

Appendix
Work Plan

Phase 1 – Performance Metrics

Event	Anticipated Date
Notice for Written Comment: Draft Work Plan	October 11, 2021
Written Comments due	November 29, 2021
UTC Report to the Legislature – Work plan and progress to-date	December 31, 2021
Regulatory Assistance Project report on Performance-based regulation (PBR) – literature review and best practices	January 2022
Stakeholder Workshop: Proceeding Scope and Expectations; Preliminary Discussion of Phase 1 Topics and Expectations for Stakeholder Input	March 2022
Notice for Written Comment – (Tentative Topics) Articulation of Regulatory Goals and Desired Outcomes; Principles for Metric Design	April 2022
Written Comments Due	June 2022
Stakeholder Workshop: (Tentative Topics) Articulation of Regulatory Goals and Desired Outcomes; Principles for Metric Design; Discussion of Written Stakeholder Comments	July 2022
Notice for Written Comment – (Tentative Topics) Identifying Performance Metrics (consistent with Articulated Goals, Desired Outcomes, and Metric Design Principles)	August 2022
Written Comments Due	October 2022
Stakeholder Workshop: (Tentative Topics) Identifying Performance Metrics, Discussion of Written Stakeholder Comments	November 2022
Policy Statement (Phase 1) – Anticipated Issue Date	March 2023

Work Plan – Phases 1–5

*Work plan will be reexamined after each phase.

Phase and Scope	Anticipated Date
Phase 1 – Performance Metrics A. Identify regulatory goals, desired outcomes, and principles for metric design B. Identify performance metrics	October 2021 – March 2023
Phase 2A – Reporting and Review A. Establish utility-specific performance metrics B. Establish reporting and review process	April 2023 – December 2023
Phase 2B – Multiyear Rate Plans (MYRP) Revenue Adjustment Mechanisms A. Identify approaches to utility cost containment B. Identify principles for designing revenue adjustments within multiyear rate plans C. Reexamine existing mechanisms (e.g., decoupling mechanisms, power cost adjustments, cost recovery mechanisms, etc.)	April 2023 – March 2024
Phase 3 – Performance Incentive Mechanisms (PIMs) A. Identify performance baselines, performance targets B. Identify guidelines for PIM development C. Establish incentive/penalty mechanisms D. Examine interplay between existing mechanisms, MYRPs, performance metrics, and PIMs	January 2024 – December 2024
Phase 4 – Alternatives to Traditional Cost-of-Service Regulation A. Educational/level-setting webinar alternatives to traditional cost-of-service regulation B. Identify alternatives to traditional cost-of-service regulation C. Consider the merits and prospects for alternative forms of regulation for regulated utilities in Washington State	January 2025 – December 2025
Phase 5 – Continuous Policy Process A. Establish a continuous process for re-evaluating/ improving Commission policy on performance-based ratemaking and other alternative forms of regulation B. Continuously reevaluate regulatory objectives C. Continuously reevaluate metrics, targets, and incentive mechanisms	January 2025 – ongoing