

November 16, 2021

VIA EMAIL

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Re: PacifiCorp comments on Ecology draft rules - Chapter 173-441 WAC, Reporting of Emissions of Greenhouse Gases

PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp) respectfully offers the following comments on the Washington Department of Ecology's (Ecology) draft rules in WAC 173-441 implementing greenhouse gas emissions reporting under the Washington Climate Commitment Act. PacifiCorp acknowledges the challenges faced by Ecology and stakeholders to develop rules that create a foundation for an effective, durable, and meaningful program in a compressed rulemaking timeline. In its comments, the company's guiding principles are ensuring accuracy of reported emissions data, seeking near-term rules that allow Ecology and stakeholders sufficient time to address more complex issues, eliminating unnecessary administrative burden, and preserving linkage opportunities with cap-and-trade programs in other jurisdictions. PacifiCorp appreciates the opportunity to comment and looks forward to further discussion in this proceeding.

PACIFICORP'S COMMENTS

Calculating GHG emissions of imported electricity for multi-jurisdictional retail providers

Consistent with the statute, the definition of "imported electricity" for a multijurisdictional retail includes electricity, other than from in-state facilities, that contributes to a common system power pool. PacifiCorp has one in-state facility, Chehalis, that produces greenhouse gas emissions which will be reported to Ecology under its facility reporting rules. PacifiCorp also has a number of non-emitting facilities in Washington. In addition to being in-state facilities, Chehalis and other resources in Washington contribute to PacifiCorp's common system power pool. While electricity from these resources is produced in-state and therefore not technically "imported" into the state, in-state facilities are not distinguishable from the rest of PacifiCorp's Washington-allocated common system power pool in terms of load service for Washington customers. Therefore, the rules and reporting calculation should include an adjustment to account for the portion of Washington retail load served by in-state facilities. Though Washington's proposed rules mirror those in place in California, this issue is not material for PacifiCorp in California because PacifiCorp does not have significant generating facilities physically located in California.

Ecology should adopt rule amendment language below to separately account for multijurisdictional retail provider load met with electricity imports and load met with in-state facilities.

Additionally, PacifiCorp notes one typographical error in WAC 173-441-124(3)(b) in the formula for the calculation of imported electricity for multijurisdictional utilities. The draft rules state “MWWSP-not WA” and should state “MWhWSP-not WA”, consistent with the defined terms below the equation.

Suggested amendment to WAC 173-441-124(3)(b) Calculating GHG emissions:

$$CO_2e = (MWhR \times TLR - MWhWSP-WA - EGWA) \times EFMJRP\text{-notWA} + EGWA \times EFMJRP-WA + MWhWSP\text{-notWA} \times TLWSP \times EFunsp - CO_2e \text{ linked} \quad (\text{Eq. 124-9})$$

Where:

- CO_{2e} = Annual CO_{2e} mass emissions of imported electricity (MT of CO_{2e}).
- MWhR = Total electricity procured by multijurisdictional retail provider to serve its retail customers in Washington, reported as retail sales for Washington state service territory, MWh.
- MWhWSP-WA = Wholesale electricity procured in Washington state by multijurisdictional retail provider to serve its retail customers in Washington state, as determined by the first point of receipt on a e-tag and pursuant to a cost allocation methodology approved by the Washington state utilities and transportation commission (UTC) and the utility regulatory commission of at least one additional state in which the multijurisdictional retail provider provides retail electric service, MWh. For multijurisdictional consumer-owned utilities, the cost allocation methodology must be approved by its governing board.
- MWhWSP-not WA = Wholesale electricity imported into Washington state by multijurisdictional retail provider with a final point of delivery in Washington state and not used to serve its Washington state retail customers, MWh.
- EFMJRP-not WA = Multijurisdictional retail provider system emission factor for out of state generation calculated by ecology and consistent with a cost allocation methodology approved by the Washington state utilities and transportation commission and the utility regulatory commission of at least one additional state in which the multijurisdictional retail provider provides retail electric service. For multijurisdictional consumer-owned utilities, the cost allocation methodology must be approved by its governing board.
- EFMJRP- WA = Multijurisdictional retail provider system emission factor for Washing state generation calculated by ecology and consistent with a cost allocation methodology approved by the Washington state utilities and transportation commission and the utility regulatory commission of at least one additional state in which the multijurisdictional retail provider provides retail electric service. For multijurisdictional consumer-owned utilities, the cost allocation methodology must be approved by its governing board.
- EFunsp = Default emission factor for unspecified sources calculated consistent with this section (MT CO_{2e}/MWh).

EGWA	=	Net generation measured at the busbar of facilities and units located in Washington state that are proportionally allocated to serve its retail customers in Washington state pursuant to a cost allocation methodology approved by the Washington state utilities and transportation commission and the utility regulatory commission of at least one additional state in which the multijurisdictional retail provider provides retail electric service, MWh. For multijurisdictional consumer-owned utilities, the cost allocation methodology must be approved by its governing board.
TL	=	Transmission loss correction factor.
TL WSP	=	1.02 for transmission losses applied to wholesale power.
TL R	=	Estimate of transmission losses from busbar to end user reported by multijurisdictional retail provider.
CO ₂ e linked	=	Annual CO ₂ e mass emissions recognized by ecology pursuant to linkage under chapter 316, Laws of 2021, as described in chapter 173-446 WAC (MT of CO ₂ e).

Ecology should separately address treatment of EIM imports.

PacifiCorp reiterates the concerns in the joint utility comments regarding the reporting of emissions associated with EIM imports and supports the recommendations provided in those comments. Rules impacting centralized market operations have broad ranging impacts and should be carefully contemplated and should involve input from jurisdictions with emissions markets with which Washington may seek to link in the near future.

Annual reporting deadlines should allow for meaningful reporting and be aligned with Oregon and California.

The draft rules currently require all covered entities to file their annual reports by March 31 of each year for emissions in the previous calendar year. In its initial comments, PacifiCorp and other electric power entities objected to this date¹ due to the lack of access to accurate data in time to meet this timeline, and a desire to align reporting timeframes with those in Oregon and California.

PacifiCorp appreciates Ecology's attempt to address this issue by requiring electric power entities to submit a final revised report by June 1, 2021. But retaining the March 31 initial reporting deadline creates a requirement that does not provide meaningful data and is overly burdensome for electric power entities and staff without adding any additional value.

As explained in its prior comments, PacifiCorp believes this deadline is not statutorily required for electric power entity reporting. The company suggests Ecology retain the March 31 reporting deadline for facility reporting under WAC 173-441-030(1) but amend the rules to require one annual report from electric power entities no later than June 1 each year.

¹ See PacifiCorp comments submitted August 19, 2021.

Additionally, annual reporting should be aligned with reporting in other jurisdictions. In fact, RCW 70A.15.220(5)(c) directs Ecology to “ensure consistency with emissions reporting requirements for jurisdictions with which Washington has entered a linkage agreement.” While Washington has not yet linked with California, it would be sensible to adopt an aligned reporting regime at the outset of this program.

CONCLUSION

PacifiCorp appreciates the opportunity to provide these comments. We look forward to working with the Department in this rulemaking.

Sincerely,

Mary Wiencke
Vice president, market, regulation and transmission policy
Pacific Power