or requirements may include, but are not limited to, capacity and associated energy, capacity needed to meet peak demand in any season, fossil-fuel generation retirements, equitable distribution of benefits or reduction of burdens, cost-effective conservation and efficiency resources, demand response, and renewable and nonemitting resources.

"Retail electric load" means the amount of megawatt-hours of electricity delivered in a given calendar year by an electric utility to its Washington retail electric customers. "Retail electric load" does not include:

(a) Megawatt-hours delivered from qualifying facilities under the federal Public Utility Regulatory Policies Act of 1978, P.L. 95-617, in operation prior to May 7, 2019, provided that no entity other than the electric utility can make a claim on delivery of the megawatt-hours from those resources; or

(b) Megawatt-hours delivered to an electric utility's system from a renewable resource through a voluntary renewable energy purchase by a retail electric customer of the utility in which the renewable energy credits associated with the megawatt-hours delivered are retired on behalf of the retail electric customer.

"Social cost of greenhouse gas emissions" or "SCGHG" is the inflation-adjusted costs of greenhouse gas emissions resulting from the generation of electricity, as required by RCW 80.28.405, the updated calculation of which is published on the commission's website.

"Unbundled renewable energy credit" or "unbundled REC" means a renewable energy credit that is sold, delivered, or purchased separately from the underlying electricity. All thermal renewable energy credits are considered unbundled renewable energy credits.

"Unspecified electricity" means an electricity source for which the fuel attribute is unknown or has been separated from the energy delivered to retail electric customers.

"Vintage" means the month and year in which electricity and its associated RECs are generated; in the case of an NPA, the month and year in which the associated electricity is generated.

"Vulnerable populations" means communities that experience a disproportionate cumulative risk from environmental burdens due to: (a) Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and (b) sensitivity factors, such as low birth weight and higher rates of hospitalization.

AMENDATORY SECTION (Amending WSR 22-14-055, filed 6/29/22, effective 7/1/22)

WAC 480-100-650 Reporting and compliance. (1) **Clean energy compliance report.** Unless otherwise ordered by the commission, each electric utility must file a clean energy compliance report with the commission by July 1, 2026, and at least every four years thereafter. The report must:

- (a) Demonstrate whether and how the utility met its interim targets.
- (b) Demonstrate whether and how the utility met its specific targets.
- (c) Demonstrate whether and how the specific actions the utility took made progress toward meeting the clean energy transformation standards at the lowest reasonable cost.
- (d) Demonstrate whether and how the utility met its statutory obligations under RCW 19.405.040(1) and 19.405.050(1) through the acquisition of the electricity and associated RECs or nonpower attributes. This requires the utility to demonstrate that the electricity the utility reports for compliance is:
 - (i) From a generating facility located within the utility's service area or balancing authority area; or
 - (ii) Acquired by the utility at one of the following points of delivery:
 - (A) The transmission or distribution system of an electric utility;
 - (B) The transmission system of the Bonneville Power Administration;
 - (C) The transmission system of any entity that is a participant in a centralized organized market located in the Western Interconnection in which the electric utility is a participant; or
 - (D) Another point of delivery designated by the electric utility for the purpose of subsequent delivery to the electric utility.
- (e) Demonstrate whether and how the specific actions the utility took are consistent with the requirements in WAC 480-100-610 (4)(c) including, but not limited to:
 - (i) Providing updated customer benefit indicator values;
 - (ii) An analysis that the distribution of benefits and reductions of burdens have accrued or will reasonably accrue to intended customers, including highly impacted communities and vulnerable populations.
- (f) Provide a description of the utility's equity advisory group process, customer engagement and outcomes, and how the utility's efforts are consistent with the requirements in WAC 480-100-655 for the development or update of customer benefit indicators related to WAC 480-100-610 (4)(c).
- (g) Include the actual incremental cost of compliance as required in WAC 480-100-660(5).

(h) Include all of the information found in the annual progress report as described in subsection (4) of this section for the fourth year of the CEIP.

(i) Include a summary of the data in the annual progress reports described in subsection (4) of this section.

(j) Document the use of any alternative compliance options as described in RCW 19.405.040 (1)(b), or any request for a temporary exemption per RCW 19.405.090(3).

(k) Include a description of the public participation opportunities the utility provided and the feedback the utility received during the implementation period, including whether and how public participation influenced the utility's decisions and actions.

