

May 20, 2026

Submitted via WADOE Online Public Comment Section

Attn: Camille Sultana
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RE: Avista Comments on Washington State Department of Ecology’s Request for Feedback on Centralized Electricity Markets and Electricity Imports

Avista Corporation (Avista) appreciates the opportunity to submit comments to the Washington Department of Ecology (Ecology) in response to their request for feedback regarding Centralized Electricity Markets and Electricity Imports as part of ongoing rulemaking under Washington’s Cap-and-Invest Program. The following comments are respectfully provided in response to the proposed draft language revisions issued on May 5, 2026, and as supplemental input building upon Avista’s previously submitted informal and formal comments during 2025 and in early 2026.

WAC 173-441-124 (1)(d) [Page 3]

With respect to the requirement where entities “must provide written authorization for data sharing to support verification and analysis of market transactions”, we (Avista) request that Ecology provide more specific details regarding the data subject to this provision. Given the sensitive and often proprietary nature of business information, the current language is overly broad and creates significant concern regarding both the scope of required disclosures and the risk of divulging confidential data.

As written, this provision could be interpreted to require disclosure of commercially sensitive information, including transaction-level data, pricing strategies, counterparties, or internal market positions, without clear limitations or safeguards. This raises the risk of unintended exposure of competitively sensitive information, which could undermine market integrity, impair fair competition, and create potential legal or commercial liabilities for reporting entities. Any information requested as part of a data sharing requirement should be narrowly tailored to what is necessary for verification purposes.

WAC 173-441-124 (1)(f)(xi) [Page 9]

As it relates to the definition of “Electricity Importer,” specifically the phrase “scheduled with an e-tag to a discrete Washington load,” the meaning of “discrete” is unclear. Avista requests that Ecology provides a clear definition to ensure consistent interpretation, as this ambiguity introduces uncertainty in determining which transactions are subject to reporting obligations and may lead to inconsistent compliance outcomes.

WAC 173-441-124 (1)(f)(xii)(B) [Page 10]

Where imported electricity is not contracted to a Washington retail provider, the proposed amendment poses risk of double counting. Language should be added to the effect of, “such imported electricity shall

incur a carbon obligation based on the emissions factor of the federal power marketing administration,” as the emissions by being sourced from such FPMA are not unspecified imports.

WAC 173-441-124 (1)(f)(xii)(B)(xiii) [Page 10]

Language should be added to the current draft indicating that the entity delivering power to the retail provider and/or end user, is not required to separately report these volumes specifically when bulk unspecified that is attributed to Washington.

WAC 173-441-124(1)(mm)(ii) [Page 21]

Avista previously proposed a definition of “Common Point” in public comments submitted to Ecology on July 30, 2025, and February 20, 2026. The proposed definition is as follows:

“For purposes of identifying electricity wheeled through the state by a BAA and MJRP: (a) the combined PORs and PODs located within the state, or (b) the combined PORs and PODs located outside the state.”

This approach appropriately ensures that large volumes of power contracted to support utility transactions—but not physically delivered to serve Washington load and therefore not generating emissions in the state—are excluded from emissions reporting. Avista continues to support this simplified and practical definition in lieu of the more complex framework included in the current draft.

If Ecology staff determine that Avista’s previously submitted definition is overly simplistic, Avista proposes the following refinement to improve clarity. Within the draft language describing a “Common Point,” the phrase “a POR/POD that is both located fully within Washington state and...” should be revised by replacing “and” with “in,” such that it reads: *“a POR/POD that is both located fully within Washington state in a multi-state balancing authority area...”*. This revision more accurately reflects the intended condition—that the POR/POD is located within Washington while also being part of a multi-state balancing authority—and reduces ambiguity in how the definition is applied.

If this revision is not adopted, Avista alternatively recommends adding a third provision, (iii), to explicitly address scenarios where the POR/POD is fully located outside of Washington state. This addition would provide clarity and ensure consistent treatment of out-of-state transactions consistent with the intent of section (ii).

WAC 173-441-124(1)(pp) [Page 21]

For the definition of “Electricity wheeled through the state,” Avista proposes a minor refinement to improve clarity. The current language reads “...means electricity that is generated outside the state of Washington and delivered into Washington with the final point...”—should be revised as: “...means electricity that is generated outside the state of Washington and *enters* into Washington...”. Since the concept of delivery is addressed later in the definition, “enters” is a more precise and appropriate term at the outset.

