

**WSR 26-01-063**  
**PERMANENT RULES**  
**UTILITIES AND TRANSPORTATION**  
**COMMISSION**

[Docket UE-210183, General Order R-610—Filed December 11, 2025, 2:46 p.m., effective December 11, 2025, 2:46 p.m.]

In the matter of amending and adopting rules in chapter 480-100 WAC relating to markets and compliance requirements for the Clean Energy Transformation Act (CETA).

1. **STATUTORY OR OTHER AUTHORITY:** The Washington utilities and transportation commission (commission) takes this action under Notice No. WSR 25-15-112, filed with the code reviser on July 18, 2025. The commission has authority to take this action pursuant to RCW 80.01.040 and 80.04.160; chapter 80.28 RCW, Gas, electrical, and water companies; chapter 19.280 RCW, Electric utility resource plans; and chapter 19.405 RCW, Washington Clean Energy Transformation Act.

2. **STATEMENT OF COMPLIANCE:** This proceeding complies with the Administrative Procedure Act (chapter 34.05 RCW), the State Register Act (chapter 34.08 RCW), the State Environmental Policy Act of 1971 (chapter 43.21C RCW), and the Regulatory Fairness Act (chapter 19.85 RCW).

3. **DATE OF ADOPTION:** The commission adopts these rules on the date this order is entered.

4. **CONCISE STATEMENT OF PURPOSE AND EFFECT OF THE RULE:** 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 to address the prohibition on double counting of non-power attributes under RCW 19.405.040 that could occur under other programs. The commission completed the required rule making, but conducts this additional rule making to clarify remaining interpretive questions. This rule making specifically addresses questions including 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, CETA that may be affected by rules interpreting RCW 19.405.040 (1)(a). This statement must identify the commission's reasons for adopting the rule, describe the differences between the version of the proposed rules published in the Washington State Register (register) and the rules adopted (other than editing changes), summarize the comments received regarding the proposed rule changes, and state the commission's responses to the comments reflecting the commission's consideration of them.

5. To avoid unnecessary duplication in the record of this docket, the commission designates the discussion in this order, including appendices, as its concise explanatory statement. This order provides a complete but concise explanation of the commission's actions and its reasons for taking those actions.

6. **REFERENCE TO AFFECTED RULES:** This order adopts the following WAC sections:

Amending WAC 480-100-605 Definitions and 480-100-650 Reporting and compliance; and adopting [new] WAC 480-100-670 Use of renewable energy credits other than unbundled RECs to comply with the greenhouse gas neutral standard, 480-100-675 Portfolio planning requirements to comply with the greenhouse gas neutral standard, and 480-100-680 Use of RECs and NPAs to comply with the 100 percent renewable or nonemitting standard.

7. **PREPROPOSAL STATEMENT OF INQUIRY:** The commission filed a preproposal statement of inquiry (CR-101) on May 3, 2021, at WSR 21-10-088. The statement advised interested persons that the commission was initiating a rule making to implement the requirements of CETA, which requires investor-owned electric utilities to: (1) Eliminate coal-fired generation from their portfolios by the end of 2025; (2) ensure that all retail sales of electricity to their retail customers will be greenhouse gas neutral by the end of 2030; and (3) source all of their power from renewable and nonemitting resources by the end of 2045. The statement clarified that the commission adopted three sets of rules to begin CETA implementation in 2020, and that this notice signified the beginning of the second phase of rule making specifically addressing compliance with RCW 19.405.030 through 19.405.050 with electric market purchases from centralized markets and addressed the prohibition of double counting of nonpower attributes under RCW 19.405.140. The commission informed persons of this inquiry by providing notice of the subject and the CR-101 to everyone on the commission's list of persons, cities, and counties requesting such information pursuant to RCW 34.05.320(3), as well as all regulated electric and natural gas companies and the commission's list of utility attorneys. On May 13, 2021, the commission issued an addendum to the CR-101 notice, clarifying that initial written comments would be due June 2, 2021.

8. **STAKEHOLDER PARTICIPATION:** Pursuant to the initial notice, the commission issued a second notice of opportunity to file written comments on the CR-101 and a list of questions enumerated in the notice on May 17, 2021. The commission received written comments in response to the May 2021 notices on June 2, 2021, and June 14, 2021, respectively. The commission received additional written comments in response to its notices on November 12, 2021, December 6, 2021, February 9, 2022, April 22, 2022, November 24, 2023, February 16, 2024, May 10, 2024, June 21, 2024, November 27, 2024, April 25, 2025, and August 9, 2025. The commission conducted an adoption hearing on September 2, 2025, and workshops and/or technical conferences on June 22, 2021, August 12, 2021, September 27, 2021, December 6, 2021, December 14, 2021, and February 22, 2024.