(l) Include the data input files made available to the commission in native format and in an easily accessible format as an appendix.

(2) **Clean energy compliance report review process.**

(a) Interested persons may file written comments with the commission regarding the utility's clean energy compliance report within 60 days of the utility's filing unless the commission states otherwise.

(b) The commission may review clean energy compliance reports through the commission's open public meeting process, as described in chapter 480-07 WAC.

(c) After completing its review of the utility's clean energy compliance report, the commission will determine whether the utility met its specific and interim targets, and whether the utility made sufficient progress toward meeting the clean energy transformation standards.

(3) **Annual clean energy progress reports.** On or before July 1st of each year beginning in 2023, other than in a year in which the utility files a clean energy compliance report, the utility must file with the commission, in the same docket as its most recently filed CEIP, an informational annual clean energy progress report regarding its progress in meeting its targets during the preceding year. The annual clean energy progress report must include, but is not limited to:

(a) Beginning July 1, 2027, and each year thereafter, an attestation for the previous calendar year that the utility did not use any coal-fired resource as defined in this chapter to serve Washington retail electric customer load.

(b) Conservation achievement in megawatts, first-year megawatt-hour savings, and projected cumulative lifetime megawatt-hour savings.

(c) Demand response program achievement and demand response capability in megawatts and megawatt hours.

(d) Renewable resource capacity in megawatts, and renewable energy usage in megawatt hours and as a percentage of electricity supplied by renewable resources.

(e) All renewable energy credits and the program or obligation for which they were used (e.g., voluntary renewable programs, renewable portfolio standard, clean energy transformation standards).

(f) Verification and documentation of the retirement of renewable energy credits for all electricity from renewable resources used to comply with the requirements of RCW 19.405.040, 19.405.050, a specific target, or an interim target, except for electricity purchased from Bonneville Power Administration, which may be used to comply with these requirements without a renewable energy credit until January 1, 2029, as long as the nonpower attributes of the renewable energy are tracked through contract language.

(g) Nonemitting resource capacity in megawatts, and nonemitting energy usage in megawatt hours and as a percentage of total electricity supplied by nonemitting energy.

(h) The utility's greenhouse gas content calculation pursuant to RCW 19.405.070.

(i) An electronic link to the utility's most recently filed fuel mix disclosure report as required by RCW 19.29A.140.

(j) Total greenhouse gas emissions in metric tons of CO₂e.

(k) Demonstration of ownership of nonpower attributes for nonemitting generation using attestations of ownership and transfer by properly authorized representatives of the generating facility, all intermediate owners of the nonemitting electric generation, and an appropriate company executive of the utility; the utility may not transfer ownership of the nonpower attributes after claiming them in any compliance report.

(l) Beginning July 1, 2026, and each year thereafter, the following information on at least a monthly basis, in megawatt hours:

(i) The total amount of renewable or nonemitting energy that is generated or purchased, categorized by resource type, justified by associated RECs or NPAs;

(ii) The amount of renewable or nonemitting energy that the utility counts towards primary compliance, categorized by resource type, identified by the vintage of the associated RECs or NPAs;

(iii) The total load served by the utility before line losses;

(iv) The retail load served by the utility; and

(v) The total amount of energy storage resource charging and discharging, for supply-side resources owned or contracted by the utility, categorized by resource type.

(m) Other information the company agreed to or was ordered to report in the most recently approved CEIP (~~(e)~~), biennial CEIP update, or ISP.

(4) Data and contract reporting. Each utility must file its annual clean energy progress report based on an analysis that identifies and considers the source and characteristics of the electricity a utility claims to meet compliance obligations under WAC 480-100-610, including electricity that is produced, purchased, sold, or exchanged.

(a) Unless otherwise ordered by the commission, the analysis and supporting data provided in the filing must include data in an hourly format for:

(i) Total Washington retail sales.

(ii) Retail sales for customers participating in a voluntary renewable energy purchase program in alignment with RCW 19.405.020

(36) (b).

(iii) Total electricity production for all renewable and nonemitting generation owned, contracted, or controlled by the utility.

(iv) Generation from qualifying facilities as described in RCW 19.405.020 (36) (a).

(v) All electricity sold or transferred for all bundled sales of electricity from renewable and nonemitting sources. For the purposes of this subsection, bundled electricity is electricity that is sold with all its nonpower attributes in the same transaction.

