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Fran Sant and Diane Butorac  
Rulemaking Leads  
Washington Department of Ecology  
PO Box 47600  
Olympia, Washington 98504-7600  
Via electronic mail: [gap-rule@ecy.wa.gov](mailto:gap-rule@ecy.wa.gov)

Re: Greenhouse Gas Assessment for Projects, Rulemaking CR-101

Dear Ms. Sant and Ms. Butorac,

Puget Sound Energy, Inc. (“PSE”) appreciates the opportunity to provide comments to the Department of Ecology (“Ecology” or “agency”) in response to materials released by the agency on March 2, 2021 regarding the CR-101 phase of rule-making that will ultimately result in the Greenhouse Gas Assessment for Projects (“GAP”) rule in WA 173-445. PSE will submit additional comments following issuance and review of the draft rule itself.

For more than 145 years, PSE has been proud to serve local communities across Washington with reliable electricity and natural gas. PSE is the electricity provider for over 1 million residential, commercial, and industrial customers, and we are the natural gas provider for upward of 800,000 customers. As a regulated utility, PSE must provide adequate infrastructure for delivery of the energy in the region we serve at all times. This duty obligates us to ensure that as demand for energy increases, we are able to deliver additional energy to meet that demand. By state law, PSE must ensure both the reliability and affordability of energy to our customers.

We at PSE agree with Ecology that climate change is a global phenomenon. The GHGs emitted from Washington facilities do not remain in Washington’s airshed alone, just as our airshed includes GHG emissions generated elsewhere across the globe. PSE is working to transition to a decarbonized energy system, and as the Northwest’s largest utility, PSE has been a leader in developing and promoting clean energy.<sup>1</sup>

After supporting the passage of Washington’s Clean Energy Transformation Act (“CETA” or “Act”) which will accomplish a carbon free electricity supply in our state by 2045, PSE recently

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<sup>1</sup> PSE is currently the nation’s third-largest utility provider of wind power, and over the past decade we have deployed over 770 megawatts of renewable energy generation. PSE also has award-winning programs in energy conservation. PSE has one of the country’s best and most comprehensive energy-efficiency programs for helping homes and businesses to reduce their energy consumption, including programs that offer our customers financial incentives and technical help to conserve energy.

set its own an aspirational goal to be a Beyond Net Zero Carbon<sup>2</sup> energy company by 2045. PSE will target reducing its own carbon emissions to net zero and go beyond by helping other sectors to enable carbon reduction across the state of Washington.

A critical component as we embark on our goals will be balancing clean energy goals with customer expectations for uncompromised reliability, safety, and affordability. Between CETA requirements and our self-imposed carbon goal we are aware of the many infrastructure investments – e.g., electric generation facilities, transmission and distribution systems, RNG and hydrogen integration – that we will have to build or modify to reach these objectives, as well as our need to maintain the resiliency of our existing system. This work will require efficient and affordable siting and permitting.

To accomplish this we need clarity and certainty in the GAP Rule. Only in this way will we have the path and certainty necessary to ensure our customers have the *clean*, as well as reliable and affordable, energy they need at any time of day, every day of the year, in any sort of weather.

Accordingly, the GAP Rule should define, in clear and undisputable terms, specific widely accepted models that incorporate established methodologies for use in GAP Rule lifecycle analyses. Use of the GHGenius model commonly applied in Canada (which is well ahead of the United States in regulating upstream fugitive emissions) and the GREET model developed for California (the most rigorous regulator of emission in the United States), should be established in the GAP Rule as examples of approved models and methodologies for lifecycle assessments.

Additional provisions needed in the GAP Rule include specification of the same global warming potential (GWP) and International Panel on Climate Change Assessment Report (AR) for calculating emissions that are applied by WAC 173-441 when reporting those emissions. Otherwise, using two different sets of metrics for estimating the emissions and then actually reporting them precludes the ability to make an apples-to-apples evaluation of projections and performance. At present, the reporting metrics use AR4/100 GWP. All facilities that will be subject to the GAP Rule must be required to apply those same metrics so that a lifecycle assessment meaningfully informs decision-makers about the relatable impacts of a proposal. The GAP Rule should only allow different evaluative metrics if the GHG reporting regulations change those metrics. Similarly, mitigation under the GAP rule should also be exclusively based on a lifecycle assessment that uses the same metrics as WAC 173-441 used to report such emissions.

The preparation of a lifecycle analysis and development and imposition of mitigation will occur in the SEPA environmental review process. By law, SEPA lead agencies alone have the authority to impose mitigation as a discretionary exercise of their SEPA substantive authority. The GAP Rule must respect this authority reserved to lead agencies, rather than supersede it. Also, as stated above, GHGs emitted from Washington facilities do not remain in Washington's airshed

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<sup>2</sup> <https://www.pse.com/en/press-release/details/pse-sets-beyond-net-zero-carbon-goal#:~:text=PSE%20operations%20and%20electric%20supply,%25%20carbon%2Dfree%20electric%20supply.>

alone, just as our airshed includes GHG emissions generated elsewhere across the globe. The extraterritorial nature of many GHG impacts of proposal is what intrinsically gave rise to the Governor's directive that preparation of a lifecycle analysis be required in the first instance. Taking into considering the mobility of GHGs, it correlates that the location where mitigation occurs is immaterial. Mitigation that contributes to the reduction of the global GHG inventory regardless of location must be included in the GAP Rule.

Last, the GAP Rule cannot require mitigation in excess of a proposal's net in-state emissions. Nexus and proportionality are constitutional constraints on mitigation. Impacts that the GAP Rule suggests should be mitigated must be limited to those that occur in this state, coextensive with the state's jurisdictional regulatory reach. This is distinguishable from studying impacts that are beyond the state's regulatory reach, which a lifecycle assessment necessarily does. Also in this vein, the GAP Rule must reflect a sensitivity to the cost of compliance with both the rule and the types of mitigation imposed. State law requires regulated utilities to provide reliable energy at the least-cost. A rule that is straight-forward, easy to understand and apply will ensure that the costs of compliance with the GAP Rule do not push power costs beyond a reasonable and least-cost basis for all Washingtonians.

Puget Sound Energy appreciates the agency's consideration of these comments. We look forward to a new draft that incorporates the provisions and principles articulated above.

Regards,

A handwritten signature in black ink, appearing to read "Steve R. Secrist". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Steve R. Secrist  
Sr. Vice President, General Counsel,  
and Chief Ethics & Compliance Officer

CC: Lorna Luebbe