

Clean Energy Transformation Act, **Clean Energy Implementation Plan**

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Submission: Email this workbook and all supporting documentation to CETA@commerce.wa.gov

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Washington State
Department of
Commerce

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RCW 19.405.060

Clean energy implementation plan—Compliance criteria—Incremental cost of compliance.

(2)(a) By January 1, 2022, and every four years thereafter, each consumer-owned utility must develop and submit to the department a four-year clean energy implementation plan for the standards established under RCW 19.405.040(1) and 19.405.050(1) that: (i) Proposes interim targets for meeting the standard under RCW 19.405.040(1) during the years prior to 2030 and between 2030 and 2045, as well as specific targets for energy efficiency, demand response, and renewable energy; (ii) Is informed by the consumer-owned utility's clean energy action plan developed under RCW 19.280.030(1) or other ten-year plan developed under RCW 19.280.030(5); (iii) Is consistent with subsection (4) of this section; and (iv) Identifies specific actions to be taken by the consumer-owned utility over the next four years, consistent with the utility's long-range resource plan and resource adequacy requirements, that demonstrate progress towards meeting the standards under RCW 19.405.040(1) and 19.405.050(1) and the interim targets proposed under (a)(i) of this subsection. The specific actions identified must be informed by the consumer-owned utility's historic performance under median water conditions and resource capability and by the consumer-owned utility's participation in centralized markets. In identifying specific actions in its clean energy implementation plan, the consumer-owned utility may also take into consideration any significant and unplanned loss or addition of load it experiences.

(b) The governing body of the consumer-owned utility must, after a public meeting, adopt the consumer-owned utility's clean energy implementation plan. The clean energy implementation plan must be submitted to the department and made available to the public. The governing body may adopt more stringent targets than those proposed by the consumer-owned utility and periodically adjust or expedite timelines if it can be demonstrated that such targets or timelines can be achieved in a manner consistent with the following: (i) Maintaining and protecting the safety, reliable operation, and balancing of the electric system; (ii) Planning to meet the standards at the lowest reasonable cost, considering risk; (iii) Ensuring that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency; and (iv) Ensuring that no customer or class of customers is unreasonably harmed by any resulting increases in the cost of utility-supplied electricity as may be necessary to comply with the standards.

(3)(a) An investor-owned utility must be considered to be in compliance with the standards under RCW 19.405.040(1) and 19.405.050(1) if, over the four-year compliance period, the average annual incremental cost of meeting the standards or the interim targets established under subsection (1) of this section equals a two percent increase of the investor-owned utility's weather-adjusted sales revenue to customers for electric operations above the previous year, as reported by the investor-owned utility in its most recent commission basis report. All costs included in the determination of cost impact must be directly attributable to actions necessary to comply with the requirements of RCW 19.405.040 and 19.405.050.

(b) If an investor-owned utility relies on (a) of this subsection as a basis for compliance with the standard under RCW 19.405.040(1), then it must demonstrate that it has maximized investments in renewable resources and nonemitting electric generation prior to using alternative compliance options allowed under RCW 19.405.040(1)(b).

(4)(a) A consumer-owned utility must be considered to be in compliance with the standards under RCW 19.405.040(1) and 19.405.050(1) if, over the four-year compliance period, the average annual incremental cost of meeting the standards or the interim targets established under subsection (2) of this section meets or exceeds a two percent increase of the consumer-owned utility's retail revenue requirement above the previous year. All costs included in the determination of cost impact must be directly attributable to actions necessary to comply with the requirements of RCW 19.405.040 and 19.405.050.

(b) If a consumer-owned utility relies on (a) of this subsection as a basis for compliance with the standard under RCW 19.405.040(1), and it has not met eighty percent of its annual retail electric load using electricity from renewable resources and nonemitting electric generation, then it must demonstrate that it has maximized investments in renewable resources and nonemitting electric generation prior to using alternative compliance options allowed under RCW 19.405.040(1)(b).

(5) The commission, for investor-owned utilities, and the department, for consumer-owned utilities, must adopt rules establishing the methodology for calculating the incremental cost of compliance under this section, as compared to the cost of an alternative lowest reasonable cost portfolio of investments that are reasonably available.

WAC 194-40-200

Clean energy implementation plan.

