

Clean Energy Transformation Act

OVERVIEW

Glenn Blackmon, PhD

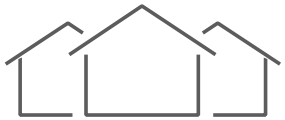
MANAGER, ENERGY POLICY OFFICE

JUNE 10, 2020

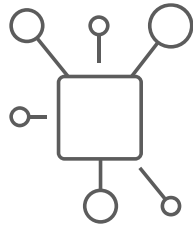


Washington State
Department of
Commerce

We strengthen communities



**HOUSING
HOMELESSNESS**



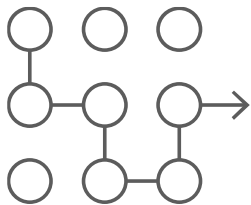
INFRASTRUCTURE



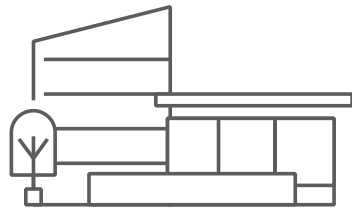
**BUSINESS
ASSISTANCE**



ENERGY



PLANNING



COMMUNITY FACILITIES



**CRIME VICTIMS &
PUBLIC SAFETY**



**COMMUNITY
SERVICES**

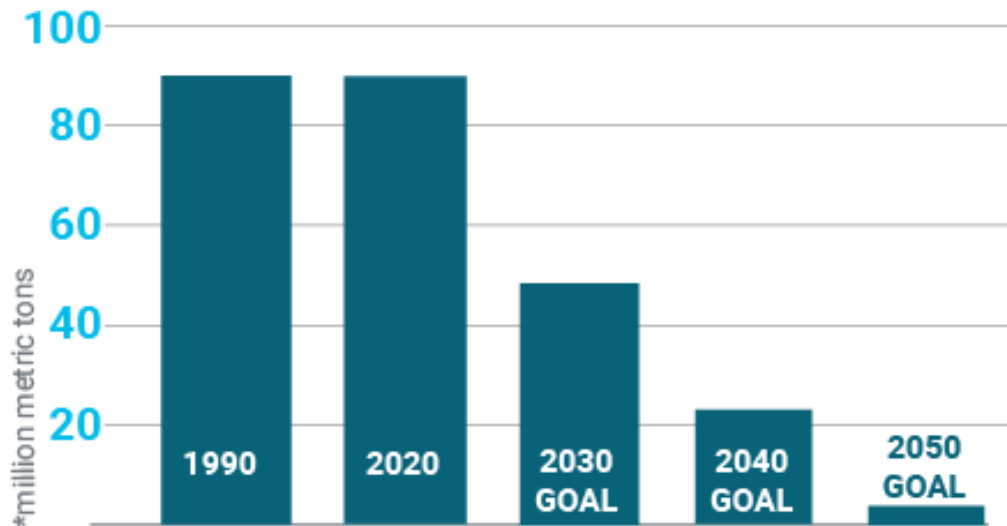
Washington's 100% Clean Electricity Law

- Clean
- Affordable
- Reliable
- Equitable

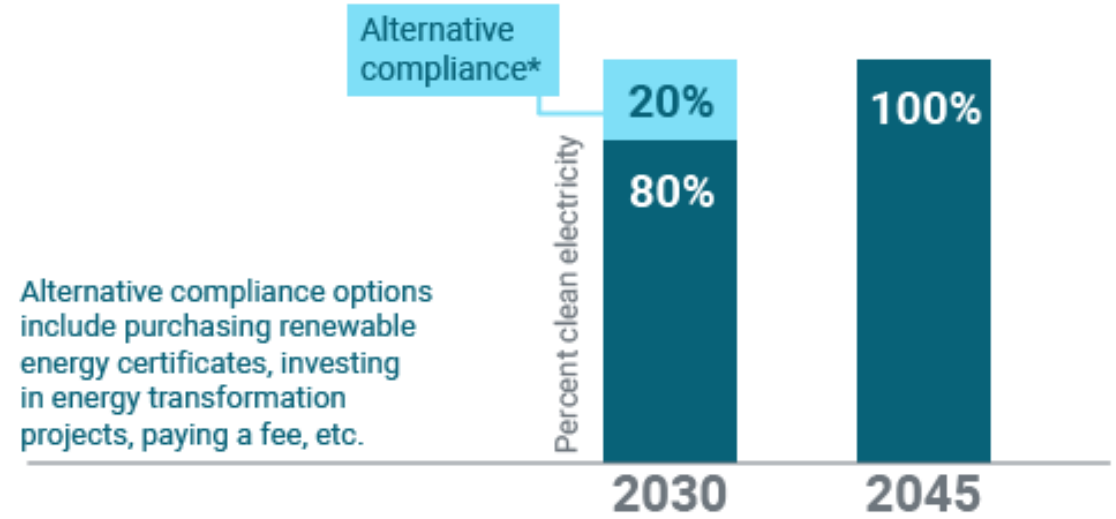


Clean electricity is key to climate goals

Washington Greenhouse Gas Emissions



Washington Clean Energy Transformation Act



An equitable and affordable transformation

- Utilities will:
 - Provide energy assistance to low-income customers
 - Assess energy burden and adequacy of energy assistance programs
 - Consider non-energy impacts in resource decisions
 - Assess impacts on vulnerable populations and highly impacted communities
- Standards incorporate equitable distribution goals
- CETA includes a cost impact safeguard

