

Nikkole Hughes

Oh, good morning. My name is Nikkole Hughes. N-I-K-K-O-L-E H-U-G-H-E-S. And I'm here today on behalf of the Public Generating Pool, a trade association that represents 10 Washington consumer-owned utilities that own and operate generat-generating resources in the state. PGP appreciates their opportunity to comment on these proposed rules implementing the Climate Commitment Act. My comments today will focus on the mitigation of utility cost burden through the allocation of no-cost allowances and the importance of accurately calculating the electric sector baseline. PGP believes that the CCA program role should be implemented so as to ensure that electric utilities cost burdens associated with the program will be sufficiently mitigated through no-cost allowances. Unlike other sectors covered by the CCA, the electric sector is already decarbonizing under the implementation of the Clean Energy Transformation Act also known as CETA. The CCA recognizes this difference by allocating no-cost allowances to mitigate the cost burden of electric utilities. The state has also forecasted significant electrification of buildings, transportation, and industrial processes that will increase utility loads in order to decarbonize other sectors of the economy. Any additional cost burden resulting from electrification should be recognized and reflected in the allowance allocation schedule established by ecology for each compliance period. To that end, electric utilities and their appropriate governing board or utility regulator rather than ecology are the entities best situated for determining the cost burden effect of the CCA on electricity customers. Under both the statutory language and the proposed rule, the definition of cost burden is focused on the impact of the Cap-and-Invest program on utility rates, which has an impact that can only be properly assessed by the utilities and their appropriate governing board or utility regulator. Based on the statute, PGP believes that ecology's appropriate role is to adopt an allocation schedule consistent with the utility develop forecasts of supply, demand, and cost burden. The utility-developed forecast of cost burden should also be inclusive of administrative costs beginning in the first compliance period and reflect the full set of utilities costs, including the costs associated with power purchases from the Bonneville power administration and balancing and hedging. Lastly, establishing an accurate baseline for the captain invest program is critical to determining the magnitude of emissions reductions necessary to meet the state's 2030 emissions limit. The integrity of the baseline is also important for the ability to link to other jurisdictions. The proposed approach to establishing a baseline for imported electricity based on field mix. Disclosure reports is inconsistent with the first jurisdictional delivery point of regulation under the CCA and is therefore not an accurate representation of the baseline. The more accurate methodology for the electric sector baseline would be to work with OATI to secure the aggregated data for electricity imports during the baseline period. That concludes my remarks and appreciate your time.