(1) **Specific actions.** Each utility must identify in each CEIP the specific actions the utility will take during the next interim performance period or GHG neutral compliance period to demonstrate progress toward meeting the standards under RCW 19.405.040(1) and 19.405.050(1) and

the interim targets under subsection (2) of this section and the specific targets under subsection (3) of this section. Specific actions must be consistent with the requirements of RCW 19.405.060 (2)(a)(iv).

(2) **Interim target.** The CEIP must establish an interim target for the percentage of retail load to be served using renewable and nonemitting resources during the period covered by the CEIP. The interim target must demonstrate progress toward meeting the standards under RCW 19.405.040(1) and 19.405.050(1), if the utility is not already meeting the relevant standard.

(3) **Specific targets.** The CEIP must establish specific targets, for the interim performance period or GHG neutral compliance period covered by the CEIP, for each of the following categories of resources:

(a) **Energy efficiency.** (i) The CEIP must establish a target for the amount, expressed in megawatt-hours of first-year savings, of energy efficiency resources expected to be acquired during the period. The energy efficiency target must comply with WAC 194-40-330(1). (ii) A utility may update its CEIP to incorporate a revised energy efficiency target to match a biennial conservation target established by the utility under RCW 19.285.040 (1)(b) and WAC 194-37-070.

(b) **Demand response resources.** The CEIP must specify a target for the amount, expressed in megawatts, of demand response resources to be acquired during the period. The demand response target must comply with WAC 194-40-330(2).

(c) **Renewable energy.** The utility's target for renewable energy must identify the quantity in megawatt-hours of renewable electricity to be used in the period.

(4) **Specific actions to ensure equitable transition.** To meet the requirements of RCW 19.405.040(8), the CEIP must, at a minimum:

(a) Identify each highly impacted community, as defined in RCW 19.405.020(23), and its designation as either: (i) A community designated by the department of health based on cumulative impact analyses; or (ii) A community located in census tracts that are at least partially on Indian country.

(b) Identify vulnerable populations based on the adverse socioeconomic factors and sensitivity factors developed through a public process established by the utility and describe and explain any changes from the utility's previous CEIP, if any;

(c) Report the forecasted distribution of energy and nonenergy costs and benefits for the utility's portfolio of specific actions, including impacts resulting from achievement of the specific targets established under subsection (3) of this section. The report must: (i) Include one or more indicators applicable to the utility's service area and associated with energy benefits, nonenergy benefits, reduction of burdens, public health, environment, reduction in cost, energy security, or resiliency developed through a public process as part of the utility's long-term planning, for the provisions in RCW 19.405.040(8); (ii) Identify the expected effect of specific actions on highly impacted communities and vulnerable populations and the general location, if applicable, timing, and estimated cost of each specific action. If applicable, identify whether any resource will be located in highly impacted communities or will be governed by, serve, or otherwise benefit highly impacted communities or vulnerable populations in part or in whole; and (iii) Describe how the specific actions in the CEIP are consistent with, and informed by, the utility's longer-term strategies based on the analysis in RCW 19.280.030 (1)(k) and clean energy action plan in RCW 19.280.030(1)(l) from its most recent integrated resource plan, if applicable.

(d) Describe how the utility intends to reduce risks to highly impacted communities and vulnerable populations associated with the transition to clean energy.

(5) **Use of alternative compliance options.** The CEIP must identify any planned use during the period of alternative compliance options, as provided for in RCW 19.405.040 (1)(b).

(6) The CEIP must be consistent with the most recent integrated resource plan or resource plan, as applicable, prepared by the utility under RCW 19.280.030.

(7) The CEIP must be consistent with the utility's clean energy action plan developed under RCW 19.280.030(1) or other ten-year plan developed under RCW 19.280.030(5).

(8) The CEIP must identify the resource adequacy standard and measurement metrics adopted by the utility under WAC 194-40-210 and used in establishing the targets in its CEIP. (9) If the utility intends to comply using the two percent incremental cost approach specified in WAC 194-40-230, the CEIP must include the information required in WAC 194-40-230(3) and, if applicable, the demonstration required in WAC 194-40-350(2).

(10) Any utility that is not subject to RCW 19.280.030(1) may meet the requirements of this section through a simplified reporting form provided by commerce.

| | |
|---------------------------------------|----------------------------------------------------------|
| Utility name: | Mason County PUD No. 3 |
| Report date: | October 6, 2021 |
| Contact name/Dept: | Michele Patterson, Power Supply |
| Phone: | (360) 432-5325 |
| Email: | michelep@masonpud3.org |
| Web address of published CEIP: | www.pud3.org/CEIP |
| Small utility: | Yes |

A small utility is a utility that is not required by RCW 19.280.030(1) to prepare an integrated resource plan.

