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Re: Cap-and-Invest: No-cost Allowance Allocation for Electric Utilities

Puget Sound Energy, Inc. (PSE) respectfully submits the following comments in response to the Washington State Department of Ecology (Ecology) request for written feedback on issues discussed in the July 22, 2025, *Cap-and-Invest: No-cost allowance allocation for electric utilities* workshop.[1] These comments aim to aid Ecology in developing concepts and drafting rule language to improve implementation of the Cap-and-Invest Program.

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. PSE supported the passage of the Climate Commitment Act (CCA or Cap-and-Invest Program),[2] and has dedicated substantial resources and time to implement and comply with the Cap-and-Invest Program.

PSE appreciates Ecology's continued progress in addressing necessary updates to the Cap-and-Invest Program and providing clear guidance on program implementation and compliance requirements. PSE supports Ecology's efforts to streamline processes and consider guidance to improve certainty and limit administrative burden for compliance entities.

The following comments respond to questions posed by Ecology in the July 22, 2025, *Cap-and-Invest: No-cost allowance allocation for electric utilities* workshop.

[1] The workshop materials including the presentation slides and recording of the session are now available on our rulemaking webpage: https://ecology.wa.gov/regulations-permits/laws-rules-rulemaking/rulemaking/wac-173-441-446-cap-and-invest-program-updates-and-linkage

[2] Climate Commitment Act, 2021 Wash. Sess. Laws, ch. 316, Engrossed Second Substitute Senate Bill 5126 (codified as Chapter 70A.65 RCW).

I. Use of no-cost allowances

1. ***Transfer to a federal power marketing administration (slide 20):***

   - ***SB 6058: Provides electric utilities ability to transfer no-cost allowances to federal power marketers (RCW 70A.65.320)***
   - ***First draft of supportive rules in next draft language release***
   - ***Request review and comment from utilities***

PSE does not have any comments at this time on the transfer of no-cost allowances to a federal power marketing administration.

2. ***Consignment requirements (slide 22):***

   - ***Are there benefits or disadvantages of consignment of no-cost allowances?***
     - ***Consider potential impacts on electricity markets, utilities, customers, the Cap-and-Invest Program, and statutory emission limits.***

Impacts on Customers:

- **Legislative intent:** The allocation of no-cost allowances to electric utilities mitigates the cost burden of the Cap-and-Invest Program on electric customers who are already subject to cost pressures from the Clean Energy Transformation Act (CETA). The implementation of CETA and CCA should be harmonized to mitigate, to the greatest extent possible, the cost burden of the CCA on electric customers. Such harmonization is particularly important in making changes to the Cap-and-Invest Program, such as any requirement to consign no-cost allowances allocated to electric utilities. Requiring consignment of no-cost allowances runs a substantial risk of increasing costs to electric customers already bearing the cost burden of meeting CETA requirements.
- **Increased risk associated with compliance costs:** Due to purchase limits and auction timing issues, electric utilities cannot necessarily purchase allowances in quantities equal to the number of no-cost allowances consigned in the same auction. This means that electric utilities might consign allowances at one price but need to purchase at a higher price in a later auction or the secondary market, which in turn would raise compliance costs for customers.
- **Inequitable benefit distribution**: If non-volumetric credits were prescribed as one of the allowed uses or the sole allowed use for no-cost allowance auction proceeds, this would be problematic for several reasons:
  - First, energy-burdened low-income customers who use more electricity than average low-income or average residential customers would receive proportionally less mitigation than lower-usage customers. While this maintains a carbon price signal, this would contradict the program's equity or affordability objectives given that energy-burdened low-income customers often do not have a choice for further carbon reduction (e.g., if they rent a house that is not viable for further weatherization or where their landlord is unwilling to make changes to lower the carbon footprint).

  - Second, there could be instances when for lower usage customers, a non-volumetric credit could be greater than a customer's total bill. In those cases, electric utilities would have to implement caps to ensure that the credits do not exceed CCA charges. Customers would experience full elimination of their CCA program burden, fully eliminating the price signal for further carbon reduction.

