

Bonneville Power Administration

Comments from BPA on the April 2025 draft rule language for WAC 173-441 and WAC 173-446 are in the attached document.



Department of Energy

Bonneville Power Administration
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https://ecology.commentinput.com/?id=T45GCKEx2U&utm_medium=email&utm_source=govdelivery

ATTN: Joel Creswell
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Re: Cap-and-Invest Program Updates and Linkage Rulemaking Informal Comment Period #1

The Bonneville Power Administration (BPA) provides these comments in response to the Washington Department of Ecology's (Ecology) April 2025 draft rule language for WAC 173-441 and WAC 173-446. BPA is commenting on three sections of these draft rules: WAC 173-441-124 (2)(mm), WAC 173-446-030 (1)(c)(i) and WAC 173-446-400 (8).

1. WAC 173-441-124(2)(mm) – definition of “Electricity Wheeled through the State”

BPA has previously commented on its concerns with Ecology's definition of “Electricity Wheeled through the State” in WAC 173-441-124 (2)(mm), specifically that enabling hourly netting of certain transactions:

- a. Potentially creates risks for linkage with California's cap-and-trade program as the California Air Resource Board's rules do not allow for netting, aside from transactions on a single e-tag; and
- b. Would distinctly disadvantage BPA Washington customers, particularly those that are solely dependent on BPA for their energy needs. This is because, compared to other utilities inside Washington, the rules currently do not allow BPA as an Asset Controlling Supplier to utilize similar wheel-through netting in its reported GHG emissions.

BPA refers Ecology to BPA's [November 20, 2024 comments](#) in response to the current draft rule language as well.

2. WAC 173-446-030 (1)(c)(i)

Ecology's proposed edits to WAC 173-446-030 (1)(c)(i) were intended to address section 4 of SB 6058 (amending RCW 70A.65.080), which states:

(C) For electricity purchased from a federal power marketing administration pursuant to section 5(b) of the Pacific Northwest electric power planning and conservation act of 1980, P.L. 96-501, if the department determines such electricity is not from a specified source, the cumulative annual total of emissions associated with the imported electricity exceeds 25,000 metric tons of carbon dioxide equivalent.

BPA's understanding of the intent of this amendment was to retain the 25,000 MT CO₂e threshold for BPA sales to preference customers (i.e. sales pursuant to section 5(b) of the Northwest Power Act) in the event Ecology determined that such sales were not specified source (e.g., Asset Controlling Supplier power) and instead were unspecified source. Ecology's proposed rule language intending to interpret SB 6058 appears to be creating confusion amongst industry as to when and how the provision would apply. BPA suggests Ecology clarify in the rules that electricity purchased from a federal Power Marketing Administration pursuant to section 5(b) of the Northwest Power Act is specified source electricity, thus eliminating the need for the proposed edits to WAC 173-446-030 (1)(c)(i). Alternatively, BPA recommends Ecology revert to the language in SB 6058.

3. WAC 173-446-400 (8) – compliance instrument transactions

WAC 173-446-400 (8) describes that an entity cannot hold compliance instruments on behalf of another party. BPA requests that Ecology clarify in this rule or guidance that contractual agreements between BPA and its customers that require customers to transfer allowances to BPA are not a violation of WAC 173-446-400 (8). Such transfers are permissible under RCW 70A.65.120 (6).

BPA currently has an arrangement with a customer with load in California that stipulates specifics on allowance transfer from the customer to BPA, including the allowance transfer volume and schedule, for use in California's cap-and-trade program. In addition, BPA and its customers have negotiated placeholder contract language that would apply to Ecology's program as well. See [Provider of Choice template, Ex H, Section 7](#), starting on p. 284. The contractual agreement between BPA and its customers is necessary should BPA incur a compliance obligation under Ecology's program to ensure customers transfer allowances to BPA or BPA can otherwise recover costs in its rates.

BPA understands additional proposed rules related to the electricity sector and registration requirements for power marketing administration will be forthcoming in a later version of draft rules. BPA anticipates it will have additional comments after reviewing that language. Please contact me if there are any questions on these comments.

Thank you,

A handwritten signature in black ink, appearing to read 'Alisa Kaseweter', with a long horizontal flourish extending to the right.

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