(vi) All electricity sales in which the electricity was sold by that utility in a wholesale market sale without its associated nonpower attributes.

(b) Unless otherwise ordered by the commission, the utility must include in its filing the following:

(i) Total monthly megawatt-hours of sales, purchases, and exchanges by counter party of electricity sales in which the electricity was sold by that utility in a wholesale market sale without its associated nonpower attributes. Any contract in which the utility sells electricity in a wholesale market sale without its associated nonpower attributes must include terms stating the seller is not transferring any of the nonpower attributes and the buyer may not represent in any form that the electricity has any nonpower attributes associated with it and that the buyer must include such provision in any sale of the electricity in any subsequent sale it makes.

(ii) Total monthly megawatt-hours of sales, purchases, and exchanges of bundled electricity from renewable or nonemitting generation. For the purposes of this subsection, bundled electricity is electricity that is sold with all of its nonpower attributes in the same transaction.

(iii) All purchase contracts longer than one month that source the electricity delivered from coal fueled generation.

(iv) Beginning January 1, 2026, all existing or new purchase contracts longer than one month with documentation that none of the electricity delivered is sourced from coal fueled generation.

(v) Any data provided to the Western power pool's resource adequacy program or its successor.

(c) A utility may use an unbundled REC as an alternative compliance option, as provided in RCW 19.405.040 (1)(b), only if the utility demonstrates that there is no double counting of any nonpower attribute associated with that REC. This subsection sets only the minimum requirements necessary to demonstrate that no double counting has occurred. The commission may require the utility to produce other evidence or take specific actions as the commission determines necessary to ensure that there is no double counting of nonpower attributes.

(i) Except as provided in (c)(iii) of this subsection, a utility may use an unbundled REC for alternative compliance only if the utility demonstrates:

(A) The associated electricity was sold, delivered, or transferred without fuel sources or nonpower attributes and under a contract or transaction term expressly stating the fuel source or nonpower attributes are not included; and

(B) The associated electricity was not delivered, reported, or claimed as a zero-emission specified source or assigned the emissions rate of the renewable generating facility under a greenhouse gas (GHG) program.

(ii) A utility's demonstration under this section may be met by documentation that the entity providing the unbundled REC:

(A) Provides contract, confirmation, or other transaction terms that comply with the requirements of (c)(i)(A) and (B) of this subsection;

(B) Was a party to or otherwise has knowledge of the transaction in which the associated electricity was sold or transferred and attests to (c)(i)(A) and (B) of this subsection; or

(C) Obtained the unbundled REC from an entity that attests that it and all previous owners of the REC transferred the REC using transaction terms complying with the requirements of (c)(ii)(A) or (B) of this subsection.

(iii) To claim and retire an unbundled REC for alternative compliance where the Washington-eligible RECs were created by renewable electricity marketed by the Bonneville Power Administration a utility must demonstrate the REC was not associated with electricity from a

system sale from the Bonneville Power Administration directly into a state with a GHG program and to an entity regulated by the state greenhouse gas program. The RECs are calculated based on the same vintage year as the year in which the electricity was imported to the state with the greenhouse gas program.

(iv) For the purposes of (c) of this subsection, "greenhouse gas program" includes any governmental program outside of Washington that caps or limits greenhouse gas emissions or requires the purchase, surrender, or retirement of greenhouse gas allowances if the scope of the greenhouse gas program includes electricity imported from outside the governmental jurisdiction and does not require the retirement of RECs for such imported electricity.

(d) For the purposes of reporting and compliance, the storage of electricity has the following impacts:

(i) The eligibility of renewable or nonemitting electricity is not affected by the use of storage resources.

(ii) Except for storage resources located on the customer side of a retail meter, any electrical consumption or loss resulting from the charging, holding, and discharging of storage resources is not considered retail electric load as defined in RCW 19.405.020(36).

(iii) Any electrical consumption or loss resulting from the charging, holding, and discharging of storage resources located on the customer side of a retail meter is considered retail electric load for the purpose of compliance with chapter 19.405 RCW.

(5) **Commission staff information requests.** Nothing in this rule affects the utility's obligation to provide any additional information or data requested by commission staff.

