



Puget Sound Energy
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February 21, 2020

Filed Via Ecology Comment Web Portal

Bill Drumheller
Washington State Department of Ecology
300 Desmond Dr. SE
Lacey, WA 98503

Re: PSE Comments as Follow-up to the Feb. 12 Workshop

Dear Mr. Drumheller:

Puget Sound Energy (“PSE” or the “Company”) appreciates the opportunity to comment on a couple of topics that were discussed at the Department of Ecology’s (“Ecology’s”) second CETA rulemaking workshop last week on February 12.

As indicated in PSE’s written comments submitted on January 24 and reiterated during the February 12 workshop, PSE urges Ecology to consider specifying, in this rulemaking, a limited number of energy transformation projects (ETPs) and their associated conversion factors. Ecology should consider these through an evaluation process in 2021. The specifics of the evaluation process could be established through an administrative process, as Ecology proposes.

PSE recognizes that defining specific protocols for *all* of the potential ETPs listed in the statute could be challenging to accomplish by the end of the year. At the same time, it is important that this rulemaking give utilities *some* predictability and certainty now in order to consider ETPs as part of their long-range planning and have the option to include them in their first clean energy implementation plans due January 1, 2022.

As a starting point, Ecology could move forward with the following categories of ETPs in this rulemaking:

- (1) Electric vehicles and electric vehicle infrastructure;
- (2) Renewable hydrogen;
- (3) Renewable natural gas projects and related infrastructure; and
- (4) Forests health projects.

In addition, PSE urges Ecology to adopt a flexible and streamlined approach towards developing protocols for these ETPs in rule. For some ETPs, the protocol could consist of the conversion factor only. The onus would be on the utility to demonstrate that the other statutory criteria (e.g. additionality, no net increase in fossil fuels, etc.) are met as part of the evaluation process.

PSE appreciates that creating a new framework at Ecology to oversee ETPs takes time. If a minimum protocol is established in rule containing the conversion factor for each project, using existing protocols from other states as a guide, then more details could be added to those protocols in future years, either through rule or administrative process.

PSE appreciates the opportunity to provide comments in this rulemaking. Please contact Kara Durbin at (425) 456-2377 for additional information about these comments. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

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