

## Regulatory Assistance Project Electrical Long-range Planning Survey<sup>1</sup>

State: **Washington**      Date: 5/23/03  
Name of Agency:      Washington Utilities and Transportation Commission (WUTC)  
Source:                  Email correspondence and phone interview  
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### Policies

1. Is any form of long-range electrical resource and/or investment planning required?

Yes

2. What is it called?

Least Cost Planning

3. What is the process?

Each utility (“Company”) initiates a stakeholders’ advisory group, and through a series of workshops, the Company’s plan is completed, and submitted to the commission for review and acknowledgement. WUTC staff are involved from the beginning, so draft plans are revised with their input.

4. Describe the analysis required by the regulatory body.

Scrutiny at each step: demand projection, price, supply, DSM, etc., based on the elements identified in the rule.

5. Is it statewide or utility-specific planning? What types of entities are required to participate?

Utility specific. Gas and electric investor-owned utilities.

6. This form of planning has been required since what date?

Since 1987, by rule.

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<sup>1</sup> All responses written from notes compiled and edited by Cathie Murray at RAP. Any corrections to the draft document, suggested by the contact person, have been incorporated.

## Required elements

7. Which of the following resources must be evaluated/included:

Generation	Yes
Transmission	Yes
Distribution	Yes
Energy efficiency	Yes
Load Management	Yes

8. The plans' objectives,

From the regulatory perspective:

Least cost resource

From the utility perspective:

Least cost and less risk (greater revenue)

9. Are alternative scenarios analyzed as part of the plan? Yes

If so, what factors are considered?

Policies (federal and state level), forecasts, assumed economic growth, low or poor hydro, new coal or other technology, etc

10. Are externalities considered? Economic: No  
Environmental: No

However, in some situations, stakeholders request the analysis of externality, but the Company can accept or reject this request. This is not due to the policy or rules in Washington, but rather due to policies in other states.

11. What is the planning horizon? 20 years  
Length of Energy and Demand forecasts 20years  
Length of Short-term Action Plan 2 years

12. How often do utilities have to file plans? Update plans?

Every two years

13. What monitoring or other processes are used to determine consistency of investments with plans?

Prudence review; rate cases. Generally, the substance and adequacy of information supporting acquisitions outside the LCP will face a greater degree of scrutiny to satisfy a prudence review than an acquisition that is included in the LCP.

## Agency Process

### 14. Agency holds public hearings on utility plans

Not exactly. The Companies have stakeholder advisory committees that review the plans. Members of the public can participate on those committees. After the draft plan has gone through revisions, the final version is filed and docketed with the WUTC. The Company makes a public presentation to the Commissioners. The public can attend, but this is not a procedural hearing.

### 15. Other ways public participates and comments on plans are:

Written comments through mailing or emailing.

### 16. Agency Authority over Plans:

The WUTC reviews the Plan and may acknowledge it. The Commissioners may propose changes to future plans.

### 17. Have resource acquisition decisions changed as a result of the planning process?

Yes, because the LCP process involves revisions to draft plans as a result of public and WUTC staff feedback. However the final plan is not changed by the WUTC Commissioners' review and acknowledgement.

### 18. Are competitive processes used to acquire new resources?

Yes. The utility must file a draft RFP within 90 days of filing its final LCP. WAC 480-107 describes rules and procedures for competitive resource acquisition.

### 19. How are Energy Efficiency resources acquired?

Funded through a surcharge. They may also be acquired through the RFP process with other funds.

### 20. Is competitive bidding used?

Yes, utilities use competitive bidding rules primarily to comply with PURPA and also to acquire resources pursuant to the results of the resource plan. However, utilities can also acquire resources outside of a bidding process. Regardless, resources acquired through bidding process or otherwise will be subject to a prudence review during a rate case.

### 21. Does the regulatory agency have open dockets, or is it considering opening a docket investigating any long-range electrical investments?

Not currently. This is usually performed during rate cases. Puget Sound may initiate a rate case soon.

22. Citation and description: Not applicable

23. Are filed plans available on-line? Yes

24. Citation and description of State policies (legislation, rules/regs, PUC orders) governing planning:

Electric LCP WAC 480-100-238

Gas LCP WAC 480-90-238

Power Purchase Procedures (IPP, Conservation/Efficiency suppliers) WAC 480-107

25. Does your state do performance-based regulation?

Not yet for electric utilities, but the staff is looking at it. The gas companies do have some benchmarks tied to incentives.

### **State Energy Plan**

26. Is there a State Energy Plan? Yes

27. Is it connected to the planning described above?

Only in that the staff in charge of the State Energy Plan process actively participate in the LCP process. Also, the LCP should not be in violation of the State Energy Plan.

28. If yes, who is responsible for the Plan?

Department of Community Trade and Economic Development (CTED)

29. What is included in the Plan, apropos of long-range electrical planning?

Not sure.

### **Notes**

The WUTC has opened three dockets proposing a review of the rules governing least cost planning, as well as the rules governing the acquisition of resources from IPPs, Conservation, etc. Comments were due 5/16/03; Commission workshop is 6/13/03. The proposed review will look at whether existing rules provide results they were originally intended to achieve, and whether they are consistent with WUTC policies and advances in technology.

Docket UE 030311: electric LCP

Docket UE 030312: gas LCP

Docket UE 030423: IPP and Conservation resource acquisition

The verbatim responses of Washington regulators and plan practitioners to similar survey questions can be seen at

<http://www.nwcouncil.org/energy/powersupply/adequacyforum/Default.htm>