



Energizing Life in Our Communities

May 2, 2025

Submitted via email and web portal

Washington Department of Ecology
Attn: Camille Sultana, Senior Environmental Planner
P.O. Box 47600
Olympia, WA 98504-7600

Re: April 17th Electric Utility Allocation public workshop topics

To the Cap-and-Invest Policy Section,

The Public Utility District #1 of Snohomish County (Snohomish) appreciates the opportunity to provide comments regarding the Department of Ecology's (Ecology's) allocation methodology for No Cost Allowances within the Climate Commitment Act (CCA). Snohomish is a strong supporter of the CCA, having supported its passage in the legislature and continuing to work diligently with Ecology to ensure the program achieves its policy and statutory goals.

Snohomish thanks Ecology for taking steps to better clarify the situations under which Ecology would consider making adjustments to allocated allowances. These comments aim to provide limited feedback on selected issues related to Ecology's stated principles for allowance adjustments and administrative allowances. Snohomish has also separately submitted comments regarding Ecology's Allowance allocation methodology.

Snohomish supports Ecology's principles for improving certainty for utilities and preserving decarbonization incentives

One of the most important aspects of any market is the ability of participants to have confidence when making market-related decisions. Utilities cannot effectively plan for their compliance or possible market participation without certainty that they can rely on the allowances they have received. Further, ensuring that incentives to decarbonize are preserved helps accomplish the overarching policy goals of the CCA.

Snohomish believes these principles provide a strong foundation upon which to build guidance and rules. With regard to the guidance, Snohomish recommends that Ecology focus development on situations where Ecology would seek adjustments. A comprehensive list of parameters that will trigger an adjustment will help utilities to plan for their compliance obligations and manage allowance inventories.

More detail regarding a "close the books" step for past years is needed

Snohomish agrees with Ecology's high level concept of "closing the books" on previous years after some period of time, giving increased certainty regarding those vintage of allowances. We encourage Ecology to continue developing this concept and identify if there are any exceptions to "closed book" years where they could be adjusted.

Ecology should add time into its development timeline to post a draft allocation schedule, especially when adjustments are contemplated

One area of improvement to the existing timeline would be for Ecology to provide a draft allocation schedule ahead of the mandated Oct 1 posting, especially if Ecology is considering making adjustments in methodology. Allowing stakeholders time to examine changes and consult with Ecology staff ahead of the allocation schedule being finalized will provide value to both stakeholders and Ecology.

Administrative allowances should be eligible for use in the first compliance period

When establishing compliance processes for the CCA most administrative costs were borne by utilities upfront. Staff time establishing rules and processes, development of tracking systems, IT infrastructure and support are all at their highest during the first compliance period. Providing allowances that can be utilized in the first compliance period would align the cost burden utilities faced when setting up the CCA with the provision of mitigating allowances.

Conclusion

Snohomish thanks Ecology staff for their continued communication with stakeholders and transparency on these topics. The level of engagement is valued by Snohomish and we appreciate the continued dialogue that Ecology hopes to have in its development timeline.

If you have any questions about our comments, please do not hesitate to reach out.

Sincerely,



Kim Johnston
Chief Government Relations and Strategy Officer