9. Commenters and workshop participants include Western Power Trading Forum, Avista d/b/a Avista Utilities (Avista), Alliance of Western Energy Consumers, Bonneville Power Administration (BPA), Northwest Intermountain Power Producers Coalition (NIPPC), PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp), Public Generating Pool, Puget Sound Energy (PSE), Northwest Energy Coalition, Climate Solutions, Renewable Northwest, Center for Resource Solutions, Public Counsel Unit of the Attorney General's Office (public counsel), U.S. Energy Storage Association, Renewable Hydrogen Alliance, Copenhagen Infrastructure Partners, Northwest Energy Efficiency Council, Columbia Riverkeeper, FlexCharging, Washington Public Utility Districts Association, Natural Resources Defense Council, The Northwest Requirements Utilities, Pacific Northwest Generating Cooperative, Washington Rural Electric Cooperative Association, King County, Avangrid Renewables, Powerex Corporation, the Washington Environmental Council, and various members of the public. A summary of all written comments and commission staff's responses to CR-101 comments are contained in Appendix B, attached to, and made part of this order.

10. **SMALL BUSINESS ECONOMIC IMPACT:** The proposed rules apply only to the large investor-owned utility companies and thus will have no effect on small business. Following notice of a small business impact economic statement (SBEIS) questionnaire requesting responses by March 9, 2022,

the commission issued an SBEIS that confirmed that the proposed rules will not disproportionately affect small businesses. Following additional SBEIS questionnaires requesting responses by November 24, 2023, and May 10, 2024, the commission received no additional responses. The final rules adopted by the commission in this order do not deviate significantly from the version proposed in May 2024 as they relate to small businesses. Therefore, the commission concludes that the adopted rules do not disproportionately affect small businesses.

11. **NOTICE OF PROPOSED RULE MAKING:** The commission filed a first notice of proposed rule making (CR-102) on March 23, 2022, at WSR 22-07-100 (first notice). The commission filed a second notice (adoption notice or second notice) CR-102 on July 18, 2025, at WSR 25-15-112. The commission scheduled this matter for telephonic and virtual oral comment and adoption under Notice No. WSR 25-15-112 at 9:00 a.m. on Tuesday, September 2, 2025. The adoption notice provided interested persons the opportunity to submit written comments to the commission by August 19, 2025, two weeks prior to the hearing.

12. **WRITTEN COMMENTS:** The commission received written comments in response to the adoption notice from PSE, PacifiCorp, Avista, and NIPPC. Written comments received after the adoption notice are addressed below.

13. **RULE-MAKING HEARING:** The commission considered the proposed rules for adoption at a rule-making hearing on Tuesday, September 2, 2025, before Chair Brian J. Rybarik, Commissioner Ann E. Rendahl, and Commissioner Milton H. Doumit. The commission heard a presentation by commission staff (staff) and oral comments from representatives of Avista, PacifiCorp, PSE, BPA, and NIPPC, all of whom enhanced the written comments they previously provided. The Washington department of ecology (ecology) also requested minor clarifications to language in the adopted rules, which are addressed below.

14. **ADDITIONAL WRITTEN COMMENTS:** The commission did not receive any additional comments after the August 19, 2025, written comment deadline.

15. **SUGGESTIONS FOR CHANGES:** The rules have been revised and edited multiple times throughout the CR-101 phase based upon comments from stakeholders. After the commission issued the proposed rules, stakeholders suggested changes in both written and oral comments. The suggested changes and staff's recommended responses are summarized in Appendix B. The commission adopts staff's responses and recommendations from the CR-101 phase as its own, while opining on major changes to the proposed rules in paragraphs 15 through 25. The commission further revises the proposed rules presented at the adoption hearing as described in paragraphs 15 through 25 below.

#### **Discussion:**

16. Throughout this process, the commission has considered multiple possible restrictions on the use of nonpower attributes for primary compliance with CETA within a four-year compliance period. Though the commission declines to adopt any of these restrictions at this time, the commission has the authority to place restrictions on the use of nonpower attributes beyond the statutory limits based on its interpretation of "use." Additionally, the commission is not obligated to mirror the rules adopted by the department of commerce (commerce) here or in future changes to these rules. Though the commission does not adopt any of the restrictions considered in the CR-101 phase, we add additional reporting requirements in WAC 480-100-650 to monitor the occurrence of resource shuffling as CETA implementation continues.

