

# STATE OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

621 Woodland Square Loop S.E. • Lacey, Washington 98503
P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY 1-800-833-6384 or 711

October 13, 2023

## NOTICE OF WORKSHOP (Set for November 8, 2023, at 1 p.m.)

Zoom: Click here to join meeting
By phone: (253) 215-5872
Meeting ID: 814 3447 0705
Passcode: 760695

RE: Commission-led workshop series on the Climate Commitment Act, Docket U-230161

#### TO ALL INTERESTED PERSONS:

The Climate Commitment Act (CCA), Senate Bill 5126, enacted in 2021, establishes a cap-and-invest program to reduce carbon emissions. The CCA requires Washington to reduce carbon emissions by 95% below 1990 levels by 2050 and to invest proceeds from a cap-and-trade program in projects that, among other objectives, promote equity under guidance of the environmental justice council.<sup>1</sup>

Under the CCA, most facilities that emit more than 25,000 metric tons of carbon emissions a year are required to obtain emission allowances.<sup>2</sup> The CCA allows electric investor-owned utilities (IOUs) regulated by the Washington Utilities and Transportation Commission (Commission) and subject to the Clean Energy Transformation Act (CETA) to receive no-cost allowances to mitigate the cost burden of the cap-and-invest program on electric customers. Natural gas IOUs also receive no-cost allowances and must sell an increasing share of their no-cost allowances to auction for the benefit of ratepayers. The no-cost allowances provided to Natural gas IOUs to

<sup>&</sup>lt;sup>1</sup> RCW 70A.45.020, and see generally WAC 173-446.

<sup>&</sup>lt;sup>2</sup> See, e.g., WAC 173-446-030.

DOCKET U-230161 PAGE 2

cover their emissions will decline proportionally with the cap over time to zero after seven years.<sup>3</sup>

The Legislature required electric IOUs, subject to CETA, to submit to the Commission forecasts of utility-specific supply and demand and the cost burden resulting from the inclusion of the covered entities in the first compliance period.<sup>4</sup> These forecasts form the basis of the Department of Ecology's allocations of no-cost allowances to these IOUs. The Commission reviewed and approved the IOUs' forecasts at a recessed open meeting on January 23, 2023, and approved revised forecasts for Puget Sound Energy and Avista Corporation d/b/a Avista Utilities at its regularly scheduled open meeting on July 27, 2023.<sup>5</sup>

On April 10, 2023, the Commission issued a Notice of Opportunity to File Written Comments in Docket U-230161, soliciting feedback from interested persons on priority CCA topics the Commission should plan to discuss throughout the workshop proceedings. The workshop series will allow IOUs, their customers, and all interested persons to discuss and understand the CCA's potential impacts.

The Commission received 27 comments from IOUs and interested persons in this Docket identifying priority issues that require Commission guidance. The Commission has considered these issues throughout a series of workshops. The Docket materials are available on the Commission's website: <a href="https://www.utc.wa.gov/casedocket/2023/230161">https://www.utc.wa.gov/casedocket/2023/230161</a>.

### WORKSHOP

The Commission will convene a fourth virtual workshop on November 8, 2023, from 1 p.m. to 5 p.m., to discuss priority issues within the Commission's purview. An agenda for the fourth workshop will be posted in the docket on Monday, October 23rd. Expected agenda topics include risk sharing mechanisms and incorporating the cost of carbon in dispatch costs.

Interested persons may join the meeting via Zoom by calling (253) 215-8782 and using Meeting ID: 814 3447 0705# and Passcode: 760695#. To participate in the meeting using Zoom on a computer or mobile device, <u>click here to join</u>.

<sup>&</sup>lt;sup>3</sup> RCW 70A.65.130 (1)(a).

<sup>&</sup>lt;sup>4</sup> RCW 70A.65.120(3).

<sup>&</sup>lt;sup>5</sup> See Orders 01, filed January 24, 2023, and Order 02, filed July 27, 2023, in Docket UE-220770 and UE-220797. See Order 01 filed January 24, 2023, in Docket UE-220789.

DOCKET U-230161 PAGE 3

If you wish to be placed on the interested parties contact list, please submit your request to the Commission's Records Center at records@utc.wa.gov.

If you wish to participate and need an interpreter, one will be provided at no cost to you. If you need an interpreter, please contact the Commission at least one business day prior to the meeting by calling (360) 664-1140 or by sending an email to <a href="mailto:paige.doyle@utc.wa.gov">paige.doyle@utc.wa.gov</a>.

The Commission is committed to providing reasonable accommodations to participants with disabilities. If you need a reasonable accommodation for the workshop, please contact the Commission at least one business day prior to the workshop by calling (360) 664-1132 or by sending an email to <a href="mailto:human\_resources@utc.wa.gov">human\_resources@utc.wa.gov</a>. For TTY service, please call the Washington Relay Service at 1-800-833 6384 or 711.

If you have any questions regarding this docket, you may contact Charlie Inman, Energy Policy Advisor, by email at <a href="mailto:charlie.inman@utc.wa.gov">charlie.inman@utc.wa.gov</a>.

#### UPCOMING OPPORTUNITY FOR COMMENT

An agenda for the workshop, including a set of questions for written comment and discussion, will be made available on October 23, 2023. Written comments submitted by November 3, 2023, will be incorporated into the presentation for discussion. Comments that are submitted later will also be considered but may not be included in the presentation.

KATHY HUNTER
Acting Executive Director and Secretary