TACOMA POWER
TACOMA PUBLIC UTILITIES

3628 South 35th Street

Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

July 22, 2026

Surabhi Subedi
Environmental Planner
Washington State Department of Ecology

Via [web portal]

Re: Climate Commitment Act (CCA) rulemaking – comments on CR-102 Draft Rules

Dear Ms. Subedi and CCA rulemaking team:

The following comments are submitted by the Tacoma Power, a municipal electric utility in the State of Washington. We appreciate the chance to weigh in on Ecology's CR-102 proposed rules. Tacoma Power supported the passage of the CCA and supports linkage of Washington's program with the California-Quebec market. Tacoma Power broadly endorses the comments made by the Public Generating Pool and the Western Power Trading Forum. We also have some questions or concerns on the following topics.

Shorter compliance periods: Ecology's proposed rules would shorten compliance periods from 4 years to as little as 2 years. Such short compliance periods create a risk to Tacoma Power as a utility with a 97% hydro generation portfolio. The current four-year period spreads out the risk of low water in any given year. With a two-year compliance period, should both years have critically low water, Tacoma Power would face significant compliance obligations with no other years in the compliance window to cushion the blow. The utility and its ratepayers are negatively impacted by our inability to manage this risk and keep costs, expenses and rates low.

No-cost allowance allocation adjustments: Tacoma Power requests more specificity regarding how the utility request mechanism in proposed WAC 173-446-230(4)(c)(iii) will work in practice. What information should a utility provide to Ecology to support its request? What standards will Ecology use to consider a utility's request, and how will Ecology make its determination? We are concerned about the cap-and-invest program's potential for significant regulatory costs if the utility cannot secure additional no-cost allowances when obligations exceed initial allocations during drought-level water years.

Admin cost allowance allocation post-2030: Tacoma Power supports Ecology's proposed allocation of no-cost allowances to offset a utility's administrative costs under the cap-and-invest program from 2023-2030, as described in proposed WAC 173-446-230(5)(a) and (b). The proposal reflects the reality that admin costs are higher at the start of the program and should come down some over time. However, starting in 2031, Ecology proposes an annual allocation of 750 allowances for larger utilities like Tacoma Power. While we have found some efficiencies from year to year, it is unlikely that the value of 750 allowances will come close to equaling the costs associated with staff time, software, vendor costs and verification services necessitated by the program.

Required utility response time for forecast questions from Ecology: Proposed WAC 173-446-230(10) requires a utility to provide any information related to a utility's demand forecast or resource supply forecast requested by Ecology within 14 calendar days. Tacoma would appreciate a longer lead time from Ecology – 30 calendar days – to respond to Ecology's questions. A 14-day window can be shorter than the meeting cadence of Tacoma Power's Public Utility Board, the utility's main regulatory body. Requiring the utility to respond to without sufficient time to check in with its regulatory body is inadvisable. The short turnaround is also a burden on utility staff who are balancing many other priorities in this dynamic moment in our sector. The same staff who coordinate the CCA-specific forecasts are involved in day-ahead markets and resource adequacy programs launching soon.

Reporting gross and net unspecified imports for each first point of receipt: Tacoma Power requests clarity and perhaps additional discussion regarding proposed WAC 173-441-124(3)(a)(iii)(E). Ecology's implementation of its current intra-hour netting policy is a single tab in its reporting template. Ecology will update its reporting template to accommodate the changes to this rule language. To the extent that these changes would result in EPEs reporting gross and net annual MWh for each first POR, such an outcome would be unduly burdensome. It is also unclear what value there is in this level of granularity. For electricity wheeled through the state on separate e-tags, the focus of reporting for Ecology and for the EPE should not be the first POR but rather the "common point or trading hub" that 'connects' import e-tags and export e-tags. Tacoma Power suggests that Ecology work with EPEs to update its reporting template for its finalized rules.

Tacoma Power appreciates the opportunity to weigh in on this important effort. We look forward to continued collaboration.

Warm regards,

Signed by:

/s/ ____________________

ED4D7B3AF93E424...

Ray Johnson, Deputy General Manager
Power Management, Tacoma Power