

WPUDA

Please see the attached comments regarding Ecology's draft rules to implement criteria for the use of alternative Energy Transformation Projects.

Thank you,

Nicolas Garcia
Policy Director
The Washington Public Utility Districts Association
360-741-2683(O); 360-951-0981(M)

October 12, 2020

Bill Drumheller
Air Quality Program, Department of Ecology
300 Desmond Dr SE
Lacey, WA 98503

RE: WPUDA Comments Regarding the Department of Ecology's Proposed Rule to Implementing Standards for Energy Transformation Projects Under the Clean Energy Transformation Act (Chapter 19.405 RCW)

Dear Mr. Drumheller:

Thank you for the opportunity to comment on the Department of Ecology's (Ecology) rules proposed under the Clean Energy Transformation Act related to Energy Transformation Projects (ETP) and the quantity of carbon dioxide utilities must assume is associated with unspecified electricity. The Washington Public Utility Districts Association (WPUDA) represents 27 public utility districts and one joint operating agency, Energy Northwest, in Washington State. Our members provide very low-carbon electricity services to over 30 percent of the retail electric customers in Washington.

As previously noted in WPUDA's May 26, 2020 letter to Ecology, WPUDA actively participated in the legislative effort to craft CETA. It remains WPUDA's understanding that the Legislature's intent for CETA was to provide a workable path to transition to clean energy (RCW 19.405.010(1)), create family wage jobs (RCW 19.405.010(2)), encourage alternative clean energy sources (RCW 19.405.010(4)), and achieve additional, quantifiable, permanent and enforceable emissions reductions with ETPs (RCW 19.405.040(1)(b)(iii)). Achieving such a diversity of objectives requires careful balancing by regulating agencies. Unfortunately, WPUDA believes that in their current form Ecology's proposed rules tip the scale too far towards demonstrating certainty of emissions reductions. The proposed rules are so onerous and expensive, including third-party verification at two separate stages of the review process, that utilities are unlikely to pursue ETPs. Instead, they are likely to rely on other alternatives such as renewable energy credits to comply with the 2030 carbon neutral mandate. As a consequence, the jobs and other economic benefits of ETPs will fail to materialize. Therefore we ask, once again, that Ecology consider a more collaborative, less cumbersome approach

such as that used by the Regional Technical Forum (RTF) to assess and verify energy efficiency measures.¹ Simplifying and balancing the process with full consideration of all legislative directives will, perhaps, allow ETPs to be viable alternatives for achieving carbon neutrality as intended by the legislature.

Finally, WPUDA asks Ecology to commit to reviewing and finalizing the carbon content of unspecified electricity utilities must use in their resource planning and reporting at least a year prior to each due date for Clean Energy Implementation plans. The carbon content of electricity in Washington has been trending down and WPUDA expects that to continue.² It is in the public interest to have current and accurate emissions estimates, something that will not happen if the proposed level of 0.437 metric tons CO₂e/MWh is not regularly updated.

Please feel free to contact me with any questions regarding our comments or proposed alternative approach.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nicolas Garcia", with a horizontal line extending to the right.

Nicolas Garcia, Policy Director

¹ Please refer to WPUDA's May 26, 2020 letter for a more complete discussion of the RTF and the processes it uses to assess energy efficiency measures.

² In 2015, coal fired generation provided 16.3% and natural gas provided 13.4% of electricity to retail customers. Just two years later in 2017, coal fired generation fell to 13.4% and natural gas to 10.8% of electricity to retail customers. Source, Fuel Mix Disclosure reports by the Washington State Department of Commerce.