

Emily Traetow

See attached written comments on behalf of Northwest Requirements Utilities.

August 15, 2025

Submitted via web portal: <https://ecology.commentinput.com/?id=x2VP3cC5uQ>

**RE: NRU Comments in response to the Cap-and-Invest Electric utility allocation public workshop on July 22, 2025**

Thank you for the opportunity to provide comments on the Department of Ecology's July 22nd workshop on Cap-and-Invest electric utility allocation. Northwest Requirements Utilities (NRU) is a trade association representing 57 Bonneville Power Administration (BPA) preference customers, including 18 utilities in Washington State.

**ALLOWANCE ADJUSTMENT GUIDELINES**

NRU supports Ecology's proposal to maintain the current approach of not making allowance adjustments for market optimization that reduces covered emissions or cost burden relative to best-estimate forecasts and overachievement in decarbonization or efficiency that reduces emissions or load relative to forecasts.

These provisions appropriately preserve incentives for efficiency and demand-side programs. However, we recommend revising the "may consider adjustments" criteria by removing the proposed 15% divergence threshold. Instead, Ecology should limit adjustments to situations where:

- A utility requests the adjustment, or
- A utility's forecasts differ materially from other recent forecasts without clear explanation.

This approach also preserves incentives for efficiency and demand-side programs while ensuring adjustments are targeted, transparent, and limited in number.

**SECOND COMPLIANCE PERIOD RULE ADJUSTMENTS**

NRU supports pursuing rule amendments that enhance certainty by limiting backward-looking allowance adjustments. At the same time, certain forward-looking adjustments should remain available to ensure allocations reflect actual cost burdens. These include:

- Updates for BPA customers to reflect the actual BPA ACS emissions factor for the year.
- Adjustments for changes in load or resource forecasts, such as discrete large loads or new generation assets.

These targeted, forward-looking updates will help ensure the program remains fair, accurate, and reflective of real-world conditions.

We appreciate Ecology's continued engagement with utilities throughout the allocation rulemaking process. By maintaining clear, predictable rules the Cap-and-Invest program can both protect ratepayers and support Washington's decarbonization goals.

Sincerely,

Emily Traetow  
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Northwest Requirements Utilities