Enhanced emphasis on resource adequacy

- Utilities must adopt a specific resource adequacy standard and apply it in resource planning
- Allows temporary suspension to protect reliability
- Regular assessment by Commerce of reliability and resource adequacy
 - Begins in 2023
 - Includes consultation with experts and stakeholders

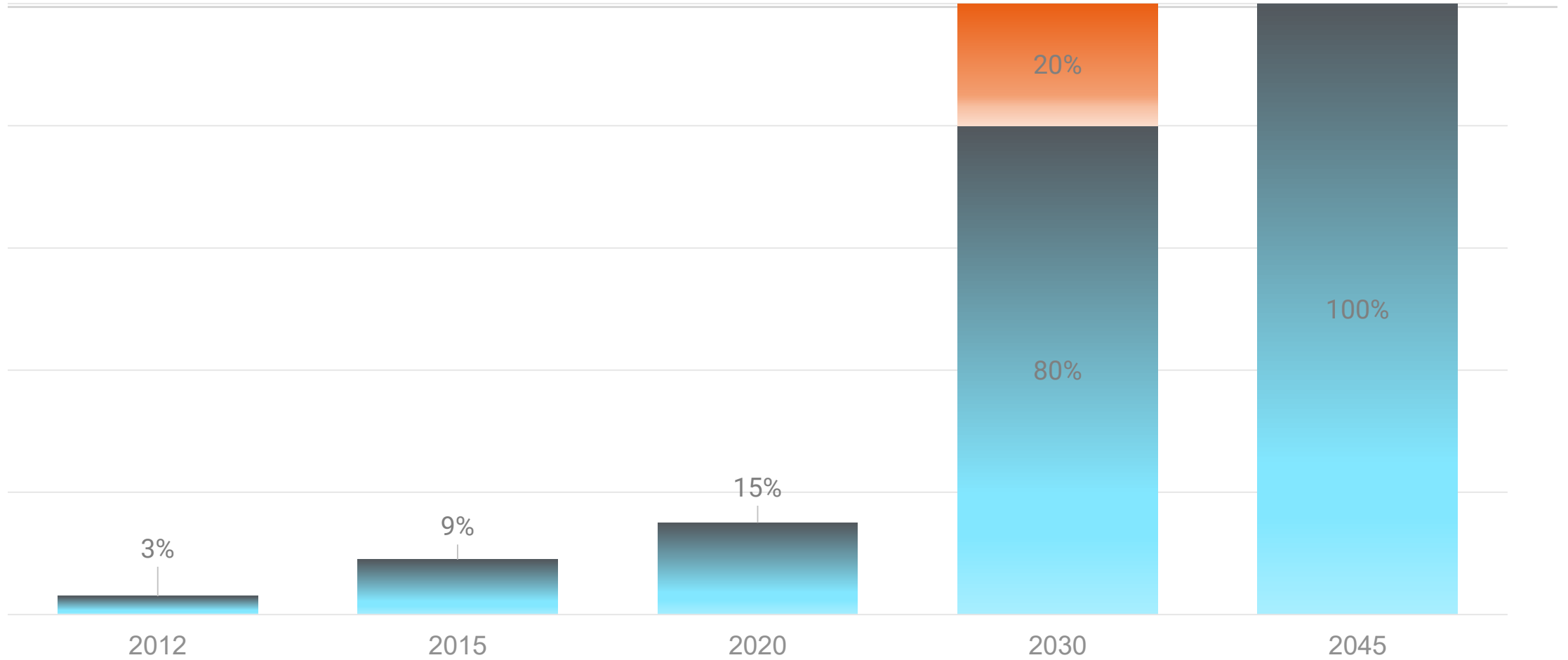
CETA's three clean energy standards

- 2025: Eliminate coal from retail portfolios
- 2030: Greenhouse gas neutral standard
 - Use electricity from renewable or non-emitting sources in an amount equal to 80% of retail WA load
 - Alternative compliance options for up to 20%
- 2045: 100% renewable or non-emitting retail electricity supply

