Avista Corp.

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Via: DOE Public Comment Portal

January 30, 2020

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

Dear Ms. Dererie:

Thank you for the opportunity to submit comments following Ecology's January 14 workshop on Clean Energy Transformation Act (CETA) rulemaking, specifically on greenhouse gas emission content and energy transformation projects (ETPs). The presentations and discussion there were helpful, and we look forward to further engagement.

Greenhouse Gas Emissions Reporting Under RCW 19.405.070

Avista believes the focus of this reporting should be emissions related to the operation of generation sources. Including transmission losses in future calculations introduces uncertainty and the potential for inconsistency or double-counting. This issue, along with emissions upstream of generation facilities, appear beyond the scope of RCW 19.29A.

Energy Transformation Projects (ETPs)

The discussion at the workshop focused on developing "protocol" for ETPs as a framework for qualifying ETPs through potential additional review. While we support the notion of protocol or criteria, we believe that Ecology could best promote effective ETPs through rulemaking which includes three pathways for qualification: a) listing specific qualifying project types b) including clear qualifying protocol and a streamlined administrative review process for new project types and c) allowing for self-certification for projects that meet clear qualifying criteria.

- a) By adopting in rule specific qualifying ETPs, Ecology will promote the development projects, with clear environmental benefits. Ecology can build off the foundation established in CETA to develop specific categories of projects, along with their associated conversion factors, so that such projects can be pursued in confidence.
- b) Developing clear protocol/criteria and a streamlined administrative review process will encourage new ideas and technologies.
- c) Allowing for self-certification for projects that meet statutory criteria would provide a pathway for projects that might be variations not covered by specific ETPs adopted in the rule.

It is worth noting that most projects would trigger specific and separate permitting and environmental review processes, so that an expedited review process, or a self-certification process, for ETP qualification would not truncate public involvement. Given the lead time and investment for projects, it is important that the rulemaking provide as much clarity and certainty as possible. Ecology might also consider creating a reference list of approved ETP projects or categories outside of the rule that it could add to administratively in the future without having to go through rule-making.

Ecology should promote early actions on ETPs and allow, where possible, accrual of credits for projects to be applied within the broader CETA compliance framework. At the workshop, there was discussion on enforceability and verification for ETPs. Ecology should consider including specific demonstration mechanisms for specific ETPs to make verification simple and transparent; ideally, these mechanisms could support self-verification. Ecology should also describe criteria for new ETPs to demonstrate emission reductions and allow proponents to propose specific mechanisms that fit their projects.

Avista appreciates the opportunity to comment and we look forward to participating in further discussions on these important topics. Please direct any questions regarding these comments to me at 509-495-2098 or Jennifer.smith@avistacorp.com.

Sincerely,

Jennifer S. Smith Manager, Regulatory Policy and Affairs Avista Utilities