

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET UE-240006

DOCKET UG-240007

EXH. SJK-18

SCOTT J. KINNEY

REPRESENTING AVISTA CORPORATION



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47600, Olympia, WA 98504-7600 • 360-407-6000

May 24, 2023

Re: Consideration of Electricity Imports and Determination of the Electricity Importer Under the Climate Commitment Act

To: Kevin Lynch, Managing Director of External Affairs, Avangrid Renewables; Kevin M. Holland, Director of Energy Supply, Avista Corporation; Rachel Dibble, Vice President of Bulk Marketing, Bonneville Power Administration; Mark J. Smith, VP of Government and Regulatory Affairs, Calpine Corporation; Dan Bedbury, Director of Energy Resources, Clark Public Utilities; Heidi Hawkins, Senior Manager, State Regulatory and Legislative Affairs, West Constellation; Megan Capper, Energy Resources Manager, Eugene Water and Electric Board; Ali Yazdi, Morgan Stanley Capital Group Inc.; Spencer Grey, Executive Director, Northwest and Intermountain Power Producers Coalition; Tashiana Wangler, Rates and Policies Director, Northwest Requirements Utilities; Michael Wilding, Vice President, Energy Supply Management, PacifiCorp; Sunny Radcliffe, Director of Government Affairs and Environmental Policy, Portland General Electric; Frank Durnford, Director of Market Policy and Industry Relations, Powerex Corporation; Alex Swerzbin, Director of Transmission and Markets, PNGC Power; Mary Wiencke, Executive Director, Public Generating Pool; Shawn Smith, Managing Director of Energy Resources, Public Utility District #1 of Chelan County; Chris Velat, Director of Power Management, Public Utility District #1 of Cowlitz County; Rich Flanigan, Senior Manager, Wholesale Marketing and Supply, Public Utility District of Grant County; Jason Kuzma, Assistant General Counsel, Puget Sound Energy, Inc.; Siobhan Doherty, Director, Power Management, Seattle City Light; Marcie Milner, Vice President, Regulatory Affairs, Shell Energy North America; Jason Zyskowski, Assistant General Manager, Generation, Power, Rates, and Transmission Management, Snohomish County Public Utility District; Lisa Rennie, Senior Policy and Regulatory Advisor, Tacoma Power; Michael Taylor, Vice President and Head Trader, TransAlta Energy Marketing; and Clare Breidenich, Director, Carbon and Clean Energy Committee, Western Power Trading Forum

Dear Electric Power Entities and Stakeholders;

Thank you for the white paper, *Consideration of Electricity Imports and Determination of the Electricity Importer Under the Climate Commitment Act*, dated March 1, 2023, that you provided to the Department of Ecology. Ecology appreciates your efforts to develop the white paper and share it with other stakeholders and Ecology. In the white paper, you set forth a common understanding and set of proposals concerning the identification of electricity importers under the Climate Commitment Act (CCA).



After receiving your white paper, staff from the CCA Implementation Group met with representatives of some of your organizations. On April 24, 2023, we conducted a public listening session to provide an opportunity for interested parties to give input on your white paper. Almost 300 individuals registered to participate in that listening session and had the opportunity to provide oral comments and/or ask questions. Over the following week, until May 1, 2023, we provided an opportunity for interested parties to submit written comments on the white paper. We reviewed all written comments received, as well as any oral comments made during the listening session. The majority of comments were in support of the white paper's approach with the particular exception of comments made by Kaiser Aluminum, an Emissions-Intensive Trade-Exposed (EITE) facility that is located in the multistate Avista Balancing Authority Area and that purchases electricity directly from a supplier other than Avista.

Ecology affirms that the scenarios identified in the white paper represent electricity imports that should be reported under the Climate Commitment Act (CCA) and believes that the approach for identifying the appropriate electricity importer as set forth in the white paper is reasonable. As a result, Ecology will accept emissions reports that rely on the proposals set forth in the white paper. Ecology will also make the white paper available for third-party verifiers to utilize. However, Ecology does not believe the proposed approach set forth in the white paper should apply to electricity imported by a supplier other than Avista, for an EITE facility that is located in the multistate Avista Balancing Authority Area, at this time.

Ecology will not be issuing formal guidance at this time. In the future, Ecology may consider issuing guidance or taking other action regarding the identification of electricity importers.

Sincerely,



Luke Martland
Climate Commitment Act Implementation Manager
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