17. As stated in the previous adoption order in this docket,<sup>1</sup> the commission finds the relevant statutory language in CETA ambiguous on the question of whether "retained renewable energy credits (RECs)"<sup>2</sup> are eligible for primary compliance under RCW 19.405.040. Good faith arguments could be made on both sides of this question, and the commission does not see any clear evidence of the legislative intent on this specific question within the legislative history. Therefore, the commission must endeavor to follow what it believes the legislative intent was, focusing on achieving the stated policy goals of CETA.

<sup>1</sup> GENERAL ORDER R-604, page 14, paragraph 46. June 29, 2022.

<sup>2</sup> "Retained RECs" are RECs that are generated by a utility, and the energy associated with that REC is sold as unspecified.

18. The commission finds that allowing retained RECs to count toward primary compliance under RCW 19.405.040(1) furthers the legislative intent of CETA. The period between 2030 and 2045 is one in which flexibility will be needed in order to meet CETA's clean energy goals while also keeping customer rates affordable. Adopting an interpretation that does not allow retained RECs to count toward primary compliance would require electric utilities and large combination utilities to implement complicated accounting systems. Given that retained RECs must be generated by the utility or purchased as a bundled product, the commission finds that the complicated accounting and tracking systems necessary to ensure retained RECs are not counted toward primary compliance would not be in the public interest. Allowing retained RECs to count toward primary compliance still requires a utility to buy or build enough renewable and nonemitting generation to meet the 80 percent primary compliance requirement under CETA. The commission will take this standard into account when setting interim targets in clean energy implementation plans (CEIPs) and integrated system plans (ISPs) moving forward. Parties have objected that adopting this interpretation could reduce the incentives the utilities have to make progress on the clean energy transition.<sup>3</sup> The commission disagrees, and notes that going forward, the agency will review interim targets in light of the statutory interpretation we adopt today. Although the commission is not bound to follow the same rules adopted by commerce, we are concerned about the potential impact of adopting a different interpretation than the one commerce has adopted in its rules.

<sup>3</sup> Docket UE-210183, Comments of Renewable Northwest, the Northwest Energy Coalition, and Climate Solutions, page 2 (April 25, 2025).

19. The commission reiterates here what it stated in the previous adoption order regarding the 2045 standard in RCW 19.405.050:<sup>4</sup> The commission finds that retained RECs would not be consistent with the plain language of RCW 19.405.050(1), which requires utilities to "supply" retail load with electricity from 100 percent renewable and nonemitting resources. The commission therefore expects utility long term planning to account for the need to supply 100 percent of retail load in 2045 without the ability to use retained RECs for compliance.

<sup>4</sup> GENERAL ORDER R-604, page 11, paragraph 38 ("However, we still expect that the electric utilities we regulate are engaged in planning and acquiring resources to achieve CETA's final goal: supplying 100 percent R&N electricity in providing electric service for retail customers equitably, cost effectively, and reliably").

20. PacifiCorp states concerns regarding the sufficiency of using a cost allocation methodology for CETA compliance. The commission reiterates in this order that for multistate utilities, we expect that a cost allocation methodology will be sufficient for determining that a utility is in compliance with the 100 percent renewable or nonemitting standard. Any interstate cost allocation methodology approved by the

commission is assumed to be accurate and sufficient for the purpose of determining CETA compliance.

21. During the adoption hearing, ecology requested two clarifications regarding the draft rules. First, ecology requested that the commission clarify whether the specification of double-counting within a "load-based program" in proposed WAC 480-100-670(8) extends to the discussion of offering specified power in subsection [(8)](b). We affirm that the specification of "load-based program" in WAC 480-100-670(8) extends to subsection [(8)](b).

22. Second, ecology requested that the commission consider whether in-market attribution of resources to a Washington-based greenhouse gas regulation area<sup>5</sup> qualifies as a load-based program, and whether attribution under such a construct would be considered double-counting. Ecology noted that if the commission does consider in-market attribution to be a load-based program, and therefore double-counting CETA-eligible attributes, it would create difficulties for cap-and-invest implementation. The commission does not believe that in-market attribution is a load-based program, as it exists to serve greenhouse gas accounting within a day-ahead market. The accounting of CETA-eligible attributes occurs in a post-market setting, distinct from the in-market attribution framework that will be used in developing day-ahead markets. As such, the commission clarifies here that it does not consider in-market attribution to be a load-based program.

