



## Department of Energy

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

May 26, 2020

In reply refer to: DI-7

The Bonneville Power Administration (BPA) appreciates the opportunity to provide comments on the Washington Department of Ecology's (Ecology) draft rule language regarding the GHG emissions content in electricity. BPA has voluntarily reported its fuel mix to the Washington Department of Commerce (Commerce) for years and understands this rulemaking may have implications for that fuel mix disclosure and CETA compliance for BPA's Washington preference customers or investor-owned utilities purchasing from BPA.

In BPA's January 2020 comments on this rulemaking, BPA asked Ecology to provide additional clarification around the application of transmission losses in the GHG content calculations. BPA appreciates and acknowledges Ecology's efforts to provide this clarification. Ecology's draft rules are a significant improvement as compared to the original concept shared in January. BPA is providing these further comments on two areas: (1) the inclusion of transmission line losses in the GHG emissions content calculation, and (2) the calculation of the GHG emissions content for an aggregate source. Redline edits to the proposed rules are attached for your consideration.

First, BPA reiterates that it reads CETA to regulate the volume of power that is equal to utility retail sales to customers. BPA asks that Ecology consider removing transmission line losses in its GHG emissions content calculation. Use of the word "transmission" line losses refers to wholesale transmission of power, but the statute refers to retail sales. Thus, including transmission losses as they exist in a wholesale context appears inconsistent with the statute, which states: "It is the policy of the state that all *retail sales* of electricity to Washington *retail customers* be greenhouse gas neutral by January 1, 2030." RCW §19.405.040 (emphasis added). The statute does not contain language stating it applies to transmission line losses.

In the event that Ecology does decide to include transmission losses in the calculation, Ecology's proposed methodology appears to provide adequate flexibility for utilities to accurately apply transmission losses in the calculation. However, BPA believes the five percent default emissions loss factor may be significantly higher than transmission losses in the region. BPA's high-voltage transmission system, accounting for nearly 75 percent of the high-voltage transmission in the region, has a transmission loss factor of 1.9 percent (BPA Open Access Transmission Tariff<sup>1</sup>, Schedule 11, page 143). BPA requests that Ecology change its default transmission loss factor to 1.9 percent, consistent with BPA's transmission

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<sup>1</sup> Available at <https://www.bpa.gov/transmission/Doing%20Business/Tariff/Documents/bpa-oatt-TC-20-settlement-tariff-100119.pdf>

loss factor. This is also similar to the two percent transmission loss factor that the California Air Resource Board applies to electricity imports for its Mandatory Reporting Requirements (MRR) and cap-and-trade program (MRR §95111(b)).

Second, BPA appreciates Ecology's addition of an "aggregate source" in the GHG emissions content calculation. This concept recognizes that BPA sells power from a single system of resources, to both preference customers and investor-owned utilities in the state. BPA believes, however, that the draft rules could be improved by providing some additional clarification around the calculation of the GHG emissions content for an aggregate source and utilization of that calculation in the subsequent calculation of a retail utility's GHG emissions content. Attached to these comments is a document with redline edits to Ecology's proposed WAC 173-444-020 and WAC 173-444-040 with some specific suggested areas of clarification.

Finally, related to the concept of an aggregate source, BPA notes that RCW 19.405.070 (3) states "For the purposes of chapter 288, Laws of 2019, the fuel mix calculated for the BPA may exclude any purchases of electric generation that are not associated with load in the state of Washington." It is not clear to BPA whether Ecology should address this provision in Ecology's rulemaking, or whether it should be addressed in subsequent rulemakings by the Washington Department of Commerce or Washington Utilities and Transportation Commission. But insofar as it is relevant to the GHG emissions content calculation, BPA requests Ecology incorporate this provision.

Again, BPA appreciates Ecology's efforts to improve and clarify the GHG content calculations as compared to the January 2020 concept. Please feel free to contact myself at 503.230.4358 or Liz Klumpp at 360.943.0157 if you have any questions on these general comments or suggested edits to the proposed rule.

Thank you,



Alisa Kaseweter  
Climate Change Specialist  
Intergovernmental Affairs  
Bonneville Power Administration  
[alkaseweter@bpa.gov](mailto:alkaseweter@bpa.gov)  
503.230.4358