Interim target: Percentage of retail load to be served using renewable and nonemitting resources (WAC 194-40-200(2))

| Resource | 2022 | 2023 | 2024 | 2025 | 4-year Period |
|-------------|------|------|------|------|---------------|
| Renewable | | | | | |
| Nonemitting | | | | | |
| Total | | | | | 94% |

[Small utilities may enter a single value in cell G6 and leave the remaining cells blank.]

Describe how the target demonstrates progress toward meeting the 2030 and 2045 CETA standards (WAC 194-40-200(2)). This section is not required if the value in cell G6 is 80% or greater :

(not applicable)

Specific targets (WAC 194-40-200(3)):

| Resource | Amount | |
|-------------------|-----------|-----------------------------------------------------------------------------------------|
| Energy Efficiency | 7,125 | MWh to be acquired over the interim performance period (measured in first-year savings) |
| Renewable energy | 2,353,556 | MWh to be used during the interim performance period |
| Demand response | - | MW to be acquired over the interim performance period |

| Identify and describe the specific actions the utility will take over the next interim performance period to demonstrate progress toward meeting the utility's interim targets and the 2030 GHG neutral and 2045 clean electricity standard (WAC 194-40-200(1)): | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Specific action proposed | Description of how the action demonstrates progress toward meeting interim targets and the standards |
| Implement energy efficiency | Implementing energy efficiency programs will allow Mason PUD 3 to meet the target identified above and help to minimize future load growth, reducing the need for clean energy resources to comply with CETA's future clean energy standards. |
| Begin to consider non-emitting or renewable resources | Mason 3 will likely need additional clean energy resources to comply with CETA's 2045 requirement for clean energy resources. Mason 3 has already begun investigating a solar resource and a hydropower resource. |

Highly impacted communities (WAC 194-40-200(4))

Report each Highly Impacted Community in the table below.

Highly Impacted Community is defined in RCW 19.405.020(23) as:

(23) "Highly impacted community" means a community designated by the department of health based on cumulative impact analyses in 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.

Department of Health has designated Highly Impacted Communities as those ranking 9 or 10 on the Environmental Health Disparities map. Visit the Department of Health website for instructions on how to identify Highly Impacted Communities:

<https://www.doh.wa.gov/DataandStatisticalReports/WashingtonTrackingNetworkWTN/ClimateProjections/CleanEnergyTransformationAct/CETAUtilityInstructions>

| Census Tract (enter 11 digit FIPS code) | County Name | Tribal Lands (Yes/No) | Environmental Health Disparities Topic Rank |
|-----------------------------------------|-------------|-----------------------|---------------------------------------------|
| 53045961300 | Mason | Yes | 5 |
| 53045960200 | Mason | Yes | 2 |
| 53045961000 | Mason | Yes | 2 |
| 53045960500 | Mason | Yes | 1 |
| 53045961100 | Mason | Yes | 2 |
| 53045960100 | Mason | Yes | 1 |

Vulnerable populations (WAC 194-40-200(4))

Please list all socioeconomic factors and sensitivity factors developed through a public process and used to identify Vulnerable Populations based on the definition in RCW 19.405.020(40):

(40) "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

| Factors | Details | Source | Date Last Updated | Approximate number of households in service territory (if applicable) |
|----------------------------------------|--------------------------------------------------------|--------------------------------------------------|-------------------|-----------------------------------------------------------------------|
| Low-income households | Households below 185% of the federal poverty level | WTN data & EIA Form 861 (Mason PUD 3 vs 1 split) | 2021 | ~17,500 people |
| Low-income seniors | Customers receiving the low-income senior discount | Mason 3 customer data | EOY 2020 | 2,607 |
| Low-income customers with disabilities | Customers receiving the low-income disability discount | Mason 3 customer data | EOY 2020 | 325 |
| Customers with unstable housing | Customers with a history of shutoffs | Mason 3 customer data | 2019 | 1,270 |

Describe and explain any changes to the factors from the utility's previous CEIP, if any:

(No changes.)

Distribution of energy and non-energy costs and benefits (WAC 194-40-200(4))

Please report one or more indicators, developed through a public process, and used to identify the forecasted distribution of energy and non-energy costs and benefits for the utility's portfolio of specific actions, including impacts resulting from achievement of the specific targets established under WAC 194-40-200(3).

