



Puget Sound Energy
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Dear Department of Ecology Staff:

Puget Sound Energy (“PSE”) appreciates the opportunity to provide comments on the development of the Washington Department of Ecology (“Ecology”) Clean Fuels Program (“CFP”). PSE was proud to support House Bill 1091, the bill that established this program in the 2021 legislative session. We are committed to creating a clean energy future, including transforming our electricity supply to carbon-free by 2045, and in accordance with our “Beyond Net Zero Carbon” goal, PSE seeks to partner with customers and industry to reduce carbon emissions in other sectors such as electrified transportation.

In addition to the recommendations provided in the Joint Utility Comments,¹ PSE wishes to offer (1) recommendations on the methodology for calculating the carbon intensity for electricity and (2) support for Ecology’s decision to allow incremental credits for metered and non-metered residential electric vehicle (“EV”) charging. PSE believes these issues are critical to aligning the incentives created by the CFP regulations with the outcome Ecology and the Washington legislature aims to achieve.

A. The CFP Should Mandate A Statewide Annual Average Generation Mix For Calculating Electricity Carbon Intensity.

PSE strongly supports the use of the statewide annual average generation mix as the sole approach for calculating electricity carbon intensity. In addition to being rooted in and supported by statute, a statewide annual average approach is administratively less resource-intensive and will more broadly incentivize investment into low-carbon electricity resources because it will encourage more parties to participate in the program. Accordingly, PSE encourages Ecology to adopt a statewide annual average generating mix for calculating the default electricity carbon intensity.

First, as other commenters such as ChargePoint have noted, this statewide average approach will make the program easier to administer for both regulators and participants. Making Washington’s CFP as simple as possible to participate in and oversee will lower technical barriers, reduce administrative costs, and encourage more parties to contribute to lowering the carbon intensity of transportation fuels in the state.

Second, using a statewide average aligns with both Oregon’s and California’s clean fuel standard programs. See OAR 340-253-0400(3)(b) (setting the statewide average electricity carbon intensity as the default option for electricity); Cal. Code Regs. tit. 17, § 95488.5(e) (listing statewide average grid electricity as a carbon intensity value for electricity). Adopting a similar approach to calculating electric carbon intensity in Washington would make the program more accessible for participants that conduct businesses in multiple states.

¹ PSE joins Snohomish County PUD, Chelan County PUD, Seattle City Light, Tacoma Power, Clark Public Utilities, Cowlitz County PUD, Washington Public Utility District Association, Pacific Power, and Avista in submitting additional comments on the CFP rulemaking.

Finally, House Bill 1091 supports the use of a statewide average approach. Section 4(1)(a)(ii) of the law states that the CFP rules adopted by Ecology may “[c]onsider carbon intensity calculations for transportation fuels developed by national laboratories or used by similar programs in other states.” Because both Oregon and California use the statewide average approach for calculating electricity carbon intensity, Ecology has the authority to adopt a similar approach.

Similarly, section 4(1)(b)(ii), which states that the CFP rules must “[m]easure greenhouse gas emissions associated with electricity and hydrogen based on a mix of generation resources specific to each electric utility participating in the clean fuels program,” also leaves room for Ecology to establish a statewide average approach. This subsection simply instructs that Ecology should calculate the statewide annual average electric carbon intensity based on the specific electric utilities that participate in the program, rather than based on every electric utility in the state. Furthermore, interpreting this provision otherwise would contradict Ecology’s mandate in Section 4(1)(a)(ii) to consider other jurisdiction’s carbon intensity calculations in developing the rules.

For these reasons, to promote ease of administration, regulatory consistency, and HB 1091’s mandate, Ecology should apply a statewide annual average carbon intensity for electricity.

B. PSE Supports Ecology’s Approach To Incremental Credits For Residential EV Charging.

PSE appreciates Ecology’s April 13, 2022 revisions to WAC 173-424-220(7) that would allow for the generation of incremental credits by electric utilities for improving the carbon intensity of electricity used for residential EV charging. This change would hasten electricity decarbonization in Washington by providing funds for in-state utilities’ plans to invest in zero emission resources, necessary transmission support, and electrification infrastructure.

For incremental credits for metered residential EV charging, PSE also supports Ecology’s prioritization of the utility supplying the electricity as the first credit generator when multiple claims are made. Unlike other credit generators, electric utilities must invest 75% of the revenues they generate under the CFP on various transportation electrification projects, as required by Section 9 of HB 1091. Prioritizing credit generation to the utilities rather than vehicle manufacturers serves to further incentivize fueling infrastructure and drive electric vehicle adoption with a strong equity-focus, which is critical to a low-carbon future. Thus, prioritization of electric utilities equals the prioritization of continued funds for future transportation decarbonization efforts within Washington.

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Thank you for the opportunity to provide input on the development of the CFP rulemaking. We hope the comments are helpful in articulating PSE’s support and provide additional program refinements for Ecology’s consideration. We look forward to continued collaboration with Ecology in this process.

Sincerely,

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