

Puget Sound Energy

March 28, 2025

Department of Ecology
Air Quality Program
P.O. Box 47600
Olympia, WA 98504-7600

RE: Cap-and-Invest Linkage Agreement

Puget Sound Energy (PSE) submits these comments on the Cap-and-Invest Linkage Agreement with California and Quebec under the Western Climate Initiative (WCI) to aid the Department of Ecology (Ecology) in developing an agreement that effectively and expediently implements a key provision of the Climate Commitment Act (CCA) — program linkage.

By way of background, PSE is Washington State's oldest and largest investor-owned energy utility, serving approximately 1.2 million electric and over 900,000 natural gas customers with safe and reliable energy services. In 2021, PSE set an aspirational goal to be a Beyond Net Zero Carbon company by 2045 – targeting to reduce our own carbon emissions to net zero and going beyond by helping other sectors to enable carbon reduction across the state. In alignment with our beyond net zero aspirations, PSE supported the passage of the Climate Commitment Act (CCA) and has dedicated substantial resources and time to engage with, implement and ultimately comply with the program. Since the passage of the CCA, PSE has advocated for and supported program linkage as a positive and necessary step to ensure effective long-term implementation and stability of Washington's cap-and-invest program. Specifically, PSE has supported linkage as a means to maximize market efficiencies and reduce greenhouse gas (GHG) emissions at the lowest cost possible in the interest of our customers.

Under the WCI structure, California and Quebec have shown that linked carbon markets with harmonized provisions, coordinated staff, and transparent and coordinated public notices can work well together to reduce emissions in a cost-effective manner. Given that, PSE is supportive of Ecology starting from the California-Quebec framework as a basis for Washington's linkage agreement. We are also supportive of the ongoing staff and management level discussions occurring today between Washington, California and Quebec. We encourage that work to continue so that a mutually beneficial linkage agreement can be arrived upon in a timely manner.

Conclusion

PSE understands that this process will require multiple-steps and coordination, including completing additional rulemakings in all three jurisdictions, as well as conducting a series of formal evaluations to ensure each jurisdiction's linkage requirements are met before the linkage agreement can be signed. Time will be of the essence to advance this



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734

pse.com

process. PSE supports continued work on the Linkage Agreement and we look forward to working with Ecology as this effort moves forward.

Should you have any questions, please reach out to Kassie Markos (kassie.markos@pse.com; 206-258-0308).

Sincerely,

/s/Lorna Luebbe

Lorna Luebbe

Senior Vice President, General Counsel, & Chief Sustainability Officer

Puget Sound Energy