Impacts on Utilities:

- **Compliance risks and potential compliance cost increase**: Electric utilities might not be able to buy the required number of allowances given the purchase limits, would face additional purchasing pressures and risk higher compliance costs when buying back consigned no-cost allowances at auction, potentially increasing overall compliance costs. PSE strongly advises against required consignment of no-cost allowances.
- **Increased complexities and administrative burden**: Requiring electric utilities to consign no-cost allowances would create significant additional administrative complexities and operational and compliance burdens. For example, required consignment of no-cost allowances could mean potential regulatory complications around whether gas and electric operations of combination utilities, such as PSE, would be treated as separate entities for consignment purposes. Furthermore, issuing credits (volumetric or non-volumetric) to customers from revenues received from the consignment of no-cost allowances would require complex changes to the electric utility's IT/billing systems. For example, if the credits were non-volumetric, the electric utility would need to implement (i) complex billing processes to cap the credits at an amount that would not exceed CCA charges and (ii) accounting procedures to ensure that amounts that exceed such cap could be re-distributed in future billing cycles. Such operational and programmatic burdens could result in additional costs to customers.

Impacts on Electricity Markets:

- **Market distortions**: Required consignment would create supply pressures in the electricity sector and potentially increased frequency of triggering the allowance price containment reserve auctions as utilities could need to re-purchase allowances during high-priced auction periods for compliance.

Impacts on the Cap-and-Invest Program:

- **Inconsistency with current electric no-cost allowance allocation framework**: Consignment requirements could be inconsistent with the current allocation framework of no-cost allowances for electric utilities. Future allocations are not pre-determined for electric utilities – this is different than natural gas utilities in which the no-cost allowance schedule is known in the future.
- **Additional administrative complexity**: Consignment requirements would necessitate additional prolonged rulemaking to determine consignment amounts for the second compliance period and beyond, defining allowable revenue uses, and any prioritization frameworks of allowed uses — adding layers of regulatory and compliance complexity.
- **Program continuity and implementation inefficiencies**: Without clear rules extending beyond the second compliance period, electric utilities would face planning uncertainty that undermines long-term compliance strategies. If Ecology were to develop

consignment requirements for electric utilities for the second compliance period, Ecology should consider whether and/or how such requirements would apply beyond the second compliance period. It would be wasteful for electric utilities and their partners to expend human and capital (e.g., IT) resources to implement low-income benefit programs, only for them to stop in four years.

- **Regulatory burden**: Maintaining the current flexible framework for electric no-cost allowances would better align with Ecology's efforts and goals of reducing program complexity, increasing certainty, protecting program integrity, and mitigating CCA burdens to customers.

Impacts on Statutory Emission Limits:

- Consignment does not directly impact emission reduction goals but may create compliance inefficiencies that could affect overall program effectiveness.

- ***Should utilities be required to consign a specified amount of no-cost allowances?***

No. RCW 70A.65.120(2) and (3) include a complex set of requirements regarding the consignment of no-cost allowance allocated to electric utilities. First, subsection 2(d), which pertains to consignment of no-cost allowances allocated to electric utilities for the period 2031 through 2045, states as follows:

> *…The rule developed under this subsection (2)(d) may prescribe an amount of allowances allocated at no cost that must be consigned to auction by consumer-owned and investor-owned electric utilities. However, utilities may use allowances for compliance equal to their covered emissions in any calendar year they were not subject to potential penalty under RCW **19.405.090**.*

This subsection appears to preserve the ability of electric utilities to retire no-cost allowances for compliance up to their covered emissions during the 2031 through 2045 period, so long as they are not subject to penalties under CETA. This statutory language restricts the ability of Ecology to require the consignment of no-cost allowances allocated to electric utilities.

Next, subsection 3(b) requires Ecology to adopt rules for the consignment of allowances for the second compliance period. This subsection contains a parallel construction to subsection 2(d) quoted above, for calendar year 2030. Thus, the legislative language constrains the ability of Ecology to require the consignment of no-cost allowances allocated to electric utilities in 2030. In short, Ecology can only require the consignment of no-cost allowances allocated to an electric utility that is in compliance with CETA if the number of no-cost allowances allocated to the electric utility exceeds the number of allowances needed by the electric utility to comply with the Cap-and-Invest Program.

Given these legal requirements, PSE strongly recommends that Ecology set the electric no-cost allowance consignment requirement at zero for the second (and future) compliance periods. Given the statutory language constraining Ecology's authority to require the consignment of only surplus allowances, there is no need for rules to require consignment. Surplus allowances cannot be carried forward to future compliance periods, so electric utilities have sufficient incentives to consign allowances that they determine to be surplus to reduce the cost burden of customers during the compliance period. This approach preserves program simplicity, regulatory certainty, and broad-based customer protection while allowing electric utilities to address low-income customer needs through existing statutory frameworks.

