Renewable Energy

The voter-approved Washington Energy Independence Act sets renewable energy targets for electric utilities.

Washington's Energy Independence Act, also known as the EIA or Initiative 937, approved by voters in 2006, requires utilities to increase their use of renewable energy resources, such as wind and solar power.

The EIA required utilities to meet 3 percent of their electric load from renewable sources by 2012 and increased that requirement to 9 percent by 2016. Utilities must use renewable resources to meet 15 percent of load by 2020.

For Washington's three investor-owned electric utilities—Puget Sound Energy, Avista Utilities, and Pacific Power—the UTC implements and enforces the EIA and must impose penalties on utilities that fail to meet targets.

For the Washington's publicly owned utilities, the EIA is implemented and enforced by the Dept. of Commerce and the State Auditor.

From 2005 to 2018 wind generation in the state increased more than 1,200 percent.

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Requiring Planning for Acquisition of Renewables

The UTC implements state laws and rules requiring investor-owned utilities (IOUs) to develop plans describing how they will obtain future energy resources at the lowest combination of cost and risk to customers. IOUs must file these Integrated Resource Plans with the UTC every two years and, pursuant to UTC rule, must consider the cost of carbon associated with nonrenewable energy resources. With UTC oversight, IOUs use these plans to meet the EIA renewables targets and evaluate the costs and benefits of all energy resources. Through this process, the utilities move toward meeting future renewables goals by upgrading hydroelectric generation and acquiring wind sites for future development in Washington state.

Eliminating Regulatory Barriers to Facilitate Renewable Resource Acquisition

The utilities expressed concern that uncertainty in regulatory policy could prevent the purchase of renewable resources. In response, the UTC issued two policy statements to provide companies with clarity:

In December 2010, the UTC issued a *Report and Policy Statement Concerning Acquisition of Renewable Resources by Investor-Owned Utilities* to clarify regulatory policies about how investments in renewables may be recovered in utilities' rates. The renewables policy statement clarifies that a utility may acquire renewable resources in advance of EIA deadlines, provided it makes long-term economic sense to do so. It also permits a utility to seek preapproval of resource acquisition to avoid the possibility that the UTC, in a subsequent rate proceeding, may disallow recovery of the resource in utility rates.

In June 2011, the UTC issued a *Policy Statement Regarding Processes for Determining Whether Projects Are 'Eligible Renewable Resources' Under RCW 12.285 and WAC 480-109.* The policy statement defines an informal process for obtaining advice as to whether a given project would qualify under the EIA. It also describes a process for a formal declaratory order giving utilities or project developers regulatory certainty.

Limiting Greenhouse Gas Emissions in Thermal Resources

The UTC guarantees the state's private electric utilities will continue to reduce greenhouse gas emissions as IOUs acquire new thermal generating resources and retire older generating plants. Emissions from existing resources are reviewed by the Dept. of Ecology. The UTC verifies that the companies' new resources meet the state's more stringent greenhouse gas emissions requirements. Greenhouse gas limitations may encourage utilities to acquire renewable resources that produce fewer emissions.

Encouraging a "Smart Grid"

The UTC works with utilities to develop positive approaches to the implementation of "smart grid" technology. Avista Corporation, for example, participated in several pilot projects testing smart grid technologies, including a smart grid demonstration project led by Battelle. Smart grid advancements may result in the integration of more renewable energy technologies from homes, businesses, and communities.

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