<sup>5</sup> Ecology provides an example of the California independent system operator tariff Sec. 29.32, 33.32 (Federal Energy Regulatory Commission approved).

23. In written comment in response to the adoption notice, Avista proposes changing the hourly analysis requirement in proposed WAC 480-100-675(2) to a monthly requirement, arguing that additional clarification is needed on how such an hourly analysis should be implemented. The commission rejects this request. On this issue, we expect Avista and other affected utilities to construct an hourly analysis that functions within the context of the utility's planning procedures and limitations. The commission encourages all companies to work with staff and technical advisory groups to implement an hourly analysis that demonstrates actionable steps toward CETA compliance. The commission notes that if a company is unable to perform these functions with an hourly analysis, it may apply for a rule exemption to substitute a monthly analysis. Any company seeking an exemption must demonstrate that it is not able to conduct an hourly analysis.

24. Also, in response to the adoption notice, PacifiCorp and PSE offer minor changes to the wording of the monthly reporting requirements in proposed WAC 480-100-650 (3)(1). PacifiCorp proposes clarifying that the reported information should be disaggregated monthly, not reported monthly, as the information would be included in annual clean energy progress reports. The commission agrees with this proposal and adopts the language suggested by PacifiCorp.

25. PSE notes in written comment that the annual clean energy progress reports are not required during years that clean energy compliance reports are submitted and proposes changing the start date for data reporting in proposed WAC 480-100-650 (3)(1) to July 1, 2027. The commission recognizes this issue but prefers that the requested information be reported annually regardless of the nature of the report filed in a given year. In the existing rule implementing CETA, WAC 480-100-650 (1)(h) specifies that information in WAC 480-100-650(4) shall be reported in both progress reports and compliance reports. Consequently, the commission retains the annual reporting requirement,

but moves the requirement from WAC 480-100-650(3) to WAC 480-100-650(4).

26. **COMMISSION ACTION:** After considering all of the information regarding this proposal, the commission finds and concludes that it should amend and adopt the rules as proposed in the CR-102 at WSR 25-15-112 with the changes described in paragraph 27 below.

27. **CHANGES FROM PROPOSAL:** The commission adopts the proposal with the following changes from the text noticed at WSR 25-15-112:

WAC 480-100-650 (3)(1), delete all text, which will be moved to WAC 480-100-650 (4)(e).

WAC 480-100-650 (4)(e), insert "Beginning July 1, 2026, and each year thereafter, the following information shall be reported annually, disaggregated 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."

WAC 480-100-650(m), rename this subsection as subsection (1), following the removal of the previous subsection (1).

28. **STATEMENT OF ACTION; STATEMENT OF EFFECTIVE DATE:** After reviewing the entire record, the commission determines that amendment of WAC 480-100-605 and 480-100-650 is necessary, as well as the addition of 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, and 19.405.130 and other portions of chapter 19.405 RCW to read as set forth in Appendix C, as rules of the commission, to take effect immediately pursuant to RCW 34.05.380 (3)(a).

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 3, Amended 2, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 3, Amended 2, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 3, Amended 2, Repealed 0.

#### ORDER

29. **THE COMMISSION ORDERS:**

30. The commission amends WAC 480-100-605 and 480-100-650; and creates WAC 480-100-670, 480-100-675, and 480-100-680 to read as set forth in Appendix C, as rules of the Washington utilities and transportation commission, to take effect immediately.

31. This order and the rule set out below, after being recorded in the register of the commission, shall be forwarded to the code re-

viser for filing pursuant to chapters 80.01 and 34.05 RCW and 1-21 WAC.

DATED at Olympia, Washington, December 11, 2025.  
Washington Utilities and Transportation Commission

Brian J. Rybarik, Chair  
Ann E. Rendahl, Commissioner  
Milton H. Doumit, Commissioner

## Appendix C

### CHAPTER 480-100 WAC - RULES

#### RDS-5035.4

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 "CO<sub>2</sub>e" 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 CO<sub>2</sub>e.
- (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) 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 trans-

action 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.

(e) Beginning July 1, 2026, and each year thereafter, the following information shall be reported annually, disaggregated 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.

(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.