- ***Should any potential rules regarding consignment requirements be applied across all utilities?***

In general, PSE is in favor of consistent rules across electric utilities in the industry; however, electric utility circumstances vary tremendously in relevant areas, such as future emission reductions, compliance needs, existing low-income assistance programs, etc. For this reason, PSE recommends that any rules should maintain program flexibility for electric utilities to retire no-cost allowances for compliance, consign no-cost allowances to auction, or a combination of the two approaches.

3. Use of proceeds from consigned allowances: Outreach and feedback (slide 25)

- ***Do utilities have questions on use of proceeds from consigned allowances consistent with RCW 70A.65.120(4)?***

Yes, PSE has one question regarding this subsection regarding agency jurisdiction. RCW 70A,65.120(4) requires that the benefits of all no-cost allowances consigned at auction must be used "for the benefit of ratepayers, with the first priority the mitigation of any rate impacts to low-income customers." WAC 173-446-300(2)(b)(i) provides as follows with respect to revenue from no-cost allowances that an electric utility voluntarily consigns at auction during the first compliance period (i.e., calendar years 2023 through 2026):

> *Electric utilities may choose at any time to consign up to 100 percent of their allowances to auction. During the first compliance period, electric utilities may choose whether or not to consign no cost allowances to auction, and if so, how many allowances to consign. All proceeds from the auction of allowances consigned by electric utilities will be used for the benefit of ratepayers, which, for investor-owned utilities, will be determined by the utilities and transportation commission, and with the first priority the mitigation of any rate impacts to low-income customers.*

Ecology's rules should similarly clarify that the Washington Utilities and Transportation Commission (WUTC) would be the agency responsible for determining how proceeds from the auction of no-cost allowances consigned by investor-owned electric utilities would be used for the benefit of ratepayers. In that regard, how has Ecology engaged with the WUTC to address any proposed rules requiring (i) the consignment of no-cost allowances allocated to investor-owned electric utilities and (ii) the use of proceeds from the auction of no-cost allowances consigned by investor-owned electric utilities to benefit ratepayers?

- ***Would guidance be valuable on this topic?***

  Yes, guidance pertaining to this subsection would be valuable.

- ***Would information sharing of utility use of proceeds examples be helpful?***

  Perhaps in the future, once requirements are known, it would be useful to share examples.

- ***Information on existing or potential use of proceeds would assist in scoping need for support.***

Ecology should preserve the existing flexible framework that allows electric utilities to choose between using no-cost allowances for compliance, consignment, or a combination of both approaches based on utility-specific circumstances and customer needs.

Should Ecology determine that mandatory consignment of a portion of no-cost allowances is necessary, PSE requests that any such requirement should wait until program linkage with California and Quebec cap-and-trade programs is completed. Furthermore, PSE requests the following:

- coordination with appropriate regulatory bodies, including the WUTC for investor-owned electric utilities and the Washington State Department of Commerce (Commerce) for all other electric utilities;
- clear information regarding allowable uses of proceeds from no-cost allowances consigned at auction and the prioritization of such permitted uses, all as determined in coordination with the WUTC and Commerce; and
- guidance regarding long-term program structure that extends beyond the second compliance period.

4. Equity focus (slide 26)

- ***How could no-cost allowances be used to maximize ratepayer benefit and support achievement of state emission limits?***

The current framework used for the first compliance period maximizes ratepayer benefit and supports achievement of state emission limits.

- ***How could use of proceeds from consigned allowances be applied specifically to protect low-income ratepayers and overburdened communities?***

PSE recommends that, for investor-owned electric utilities, WUTC is the agency in the best position to determine prudent uses of revenues from the consignment at auction of no-cost allowances allocated to investor-owned electric utilities.

II. Allocation timing

Overall, PSE supports the initial thoughts on administrative allocation timing. PSE appreciates Ecology's consideration in response to PSE's comments, previously submitted on this topic on April 30,[3] where PSE recommended Ecology provide v2025 or vintage-less allowances so that allocation may be applied to 1st compliance period obligations in November 2027.