Indicators must be associated with one of the following categories: energy benefits, non-energy benefits, reduction of burdens, public health, environment, reduction in cost, energy security, or resiliency.

| Category | Indicator | Details | Source | Date Last Updated |
|--------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------|-------------------|
| Energy and non-energy benefits | Distribution of program participation and incentive dollars | Track the distribution of program participation across customer types | Utility program data | 2021 |
| Resiliency | Outages | Utility data on outages | Utility data | 2021 |
| Reduction of burdens | Energy Burdens | Estimate of energy burdens | Mason 3's CETA Section 12 Analysis | 2021 |

Please report the forecasted distribution of energy and non-energy costs and benefits on identified highly impacted communities and vulnerable populations for the utility's portfolio of specific actions, including impacts resulting from achievement of the specific targets established under WAC 194-40-200(3). You must do a separate row for each action and for each population affected.

Identify the expected effect of specific actions on highly impacted communities and vulnerable populations and the general location, if applicable, timing, and estimated cost of each specific action. If applicable, identify whether any resource will be located in highly impacted communities or will be governed by, serve, or otherwise benefit highly impacted communities or vulnerable populations in part or in whole.

| Utility Specific Action or (e.g. name of resource or program) | Population(s) Affected | Indicator | Detail (describe distribution of energy and non-energy benefits on named population) | Location of Resource (if applicable) |
|----------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Implement energy efficiency programs to meet identified target | All identified vulnerable populations and highly impacted communities | Distribution of program participation and incentive dollars | While all Mason PUD 3 customers benefit from the acquisition of energy efficiency as a low-cost resource, benefits such as bill savings, incentives, and home improvements often go only to those who can afford the cost of purchasing energy efficient equipment. Mason PUD 3's planned actions to reduce risks to these populations will help the highly impacted community members and vulnerable populations receive more of these benefits. | n/a |
| Implement energy efficiency programs to meet identified target | All identified vulnerable populations and highly impacted communities | Outages | Implementing energy efficiency may help reduce the number of outages among the highly impacted communities and vulnerable populations by reducing system peak demands. | n/a |
| Begin to consider non-emitting or renewable resources | None | None applicable. | n/a | n/a |
| Implement energy efficiency programs to meet identified target | All identified vulnerable populations and highly impacted communities | Energy Burdens | The implementation of energy efficiency programs will reduce energy burdens directly and indirectly. Directly, any member of an identified population who implements energy efficiency will reduce their energy burden. Indirectly, the acquisition of cost-effective energy efficiency will keep Mason PUD 3's costs low in the long term, which will impact customer energy burdens. Mason PUD 3's actions to reduce risks will also help reduce energy burdens. | n/a |

Integrated resource plan compliance (WAC 194-40-200(6))

This CEIP is consistent with the most recent integrated resource plan or resource plan, as applicable, prepared by the utility under RCW 19.280.030. **Select yes or no.**

Yes

Clean energy action plan compliance (WAC 194-40-200(7))

The CEIP is consistent with the utility's clean energy action plan developed under RCW 19.280.030(1) or other ten-year plan developed under RCW 19.280.030(5). **Select yes or no.**

Long-term plans (WAC 194-40-200(4)(c)(iii))

Describe how the specific actions in the CEIP are consistent with, and informed by, the utility's longer-term strategies based on the analysis in RCW 19.280.030 (1)(k) and clean energy action plan in RCW 19.280.030 (1)(l) from its most recent integrated resource plan, if applicable:

Mason 3 prepares a resource plan every two years consistent with requirements set forth in RCW 19.280, with the most recent one being completed in 2020.

Based on this plan and as a load following customer of BPA, Mason 3 expects to meet future loads with a combination of energy efficiency, purchases from BPA, and output from Mason PUD 3's other resources, which include hydro, wind, and solar. This CEIP is consistent with that strategy, while updating projections of future loads and acquisitions of cost-effective energy efficiency.

In addition, Mason 3's 2020 Resource Plan covered a 10-year period from 2018. Within this timeframe, Mason 3 plans to meet any resource needs not covered by its Tier 1 and other resources with Tier 2 purchases from BPA. This CEIP extends the timeline further, identifying a likely need for additional clean energy resources for CETA's 2045 requirement.

Risk (WAC 194-40-200(4)(d))

Describe how the utility intends to reduce risks to highly impacted communities and vulnerable populations associated with the transition to clean energy.