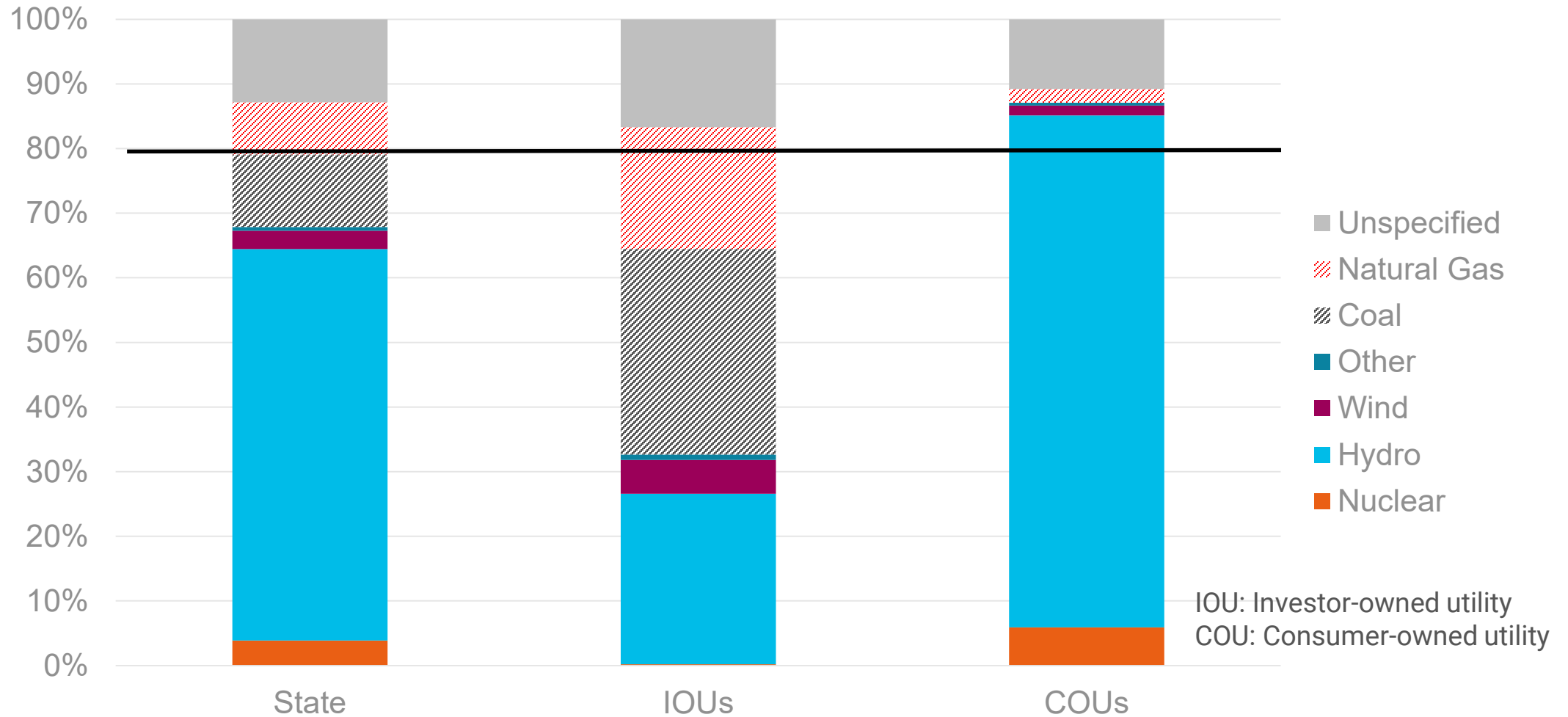


Energy Independence Act
(2006)

Clean Energy Transformation
Act (2019)



WA utilities' existing resource mix



Design elements of CETA

- Consumption-based
 - Applies to electricity consumed by WA retail customers
 - Uses renewable energy certificates (RECs) to track and verify renewable resources
- Treats unspecified power same as fossil-fuel power
- 2030 GHG Neutral Standard:
 - Allows banking within four-year compliance periods
 - Provides alternative compliance options
 - Counts EIA compliance resources toward CETA compliance
- Requires Clean Energy Implementation plan every 4 years
 - Linked to utility integrated resource plans
 - Targets track progress toward standards

More details

- **Alternative compliance options**
 - Per-MWh payments to state weatherization program
 - Unbundled RECs
 - Credit for additional emissions reductions in other sectors
 - Electricity from Spokane waste incinerator (if it's GHG neutral)
- **Resource eligibility**
 - All existing hydro – no incremental requirement
 - No geographic restrictions
 - EIA renewable list plus renewable hydrogen
 - Thermal energy co-produced with biomass-fired generation
 - Non-emitting (nuclear)

CETA implementation

- Commerce and UTC in parallel rulemaking processes
 - commerce.wa.gov/CETA
 - utc.wa.gov/cleanenergy
- Ecology developing rules on energy transformation project protocols and emissions reporting methodology
 - ecology.wa.gov/Regulations-Permits/Laws-rules-rulemaking/Rulemaking/WAC-173-444
- Health developing rule on cumulative impact assessments
 - www.doh.wa.gov/CETA/CIA

Key dates

Dec 2020	Agencies complete initial rules
Jan 2022	Utilities submit 1 st clean energy implementation plans (2022-2025)
Jun 2022	Agency rules on market transactions and double-counting
Dec 2025	Deadline to remove coal from portfolios
Jan 2026	2 nd CEIP submitted (2026-2029)
2030	GHG Neutral standard takes effect
2045	100% Clean Electricity standard takes effect



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Thank you!

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