1. Revised forecast timing: initial concept ([slide 32]):

- ***Existing WAC 173-446-230(2)***
  - ***Schedule of allowances for a compliance period published by Oct. 1 in calendar year prior to the compliance period (WAC 173-446-230(2)(i))***
  - ***Schedule of allowances for compliance period may be updated annually by Oct. 1. Updated schedule may reflect revised forecasts of supply or demand if revised forecast adopted by UTC or COU governing board by July 31 (WAC 173-446-230(2)(j))***
- ***Initial concept***
  - ***Amend July 30 deadline in WAC 173-446-230(2) to Sep. 5 to better align with existing utility processes***
  - ***Maintain Oct. 1 publication date for allowance schedules***

PSE supports the initial concept regarding revised forecast timing as proposed by Ecology. However, PSE seeks clarification on the year(s) for which electric utilities can submit revised forecasts in any given calendar year under WAC 173-446-230(2)(j). For example, if WUTC approves a forecast for calendar year 2025 during calendar year 2025, could allocation schedule revisions for 2025 be incorporated and published on October 1, 2025? What is the relationship between the forecast process and the adjustment process in WAC 173-446-230(2)(g) discussed later in the presentation by Ecology? PSE would appreciate Ecology's clarifying guidance on this timing interpretation to ensure proper understanding of the forecast revision process.

2. Updated v2026 publication: initial thoughts ([slide 33]):

- ***Ecology may consider publishing a revised v2026 schedule before Oct. 1, 2025 to support utility review.***
- ***Any revised v2026 schedule will not be published before Aug. 15, 2025.***
- ***Ecology requests any utilities intending to submit a revised forecast for 2026 do so as soon as possible or notify Ecology of their expected submission date.***

PSE supports and appreciates Ecology's initial thoughts regarding publishing revised v2026 schedule between August 15, 2025, and before October 1, 2025, to support electric utility

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[3] Cap-and-Invest: Electric utility allocation comment period → https://scs-public.s3-us-gov-west-1.amazonaws.com/env_production/oid100/did200118/pid_210883/assets/merged/fq09ihy9uex_document.pdf?v=36050

reviews. On July 18th, 2025, PSE submitted to Ecology its revised electric forecast for 2025 and 2026, which was approved by the WUTC on July 10th, 2025.

III. Administrative allocation

Per Ecology's separate deadline for this information on slide 40, PSE will provide the information requested above by Friday, August 22nd, 2025.

IV. Allocation adjustments

PSE generally supports Ecology's allocation adjustment guidance considerations on slide 46:

- Improve certainty for market actors and allocated electric utilities
- Preserve decarbonization and emission reduction incentives
- Continue to reserve Ecology ability to adjust allocation to preserve link between allocation and cumulative electric utility cost burden
- Limit implementation burden.

1. Allocation adjustments: updated draft (July 2025) (slide 50):

- ***Ecology is developing guidance related to WAC 173-446-230(2)(g). We are considering adopting the following guidelines:***
  - ***Ecology will not seek adjustments related to***
    - ***Market-optimization behavior resulting in lower covered emissions or cost burden relative to forecasts based on best estimates of retail supply at the time***
    - ***Additional or overachievement of decarbonization or efficiency efforts relative to forecasts based on best estimates of retail load or supply at the time***
  - ***Ecology may consider adjustments related to***
    - ***Misrepresentation of forecast load or retail supply that was not reflective of best estimates at the time***
    - ***Divergence from forecast retail load of over 15%, resulting in cumulative allocation significantly diverging from cost burden***
    - ***Per request of utilities***

PSE interprets WAC 173-466-230(2)(g) to mean that Ecology would make adjustments as necessary in future years to provide sufficient no-cost allowances to cover emissions associated with an electric utility's retail load as long as that electric utility was meeting the statutory requirements associated with CETA. Indeed, the WUTC seems to share this interpretation as evidenced by a recent open meeting discussion regarding PSE's request for an electric tariff to recover CCA compliance costs.[4] However, material in Ecology's slide deck associated with this comment opportunity and comments made during the July 22 workshop creates uncertainty around this interpretation. PSE requests that Ecology clarify the intention regarding WAC 173-446-230(2)(g) as soon as practicable and further requests that Ecology maintain implementation with the original intent and meaning of that section. If Ecology were to find a need to alter course on the implementation of this rule, PSE recommends that it revise the rule for future compliance periods only, rather than issue guidance that changes the plain meaning of the rule more than halfway through the first compliance period. Additionally, Ecology should coordinate with Commerce and the WUTC, pursuant to RCW 70A.65.120(2)(c), regarding this issue.[5]

Regarding the specific guidelines recommended by Ecology on slide 50, PSE recommends slight modifications to the second bullet point in "Ecology may consider adjustment related to" on slide 50 – PSE recommends adding an additional criterion related to renewable resource performance:

- Divergence from forecast owned or contracted renewable resource generation of more than 10% resulting in cumulative allocation significantly diverging from cost burden.

