

November 27, 2023

Submitted via Web Portal

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RE: Third Informal Public Comment Period on Electricity Markets Rulemaking

Seattle City Light (City Light) appreciates this opportunity to provide responses to the Department of Ecology's (Ecology) questions related to leakage and the WAC 173-441 and 173-446 rulemaking. These are essential questions that will shape the overall implementation of the Climate Commitment Act, as well as Ecology Director Laura Watson's decision to pursue linkage with California and Quebec. We are glad to provide the following high-level comments to help inform this important work. Additionally, City Light is a member of the Public Generating Pool (PGP) and supports its detailed comments submitted on this issue.

As noted in Ecology's presentation on November 8, 2023, there are numerous key considerations and inputs that need to be taken into account in order to address leakage. City Light is supportive of Ecology's exploration of these considerations as well as the issues addressed in the "Broad Leakage Questions for Initial Response" However, due to of the complexity of these issues and the uncertainty remaining around the developing organized markets, City Light does not believe that all of the proposed topics are ripe for consideration at this time. Moreover, there is not adequate time in the rulemaking's proposed timeline to ensure that the issues can be thoroughly vetted. We believe these leakage-related topics would benefit from additional exploration outside of this rulemaking through a stakeholder workgroup, such as the one proposed by the PGP and Puget Sound Energy in their most recent comments.

In comments submitted on October 30, City Light suggested that Ecology should take an iterative approach to the rules for Electricity Markets, as the tools for attributing resources through organized markets are developed and implemented and there is additional information available to inform the program rules. Under that construct, information gained through a stakeholder workgroup could be utilized to address leakage in future iterations of the program rules. Additionally, in light of the effort Ecology will undertake to pursue linkage, it would make sense to shape the exploration of these topics alongside that effort, to ensure that any approach developed in this rulemaking complements and supports the work on linkage.

In conclusion, considering the complexity of the subject matter, the time constraints associated with this rulemaking, the nascent status of the Day Ahead Markets (DAMs), and Ecology's ability to incorporate information gained through exploration of these questions in future rulemakings, City Light believes that Ecology should explore the leakage questions in a separate stakeholder process. The current rulemaking should focus on developing rules that (1) provide clarity to current participants in the Western Energy Imbalance Market regarding their reporting and compliance obligations, and (2) make changes needed by market operators to support DAM development.

Thank you for this opportunity to provide input on this rulemaking process. We appreciate Ecology's engagement in and responsiveness to these important issues.

Sincerely,

Siobhan Doherty
Power Management Director