Mason 3 used both a survey and a workshop to collect input on various potential strategies to address these risks. In the survey, respondents ranked 13 potential actions as either “highest priority – do immediately” or “beneficial but not a priority – do eventually.” Four potential actions were ranked as “highest priority” by 80% or more of respondents:

- Low-income discounts: Provide discounted electricity rates to low-income households to reduce or even cap their electric bills
- Energy efficiency for renters: Help renters lower energy costs and improve health and comfort by working with landlords to improve the efficiency of rental units
- Low energy rates: Help communities keep overall rates low
- Energy assessments: Provide energy assessments and financial support to households and businesses to help reduce their electricity costs

Based on community organizations’ identification of these key risks and strategy prioritizations, Mason 3 will focus on the following strategies to reduce the risks faced by highly impacted communities and vulnerable populations in the clean energy transition:

Conduct targeted outreach to expand participation in existing programs for low-income seniors and low-income disabled customers. An immediate opportunity Mason 3 identified is to expand its outreach to priority populations to ensure that all qualified customers are signed up for and benefitting from Mason 3’s current offerings. Ideas for expanded outreach that were suggested during the virtual workshop and which Mason 3 will investigate include communicating opportunities to students as a way of reaching their parents/guardians, participating regularly in Moving Mason Forward, communicating regularly with community organizations by attending their weekly meetings and DSHS meetings, sending information via mail to reach rural customers and via the utility’s app alerts/text alerts, translating materials into other languages including Spanish, Hmong, and Guatemalan, and making use of Mason 3’s “language line” service.

Explore opportunities to expand the use of pre-pay and budget billing. Workshop participants were enthusiastic about the benefits of Mason 3’s existing pre-pay and budget billing programs. One participant noted that the benefits of pre-pay billing have been “huge” for her organization’s clients because its customers do not pay a deposit, thus freeing up capital for households and service organizations to use for other purposes. Another participant noted that budget billing may also be beneficial for customers who are on fixed incomes or don’t have the ability to pre-pay due to unemployed. Together, these programs save customers from being assessed late fees and other collection fees. The targeted outreach described above could result in additional signups for these programs.

Evaluate the opportunities to reduce energy burden of at-risk customers. Mason 3 will consider new programs to help reduce energy use and energy costs by increasing efficiency. These include services to conduct energy assessments to identify efficiency opportunities and programs to provide weatherization and ductless heat pumps to low-income customers. Mason 3 will evaluate these programs for implementation in this CEIP interim compliance period. Mason 3 will also consider whether these programs could be targeted towards areas with needed substation upgrades in the near future, providing a potential win-win solution of reducing energy burdens and deferring or avoiding substation upgrades that drive rate increases.

Evaluate opportunities to encourage the adoption of electric buses. While not one of the highest priorities, the community organizations identified transportation access and affordability as a key concern and expressed an interest in Mason 3 working to encourage the adoption of electric buses. Mason 3 is currently working with Mason Transit Authority (MTA) on infrastructure for electric bus charging and has a rate schedule for public electric vehicle chargers, but this rate schedule may not be suitable for charging electric buses. Mason 3 will evaluate what it could possibly do to encourage further adoption of electric buses.

Public participation (WAC 194-40-200(4), -220(1))

Provide a summary of the public input process conducted in compliance with WAC 194-40-220. Describe how public comments were reflected in the specific actions under WAC 194-40-200(4), including the development of one or more indicators and other elements of the CEIP and the utility's supporting integrated resource plan or resource plans, as applicable.

In order to identify vulnerable populations, assess the risks to both them and highly impacted communities during the clean energy transition, identify actions Mason 3 could take to address those risks, and develop indicators to measure the distribution of costs and benefits of Mason 3's planned actions for clean energy, Mason 3 chose to engage directly with community organizations serving the highly impacted communities and vulnerable populations in its service territory.

Mason 3 chose this approach after considering other possible engagement strategies for multiple reasons. First, engaging with organizations rather than individual community members allowed for greater breadth (across different populations) and depth (detailed discussions on each topic). This approach also was considered more feasible given current precautions around the COVID-19 pandemic. Finally, an emerging best practice for serving vulnerable populations involves working with trusted community partners. Mason viewed this engagement as an important first step in expanding their relationships with community partners to better serve priority populations in the years ahead.