Additionally, within the same subsection under the definition of “Market Purchaser,” Avista requests that Ecology define the term “electrical distribution facility,” as it does not appear to be defined elsewhere in this section. Providing a clear definition would improve interpretability and ensure consistent application of the requirement, particularly in the context of the surrounding provisions.

WAC 173-441-124(3)(a)(iii)(C) [Page 24]

With respect to provisions addressing imports of unspecified electricity and wheeling, Avista proposes revising the phrase "...wheeled into and out of Washington at a common point..." to instead read: "*wheeled electricity through Washington at a common point...*"

This revision simplifies the language, improves clarity, and maintains consistency with existing terminology used in the rule to describe wheeled electricity.

WAC 173-441-124(3)(a)(xii)(A) [Page 31]

Avista proposes removing Section (A) as it appears to apply primarily to hydroelectric and other zero-emission resources, which already share a common need for independent aggregation. As currently drafted, the language does not clearly address station service at the same location and creates ambiguity in its application. Requiring a stated justification for aggregation in cases where generation is serving load at the same site, appears unnecessary. Additionally, the provision introduces a level of subjectivity that could lead to inconsistent interpretation and implementation.

WAC 173-441-124(3)(a)(xii)(E)(xiii) [Page 32]

Regarding composite source accounting, Avista proposes striking the phrase "...composite source POR unambiguously show to be supported by Washington generation..." and replacing it with "...*composite source POR located in Washington generation...*". This revision improves clarity by removing ambiguous language that is not previously defined and could lead to inconsistent interpretation.

WAC 173-441-124(3)(a)(xii)(D)(III) [Page 33]

The sentence as currently drafted appears to reference a variable identified as "t"; however, this variable is not defined within the provision or in the surrounding regulatory text. Avista recommends that Ecology clearly define "t" and provide the associated formula or methodological framework necessary to interpret its application.

Absent a clear definition, it is unclear what parameter or timeframe "t" is intended to represent, or how it should be applied in calculations or compliance determinations. This lack of clarity introduces potential confusion for regulated entities and increases the risk of inconsistent interpretation and implementation.

WAC 173-441-124 (3)(g) [Page 53]

As it relates to the additional requirements for market purchasers, Avista requests that Ecology provide greater specificity regarding the markets to which this provision applies. The current draft uses the term "market purchasers" which is not defined with sufficient clarity, creating uncertainty as to whether the requirement is intended to apply broadly across all market structures or more narrowly to specific organized markets.

To improve clarity and ensure consistent interpretation, Avista proposes revising the language to specify that the provision applies to "*purchasers of power in centralized energy markets and Regional Transmission Organizations (RTOs).*" This refinement would better align the requirement with established market frameworks and provide regulated entities with a clearer understanding of applicability.

WAC 173-441-124 (3(h)) [Page 53]

Avista proposes revising the greenhouse gas reporting provisions to replace the term “may” with “shall” with respect to Ecology’s acceptance of existing reports. This change would establish a clear and consistent expectation that previously submitted, compliant reporting data will be accepted, thereby reducing uncertainty for regulated entities and minimizing the need for duplicative reporting.

In addition, for reporters with annual emissions below 10,000 metric tons of CO₂e—where reporting is voluntary—Avista recommends eliminating the requirement for third-party verification. Imposing mandatory verification in these circumstances introduces unnecessary administrative burden and additional cost, which may discourage participation in voluntary reporting.

Maintaining fewer obstacles for voluntary reporters is critical to encouraging broader participation, improving data completeness, and supporting program transparency. Requiring third-party verification for this group risks disincentivizing engagement without providing commensurate benefits and should therefore be reconsidered.

Avista appreciates the opportunity to participate in the Cap-and-Invest rulemaking process and would like to thank Ecology for their time and consideration in reviewing the above comments. These discussions are essential to prioritizing customer affordability, preserving reliable service, and supporting clear, consistent implementation of the state’s regulatory framework especially as it relates to electric service. To discuss these matters at greater length or for additional follow-up questions, please contact Janna Dubnicka at Janna.Dubnicka@Avistacorp.com.

/s/ Janna Dubnicka

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