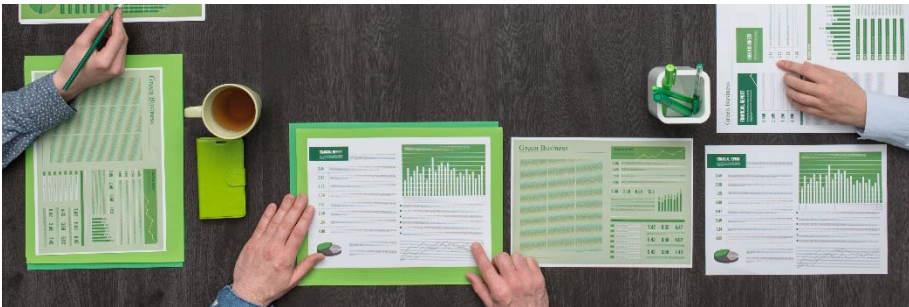


# Washington Agencies Initiate Rulemaking Processes for Implementing Washington's New Clean Energy Legislation



On July 30, the [Washington Utility and Transportation Commission \(UTC\)](#) and [Department of Commerce](#) will initiate the lengthy process of developing administrative rules to implement the newly-enacted [Clean Energy Transformation Act \(CETA\)](#). To meet CETA's aggressive goals, including eliminating greenhouse-gas emitting electricity generation by 2045, the agencies charged with its implementation will need to adopt and enforce a large number of agency rules over the next several years. The process will begin with a [public workshop on July 30](#).

## Multiple Rulemakings will be Required

Implementation of CETA and related energy legislation will involve a number of Washington state agencies, especially the UTC and Commerce. As has been generally the case, CETA assigns regulatory responsibility for Washington's regulated investor-owned utilities (IOUs) to the UTC, while Commerce has the responsibility to ensure Washington's consumer-owned utilities (PUDs and municipal utilities, who are not subject to UTC jurisdiction) comply with CETA. Generally, the UTC and Commerce have closely cooperated in developing rules that apply to both the IOUs and consumer-owned utilities, and the July 30 workshop jointly sponsored by the UTC and Commerce, suggests this approach will continue.

The UTC has laid out a preliminary rulemaking timeline that will involve promulgation of seventeen different rules or policy statements between now and 2022. The July 30 workshop is

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intended to seek public input on whether the preliminary timeline captures everything that is required in CETA, and the nine other bills passed by the legislature this year affecting Washington's electricity and natural gas utilities. The workshop also seeks public input on whether the agencies have correctly prioritized the rulemakings, how the proceedings should be coordinated, and the extent to which these rulemakings interact with ongoing agency matters.

The preliminary timeline identifies three sets of rules and policy statements based on statutory deadlines. Major proceedings that must be completed by January 1, 2021, include guidelines for the Clean Energy Implementation Plans required by CETA, refinements to the Integrated Resource Planning process to incorporate the social cost of carbon and other changes required by CETA, and amendments to rules implementing Initiative 937 (Washington's renewable portfolio standard) to coordinate implementation with CETA's clean energy requirements.

Proceedings that must be completed by June 30, 2022, include rules for natural gas conservation and integrated resource planning, and for defining the carbon content of electricity purchased on the Northwest's markets rather than from a specified generator. Major proceedings without a specific statutory deadline include revising interconnection standards for new generators, rules for distribution system planning, and policy statements on demand response and utility pilot projects testing new technologies.

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with a public workshop  
on July 30, 2019.**

## Mandates Adopted by Tariff

The UTC is currently planning to forego rulemakings for several new statutory mandates applicable to utilities and instead implement those requirements through review of tariffs that are filed by regulated utilities in the first instance. These mandates include new tariffs allowing consumers to purchase [renewable natural gas](#), new requirements for [net metering of renewable energy systems](#) owned by retail consumers, and [electrification of transportation](#) plans. Accordingly, absent a change in UTC implementation strategy, these mandates will be implemented on a case-by-case basis rather than through rulemakings or policy statements providing agency guidance to regulated utilities.

## Related Proceedings

The UTC has initiated a [parallel proceeding](#) seeking written comments on CETA's requirement that the UTC "establish an appropriate process to identify, review, and approve public service company property that becomes used and useful for service in this state after the rate effective date." The "used and useful" test is particularly important and tricky for any new natural gas generation that may be constructed after CETA's passage since those facilities, although important for balancing intermittent resources like wind and solar generation, must be phased out by 2045. In addition, the [Washington State Housing Finance Commission](#) will hold a workshop on [August 1](#) to discuss the implementation of CETA's provisions related to low-income energy burdens, energy assistance programs, and equitable distribution of energy benefits.

## Joining the Regulatory Circus

As the lengthy list of anticipated rulemakings and policy statements compiled by the UTC suggests, how CETA is implemented and whether the implementation is effective and efficient depends heavily on the

regulatory processes of the involved agencies. Effective participation in these processes will require sustained attention from interested parties over the next several years, starting with the July 30 workshop.

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