Additionally, PSE has several questions regarding adjustments and timing for the first compliance period. PSE would like to reiterate the following questions from PSE's May 2, 2025, comments related to material from Ecology's April 17 workshop presentation slide 40:[6]

- Given that the 3rd party verification reports are due to Ecology by August 10 for emissions occurring in previous calendar year, per rule, when is the "post-verification deadline" for "closing the books" for 2023?

- Is it already known or when will it be known if there will be any adjustments to v2023 for the verification process per WAC 173-441-085 (referred to in Publication 24-14-085[7])?

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[4] *Washington Utilities and Transportation Commission*, Open Meeting, July 24th, 2025, agenda and meeting notes is/will be available here: https://www.utc.wa.gov/event/86300, and a recording is available here: https://wutc.app.box.com/v/OpenMeetings/folder/302026436563 --> see "OM - Standard – 20250724.mp4."

[5] RCW 70A.65.120(2)(c): By October 1, 2026, the department shall adopt an allocation schedule by rule, in consultation with the department of commerce and the utilities and transportation commission, for the provision of allowances for the second compliance period at no cost to consumer-owned and investor-owned electric utilities. This allocation must be consistent with a forecast, that is approved by the appropriate governing board or the utilities and transportation commission, of each utility's supply and demand, and the cost burden resulting from the inclusion of covered entities in the second compliance period. The allowances included in this schedule must reflect the increased scope of coverage in the electricity sector relative to the program budget of allowances established in 2022. https://app.leg.wa.gov/RCW/default.aspx?cite=70A.65.120

[6] Department of Ecology, *Electric Utility Allocation Workshop*, April 17, 2025. Presentation, recording, and post-workshop comments from parties (including PSE's) filed on May 2, 2025, are available on rulemaking webpage: https://ecology.wa.gov/regulations-permits/laws-rules-rulemaking/rulemaking/wac-173-441-446-cap-and-invest-program-updates-and-linkage?utm_medium=email&utm_source=govdelivery.

[7] Department of Ecology, *Information on adjustments to no-cost allowance allocation for electric utilities* (Nov. 20, 2024), available at https://apps.ecology.wa.gov/publications/documents/2414085.pdf ("Publication 24-14-085").

- When will be the "post-verification deadline" for "closing the books" for v2024, v2025 and v2026? When will it be known if there will be any adjustments to v2024-v2026 allocations per WAC 173-441-085?

PSE looks forward to reviewing future draft iterations of the written guidance on this topic of allocation adjustments.

V. 2nd compliance period approach

1. Forecast for 2nd period schedule: requested feedback (slide 57):

- ***Do entities foresee hurdles to having a 2nd compliance period forecast consistent with WAC 173-446-230(2) no later than September 1, 2026?***
  - ***The existing annual July 30 deadline applies only to revised forecasts (WAC 173-446-230(2)(j)***
  - ***Any forecast or data utilized must still be available for Ecology to review and utilize in the 2nd period allocation schedule ahead of distribution of v2027.***

Depending upon the specific rules or guidance related to forecasts for the 2nd compliance period, as long as rules and guidance are finalized and known by the end of 2025, PSE should be able to file the 2nd compliance period forecast by September 1, 2026.

- ***Ecology may publish guidance to support consistency of utilized forecasts, including treatment of storage, demand response, and distributed resources and energy efficiency programs.***
  - ***Are there other topics Ecology should address in guidance?***
  - ***By when should guidance be provided to be useful in utility processes?***

PSE recommends that Ecology should not publish guidance related to the above-mentioned operational aspects of an electric utility forecast. Operational details of the forecast should be under the jurisdiction of the WUTC for investor-owned electric utilities.

