



Energizing Life in Our Communities

January 24, 2020

Washington Department of Ecology
300 Desmond Dr SE
Lacey, WA 98503

Via Public Comment Form @ ecology.wa.gov

RE: Comments from Snohomish PUD regarding Clean Energy Transformation Act Rulemaking; Greenhouse Gas Emissions Reporting and Energy Transformation Projects

Snohomish PUD (Snohomish) appreciates the opportunity to provide feedback on the two Clean Energy Transformation Act (CETA) topics discussed at the January 14th workshop held at the Department of Ecology (Ecology). With 2,200 square miles of service area, 350,000+ customers, Snohomish PUD is the second largest publicly owned utility in the Pacific Northwest and 13th largest in the nation. Snohomish serves its customers with electricity that is 98% carbon free on a four year average, the majority of which is hydro generation and purchased from the Bonneville Power Administration (BPA).

Snohomish's feedback on Ecology's proposed Greenhouse Gas (GHG) emission calculation and the proposed process for Energy Transformation Projects (ETPs) is limited in scope.

Greenhouse Gas Emissions Reporting under RCW 19.405.070

Ecology should not consider Transmission Losses as a component of the GHG emission reporting calculation

Snohomish generally supports the approach and calculation of the GHG emissions factor methodology proposed by Ecology. However, Snohomish believes is inappropriate to include a placeholder for emissions associated with transmission losses.

Snohomish notes that the statutory language found under RCW 19.405.070 directs electric utilities to provide to the department a GHG content calculation that "must be based on the fuel sources that it reports and discloses in compliance with chapter 19.29A RCW." Because the report under 19.29A RCW

(Fuel Mix) directs utilities to make claims only on generation used to serve retail electric load, the addition of a transmission loss factor to the GHG content calculation is beyond the scope of the statute.

Adding GHG emissions associated with transmission losses to the reporting under RCW 19.405.070 could also create confusion and may lead to inconsistency in reporting. Transmission losses are accounted for and provided for differently across the Northwest and establishing a blanket transmission loss factor would fail to capture that diversity. Snohomish encourages Ecology to focus the GHG emissions reporting on energy used to serve retail electric load, which maintains a consistent and accurate accounting across Washington utilities.

Ecology should further consider the emissions associated with “System Sale” purchases

Snohomish believes that Ecology’s plant-specific approach properly captures most generation accurately and utilizes reasonable data sources. However, there may be a gap in reporting for utilities that purchase energy from a system-specific source rather than generator-specific source.

In the Pacific Northwest bilateral wholesale energy market, there are currently three entities that hold Asset Controlling Supplier (ACS) status under California Air Resources Board guidelines: the Bonneville Power Administration, Powerex, and Tacoma Power. Those entities report all emissions associated with their system and receive an ACS value, or a carbon intensity associated with system-specific sales. Other regional entities may also exercise the option to register as an ACS supplier in the future.

Snohomish encourages Ecology to continue engagement with stakeholders and consider where in the GHG emissions standard to address these system-specific sales, and what emissions factor may be appropriate for energy purchased bilaterally from these entities.

Energy Transformation Projects

Snohomish supports Ecology’s continued work on ETPs in rulemaking and encourages Ecology to continue evaluation and conversation with stakeholders

Snohomish believes that Ecology’s proposed process for rulemaking surrounding ETPs is a strong starting point. Giving utilities “bookends” around what may or may not be considered an ETP will be

helpful as utilities enter their long-term planning processes and think about possible ETPs for alternate compliance.

Under the definition of ETP, the statutory language uses an example of market transformation for energy efficiency products in excess of a utility's targets established under RCW 19.285.040(1). Snohomish believes that such an ETP would require careful consideration by Ecology, moreso than other potential ETPs. While complicated, there may be value in such investments and Snohomish encourages Ecology to continue conversations on how to best account and plan for such ETPs.

Snohomish appreciates the opportunity to comment on this rulemaking process and looks forward to continuing its participation in future workshops. If you have any questions about our comments, please do not hesitate to contact us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kim Johnston", is positioned above the typed name and title.

Kim Johnston
Director of Government and External Affairs