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Supplemental Comments on **Docket UE-161024**

December 16th, 2016

Dear Commissioners:

I have a simple suggestion for improving the IRP process – require one scenario where utilities model compliance with state law regarding greenhouse gas emissions.

The Washington legislature passed 70.235 RCW saying:

The State shall limit emissions of greenhouse gases to achieve the following reductions for Washington State:

- By 2020, reduce overall emissions of greenhouse gases in the State to 1990 levels;
- By 2035, reduce overall emissions of greenhouse gases in the State to 25 percent below 1990 levels;
- By 2050, the state will do its part to reach global climate stabilization levels by reducing overall emissions to 50 percent below 1990 levels, or 70 percent below the State's expected emissions that year.

That has no spelled out enforcement mechanisms or plan to get there. It doesn't specify whether we should switch to a carbon-free electric grid while simultaneously shifting our transportation fuel from gasoline to electricity. This must be a cornerstone of any state GHG reduction plan. The above law also overlooks whether we should replace natural gas furnaces with electric heating. It doesn't recognize larger-than-expected lifecycle emissions from natural gas, nor does it acknowledge significant natural gas infrastructure investments may become stranded assets. It doesn't address whether we should leave fossil fuels in the ground.

A sufficiently empowered Utilities & Transportation Commission would fill this enforcement void by working with Ecology and the Department of Transportation to plan to achieve these milestones laid out in state law. I would expect planning to comply with existing state law is a necessary role of any regulator in state government.

However, a more short-term focused UTC could still move the ball down the field in a simple way. The UTC should require all regulated utilities to model the cost of complying with this

state law, adopting proportional reduction amounts for each utility based on how much of the state's emissions they constitute.

I know the Commission does not consider itself an environmental regulator, and views itself primarily as an economic regulator. Well, what if the Governor, Ecology, or a taxpaying citizen wanted to know how much it costs to comply with the existing state law? Shouldn't the economic regulator have some rough idea of the answer? The State may also adopt more stringent limits in the near future, so the Commission must expect decision makers to start asking questions about the costs of compliance and the social cost of carbon we avoid.

Commission staff informed me of the existing emissions intensity profiles that utilities were required to submit this summer. The good news is due to existing coal plant retirements, many utilities may be roughly in compliance with state emission goals for 2020, and by 2025, we may be on track for compliance with 2035. Through our existing coal plant retirement agreements, much of the near-term costs of complying with state greenhouse gas reduction targets are already locked in for the utility sector. Perhaps complying with state law is not only necessary, but also not a significant expense.

A new scenario in the IRP where utilities comply with state law seems perfectly consistent with the abilities of utility staff and existing UTC procedures & requirements. Please consider this simple improvement to your existing business as usual processes.

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