- ***Should Ecology pursue rule amendments for 2nd compliance period allocation to further support certainty and decarbonization incentives? For example, an approach that relies on a defined allocation schedule for a compliance period, with no or limited ability for revision or adjustment***

PSE recommends that it would be valuable for Ecology to consider rule amendments for the 2nd compliance period allocation. The existing process requiring forecasts presents several significant challenges including:

- Uncertainty regarding allowance allocation for individual electric utilities and Ecology and frequent need to update forecasts as circumstances, such as loads and supply forecasts change over time;
- Cumbersome and potentially contentious processes, often constrained by short timelines;
- Inconsistent and disparate outcomes among electric utilities due to varying board or WUTC decisions;

- Minimal incentive for decarbonization beyond strictly mandatory CETA compliance requirements.

Additionally, the current rules in WAC 173-446-230 are overly complicated and prescriptive and not well suited to a predictable, accurate, and efficient forecast process. For example, WAC 173-446-230(2)(c) prioritizes sources for forecasts that are likely to be outdated and not result in the most up-to-date information to effectively allocate no-cost allowances. PSE has found that power cost filings, which PSE updates annually, provide a better source of information for ongoing forecast needs associated with the provision of no-cost allowances.

PSE recommends that Ecology incorporate the following core principles when developing allocation approaches for the second compliance period and beyond:

- **Certainty and predictability**
    - Provide a clear and reliable allocation framework for electric utilities, market participants, regulators, and customers to enable effective long-term planning, decision-making, and ultimately compliance with CCA
- **Emission reduction incentives (program integrity)**
    - Establish allocation certainty for Ecology
    - Establish allocation certainty for electric utilities
    - Create meaningful incentives that drive emission reductions beyond baseline requirements
- **Objective and fair** (benefits align with cost burden)
    - Utilize objective data and criteria for allocation determination decisions
    - Ensure allocation methodology aligns with CCA program cost burden
    - Recognize and account for indirect cost burdens across electric utility portfolios
- **Implementation efficiency**
    - Minimize regulatory complexity while maintaining program effectiveness
    - Clearly define or eliminate regulator involvement requirements (the WUTC for investor-owned electric utilities)
    - Evaluate alternatives based on administrative complexity and resource requirements.

Ecology should also consider these supplementary factors: load and supply forecast dependencies, CETA alignment requirements, complexity management, uncertainty mitigation, linkage facilitation capabilities, emissions reduction incentive structures, data availability and quality, and allocation adjustment mechanism requirements.

Based on these principles and evaluation criteria, PSE offers the following high-level conceptual approaches for Ecology's consideration:

1. **Option 1: CETA-Based Schedule**
   Use CETA statutory requirements to determine the number of no-cost allowances available to electric utilities. This is similar to what Ecology already used on slide 21 (in slide 15

position). Ecology could further limit allocation to an individual electric utility to the lower of cost burden implied by the strict CETA calculation or, for example, highest actual reported emissions during the prior compliance period (and still subject to the 5% of load minimum discussed on slide 43).

2. **Option 2: Electric Utility-Specific Baseline with Fixed Decline Schedule**
   Establish individual electric utility baselines using no cost allowance allocations from the first compliance period and apply predetermined decline schedules aligned with either state emission reduction targets or according to the economy-wide Cap-and-Invest Program allowance budget declining trajectories.

3. **Option 3: Overall Industry-Wide Baseline with Proportional Allocation and Cost Burden Allowance**
   First, develop an aggregate baseline for all electric utilities using actual historical data from a baseline year(s). Then, allocate proportionally to individual electric utilities based on actual emissions from the baseline year(s) (or some other reasonable-but-objective proxy for cost burden). The individual electric utility allocations could then be adjusted for indirect compliance costs affecting electric utilities with predominantly non-emitting fleets (something like the 5% of load minimum).

Each of these alternatives represents a substantial improvement over current no-cost allowance allocation methodology and would enhance program effectiveness while reducing administrative burden and regulatory and programmatic uncertainty ensuring program integrity and compliance.

Thank you for the opportunity to provide comments to inform rule changes for the Cap-and-Invest Program. PSE appreciates and looks forward to continued engagement with Ecology and fellow electric utilities and other interested parties on these and other matters in this Cap-and-Invest Program Updates and Linkage rulemaking.

Please contact Kelima Yakupova, State & Regional Policy Consultant, PSE State Regulatory Policy, at (425) 462-3588 or kelima.yakupova@pse.com, for additional information about this filing. If you have any other questions, please contact me at (425) 462-3051.

Sincerely,

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