Mason 3 used a multi-modal approach to engage with community organizations, first by sending an online survey, following up with phone calls, and then by hosting a virtual workshop lasting 1.5 hours. Mason 3 developed the online survey and an accompanying explanatory video to provide background about the CETA legislation to community organizations. To encourage organizations to complete the survey, Mason 3 held a drawing among respondents for a \$250 gift card. Thirteen respondents completed the online survey.

The virtual workshop was held on August 31st and was attended by eight organizations. Participants were provided with lunch, delivered to their home/office, as well as a Yeti cup and a Starbucks gift card.

The community organizations that attended included:

- Crossroads Housing
- Homes First
- HOPE (Hands-On Personal Empowerment) Garden Project
- Mason County Public Health
- Northwest Resources Treatment Center
- South Puget Intertribal Planning Agency
- Turning Pointe
- WorkSource

The meeting was structured to allow participants to share their expertise and knowledge on the topics specified in the CETA rulemaking. The meeting included a brief overview of CETA's requirements and Mason 3's developing CEIP as well as in-depth discussions on identifying vulnerable populations in Mason 3 territory, understanding the risks faced by these populations, how Mason 3 might reduce these risks, and what indicators Mason 3 should use to measure the distribution of costs and benefits in its work under CETA.

Through a structured discussion facilitated by Efficiency for Everyone, Mason 3 learned that there are multiple intersections between the priorities of vulnerable populations and the areas in which Mason 3 can take action. At the end of the meeting, Mason 3 invited participants to follow up by email with any further ideas or questions.

Use of alternative compliance options (WAC 194-40-200(5))

Identify any planned use during the period of alternative compliance options, as provided for in RCW 19.405.040(1)(b):

| | | |
|-------------------------------------------------------------------------------|---|---------|
| Alternative compliance payments: | 0 | Dollars |
| Unbundled renewable energy credits: | 0 | Credits |
| Credits from energy transformation projects: | 0 | MWh |
| Electricity from the Spokane municipal solid waste to energy facility: | 0 | MWh |

Resource adequacy standard (WAC 194-40-200(8))

Identify the resource adequacy standard and measurement metrics adopted by the utility under WAC 194-40-210 and used in establishing the targets in the CEIP.

| | |
|-----------------------------------|---------------------------------------------------------------------------------------|
| Resource adequacy standard | As a load following customer of BPA, Mason PUD 3 relies on BPA for resource adequacy. |
|-----------------------------------|---------------------------------------------------------------------------------------|

| | |
|-------------------------------|--|
| Methods of measurement | |
|-------------------------------|--|

Mason County PUD No. 3

Annual cost threshold (WAC 194-40-200(9))

Enter information in the blue column only. The rest will pre-populate.

| Year | Retail revenue requirement | Annual amount from revenue increase equal to 2% of prior year revenue requirement | Number of years in effect | Threshold amount over four years | Sum of threshold amounts | Annual threshold amounts |
|------|----------------------------|-----------------------------------------------------------------------------------|---------------------------|----------------------------------|--------------------------|--------------------------|
| 2021 | | | | | | |
| 2022 | | \$ | 4 | \$ 0.00 | | |
| 2023 | | \$ | 3 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| 2024 | | \$ | 2 | \$ 0.00 | | |
| 2025 | | \$ | 1 | \$ 0.00 | | |

(Annual threshold amount is a percentage of average retail revenue requirement)

Incremental cost

Itemize all costs the utility intends to incur during this interim period in order to comply with the requirements of RCW 19-405.040 and 19-405.050.

Expected cost

Alternative lowest reasonable cost

The cost is incurred during this interim reporting period. Select yes or no.

The cost is part of the lowest reasonable cost and reasonably available portfolio of resources that results in compliance with the GHG Neutral Standard and 100% Clean Standard. Select yes or no.

The cost is additional to the costs that would be incurred for the lowest reasonable cost and reasonably available resource portfolio that would have been selected in absence of the GHG Neutral Standard and 100% Clean Standard. Select yes or no.

The cost is not required to meet any statutory, regulatory, or contractual requirement or any provision of CETA other than the GHG Neutral Standard and 100% Clean Standard. Select yes or no.

Summarize and cite documentation of the alternative lowest reasonable cost and reasonable availability.

Itemized cost of the utility's planned resource portfolio and the expected cost of the reasonably available portfolio. Clearly label all documentation with the itemized name in the first column of this table. Attach documentation with the email submitted with the CEP.

Mason PUD 3 does not intend to use the 2% incremental cost approach during this interim compliance period.