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TACOMA PUBLIC UTILITIES

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Washington State Department of Ecology

[Submitted via web portal](#)

Re: Climate Commitment Act – Electric Utility Allocation Public Workshop

Dear colleagues at the Washington State Department of Ecology:

Tacoma Power appreciates the opportunity to comment on the many topics explored in its [Cap-and-Invest Electric Utility Allocation Public Workshop](#) on April 17, 2025. Below, Tacoma Power offers its perspective on the proposals and policy directions sketched out in the recent workshop.

Adjustments to no-cost emissions allowance allocations to electric utilities

Support of Ecology's direction: Tacoma Power broadly supports the direction sketched out by Ecology in its April 17 workshop. Tacoma Power appreciates the improvements made to Ecology's cost burden calculation methodology and its use of provisional allowance schedules for electric utilities to address variations in the emissions factor applied to energy supplied by the Bonneville Power Administration. Ecology's new methodology also revises electric utilities' no-cost allowance allocations in future years to address variances between the new methodology and the original April 2023 methodology. We recognize that, in implementing this approach, Ecology is acting within its authority and in the interest of maintaining the integrity of the cap-and-invest program.

Curbing "gaming" is within Ecology's scope: While there are understandable sensitivities around discussions of "misrepresentation" and "gaming" of no-cost allowance allocations, we believe Ecology's regulatory authority to set a utility's no-cost allowance allocation schedule includes the ability to review a utility's load and resource forecasts, especially when necessary to maintain the integrity of the cap-and-invest program.

Best addressed in rule: Given the importance of these issues and the degree of uncertainty created by potential changes to a utility's allocation schedule, Tacoma Power believes this authority should be exercised based on clear standards developed in the recently-announced [Climate Commitment Act \(CCA\) Program Updates and Linkage rulemaking](#). While some type of interim guidance on this topic between now and the

conclusion of the current rulemaking is likely necessary, Ecology should provide regulatory clarity in rule for impactful program components such as this one.

Value in stability and predictability: Tacoma Power looks forward to engaging in the upcoming rulemaking. Codifying rules addressing these topics will provide the stability and predictability needed for electric utilities to prudently manage their emissions allowances and emissions compliance obligations.

Support for “closing the books:” Ecology has made some references to “closing the books” on past years’ allowance allocations. We support the implementation path described on slide 40 of the [presentation deck](#) from the April 17 workshop. This treatment would also benefit from being codified in rule.

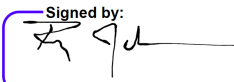
Allocation of allowances for CCA administrative costs

Support for development of calculated method: Like many other utilities, Tacoma Power supports the concept of an alternative method for determining no-cost allowances associated with CCA administrative costs. We appreciate Ecology’s willingness to explore other options in response to stakeholder requests and look forward to discussing Ecology’s proposed approach.

Vintage of no-cost allowances for admin costs: On the topic of vintage for allowances issued for utility admin costs, Ecology has indicated that these allowances would be issued along with vintage 2027 allowances in October 2026. We appreciate Ecology’s attention to this topic and will accept whatever decision is made for the first compliance period. We request that Ecology confirm its approach soon so stakeholders can know what to expect come October 2026.

As in this forum, Tacoma Power plans to fully engage in the upcoming [CCA Program Updates and Linkage rulemaking](#). Again, thank you for this opportunity to weigh in on these important topics.

Sincerely,

Signed by:

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05/02/2025

Ray Johnson
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