NEW SECTION

WAC 480-100-670 Use of renewable energy credits other than unbundled RECs to comply with the greenhouse gas neutral standard. (1) In order to designate a REC or NPA for primary compliance under RCW 19.405.040 (1)(a) or to demonstrate progress towards an interim target established under RCW 19.405.060(1), a utility must comply with the requirements of this section. The requirements of this section apply to all RECs that are retired and NPAs from nonemitting resources that are reported to meet primary compliance.

(2) Each electric utility must retire any RECs associated with renewable or nonemitting electricity claimed for compliance. The vintage of the RECs being retired must be dated within the four-year compliance period for which the RECs are being claimed, whether for primary or alternative compliance.

(3) If a tracking system identified by the Washington state department of commerce creates RECs for a resource that falls under the definition of nonemitting electric generation in RCW 19.405.020(27), a utility must obtain, verify, track, and retire those RECs in the same manner as RECs from renewable resources.

(4) For resources that do not generate RECs, a utility must demonstrate sole ownership of all NPAs associated with the electricity claimed towards primary compliance. The NPAs claimed towards primary compliance must be associated with electricity generated within the four-year compliance period for which the NPAs are being claimed, whether for primary or alternative compliance.

(5) Unless a REC or NPA is compliant with subsection (6) of this section, the utility must acquire the RECs or NPAs with the electricity associated with the RECs or NPAs in a single transaction through ownership or control of the generating facility or through a contract for purchase or exchange.

(6) RECs or NPAs associated with electricity generated by a renewable or nonemitting resource dispatched in or scheduled into a centralized electricity market are eligible to count towards a utility's primary compliance if market allocation of electricity to the utility occurs as a result of the centralized electricity market's resource allocation framework; and, if the utility does not already own the associated RECs or NPAs, the utility separately acquires the RECs or NPAs associated with the renewable or nonemitting electricity resulting from the allocation of the resource to the utility in the centralized electricity market.

(7) The electricity associated with the RECs or NPAs must be consistent with WAC 480-100-650 (1) (d).

(8) A utility may retire a REC or demonstrate ownership of an NPA for the purpose of primary compliance only if the utility demonstrates that there is no double counting of that REC, NPA, or the associated clean energy within another load-based program in Washington or other jurisdictions. At a minimum, this requires that:

(a) Any bilateral sale of electricity with its associated RECs or NPAs must include terms stating that the sale is of specified renewable or nonemitting electricity, and in the absence of such terms, the sale is presumed to be unspecified electricity; and

(b) Any electricity generated by a renewable or nonemitting resource and offered for sale by the utility in a centralized electricity market shall not be offered as specified power, and the utility must ensure that the associated RECs or NPAs are not transferred to another entity.

(9) RECs or NPAs retired for both primary compliance with RCW 19.405.040 (1) (a) and compliance with RCW 19.285.040 (2) (a) are not considered double counted.

(10) NPAs may only be used to demonstrate progress towards primary compliance instead of a REC if the associated electricity has not generated a REC.

NEW SECTION

WAC 480-100-675 Portfolio planning requirements to comply with the greenhouse gas neutral standard. (1) When submitting an integrated resource plan, clean energy implementation plan, clean energy action plan, or integrated system plan required by statute to the commission, a utility must demonstrate how its planned resource acquisition, resource retirement, and continued investment in or operation of existing resources are projected to meet its primary compliance obligation under RCW 19.405.040 (1) (a), in addition to any other minimum percentage of retail electric load established by the commission through an approved interim target, with renewable or nonemitting electricity in each compliance period beginning January 1, 2030.

(2) Each utility must meet the requirement in subsection (1) of this section through, at a minimum, an hourly analysis of the renewable or nonemitting output of the preferred resource portfolio, and how this is intended to meet its primary compliance obligation for each

compliance period under RCW 19.405.040 (1)(a), or other minimum percentage of retail electric load established by the commission through an approved interim target, under expected renewable output conditions. If a plan referenced in subsection (1) of this section only includes one portfolio, for the purposes of this section, that portfolio is the preferred portfolio.

NEW SECTION

WAC 480-100-680 Use of RECs and NPAs to comply with the 100 percent renewable or nonemitting standard. In order to use a REC or NPA to comply with the requirements of RCW 19.405.050(1), a utility must:

- (1) Ensure that any REC or NPA retired for compliance is consistent with all requirements of WAC 480-100-670, including the requirements specifically related to primary compliance; and
- (2) Demonstrate that the utility did not use the associated electricity for any purpose other than supplying electricity to its Washington retail electric customers.