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Attn: Debebe Dererie
Department of Ecology
Air Quality Program
P.O. Box 47600
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To the Department:

Thank you for providing the opportunity to comment on the Clean Energy Transformation Rule (“CETA”), Chapter 173-444 WAC. Please accept the following brief comments from the Connecticut Green Bank (“Green Bank”) – a quasi-public organization incorporated under Connecticut General Statutes 16-245n, and tasked with accelerating private capital investment into the deployment of clean energy projects.

The Green Bank applauds states taking action toward securing a clean energy future and confronting climate change. Through this input we seek to clarify how CETA might be improved so as to not inadvertently create a disinvestment where it intends to create investment. This draft makes great efforts toward providing definition around additionality for Energy Transformation Projects (“ETPs”); however, matters involving the double counting of carbon credits could use greater definition.

There are currently organizations including the Green Bank that transact the carbon value from electric vehicle (“EV”) charging in private, voluntary carbon markets. In doing so, we partner with the owners of those chargers’ environmental attributes. CETA is an impressive draft rule, but there is problematic language regarding ETP additionality and the basis upon which utilities would take ownership of EV charging systems’ GHG reductions as eligible ETPs for CETA compliance purposes. Specifically, it suggests that EV charging investments may have their carbon market value - derived through greenhouse gas (“GHG”) emissions reductions - automatically annexed as ETPs to the upstream entities CETA proposes to regulate¹. This would create a potential takings issue that is preferable to resolve in advance through this initial rulemaking.

¹ For example, although additionality requires utilities to provide additional funding, in parts of the CETA draft Rule it is not clear if the utility owns the EV charging GHG reductions as a result of the fact that: a) the chargers simply operate on their electric network; b) they were given utility incentives (many pre-existing); c) they have to benefit from utility investment (whose relation to a) and b) is not defined); d) such ownership requires utilities to make direct financial contributions to self-directed investments to be eligible as ETPs; e) requires utilities to invest such they own/operate the EV charging systems themselves in order to be additional.

With voluntary market carbon capital now available from EV charging, CETA should reconcile how best to address it through the compliance market it establishes. There are several possible options that might accomplish this:

- Use a voluntary set-aside reserve mechanism – such as those used in cap-and-trade systems – to allow voluntary carbon credits to not double-count with compliance ETPs.
- Require regulated entities to pay incremental funds to EV charging projects issuing certified carbon credits, so that they are compensated for the prevailing market price that the rest of their portfolio is sold for in voluntary markets (in addition to other incentive payments in the region).
- Limit EV charger Energy Transformation Projects to those that the regulated entity directly invests in, and/or owns entirely.
- Clarify terms around “self-directed investments” as defined in Section 18 (b) (v) and what new additional funding means for non-utility owned EV chargers.
- Create a threshold for Energy Transformation Projects similar to that used for energy efficiency – through Section 18 (b) (i) - such that only EV chargers over a certain level would be eligible.
- Clarify that the application of EV chargers as ETPs would not render any future low carbon fuel standard assets that Washington State is considering stranded

Through your consideration of creative options such as these, the State of Washington may compliment and advance market activity for electric vehicle charging, rather than inadvertently impede investment. Thank you for your consideration.

Sincerely,



Matt Macunas, Legislative Liaison and Associate Director of Transportation Initiatives
Connecticut Green Bank

As the nation's first green bank, the Connecticut Green Bank (“Green Bank”) leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized over \$1.9 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 23,000 direct, indirect and induced jobs, reduced the energy burden on over 50,000 families and businesses, deployed over 425 MW of clean energy, helped avoid over 8.9 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2020.