

# STATE OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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# NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS ON DECARBONIZATION PATHWAYS (By 5 p.m., Monday, January 16, 2023)

Re: Relating to Decarbonization Pathways, Docket U-210553

#### TO ALL INTERESTED PERSONS:

In the 2021-23 Omnibus Operating Appropriations Act, the Washington Utilities and Transportation Commission (Commission) received funding to "examine feasible and practical pathways for investor-owned electric and natural gas utilities to contribute their share to greenhouse gas emissions reductions as described in RCW 70A.45.020 [state law]." As part of its examination, the Commission is directed to identify and consider the impacts of energy decarbonization on residential and commercial customers and electric and natural gas utilities. The results of the examination must be reported to the appropriate legislative committees by June 1, 2023.

The Commission has a contract with Sustainability Solutions Group (SSG) to model scenarios for reducing emissions from the electric and natural gas sectors and to support public engagement throughout the project. The Engagement Plan for this project is available on the Commission's website in Docket U-210553 and on the Energy Decarbonization project webpage.

#### **BACKGROUND**

A decarbonization "pathway" is a set of actions to reduce greenhouse gas emissions and a schedule for implementing those actions. It includes information on the costs and benefits of those actions, such as how much they will help Washingtonians save on energy costs.

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Each decarbonization pathway identified in this project will offer a set of options for investorowned electric and natural gas utilities to decarbonize. This study will not select or recommend specific actions but will provide options for consideration by the Washington State Legislature.

The Commission has directed SSG to develop potential decarbonization pathways by combining technical analysis with input from the public. The final actions in the decarbonization pathways will be informed by concerns, opportunities, and challenges identified by the public.

As SSG develops pathways, it has identified certain assumptions necessary for decarbonization.

### Assumptions

First, SSG assumes that energy efficiency is critical. If people in Washington reduce how much energy they use, there will be less pressure on the electrical grid and less need for fuels like clean hydrogen and renewable natural gas. Washington also will not have to build as much infrastructure to supply additional clean energy to meet energy demands as the population grows.

Second, moving to energy sources that release no or minimal greenhouse gasses into the air will be critical to reaching the state's climate goals. These sources may include solar energy, wind energy, hydro energy, renewable natural gas, hydrogen produced with renewable energy sources, and more. Most decarbonization plans include a significant shift towards electricity produced with renewable sources like solar, wind, and hydro.

The Commission requests comments from interested persons on these assumptions, as well as how these assumptions may inform decarbonization pathways.

SSG also expects that the following common actions will be included in decarbonization pathways developed for this project:

- Retrofitting buildings to make them more energy efficient.
- Improving the energy efficiency of industrial facilities.
- Reducing trips in personal cars in Washington's cities while increasing trips taken by public transit, cycling, and walking.
- Focusing on higher-density development, rather than spreading out buildings, so less energy is required to transfer energy from place to place.
- Setting higher standards for energy efficiency in new buildings.

We anticipate that SSG will develop two pathways for decarbonization: electrification and alternative fuels. The pathways developed will differ in terms of how much of the demand for energy is met by electricity compared with alternative fuels like green hydrogen or renewable natural gas.

# An example set of actions for an electrification pathway:

The following list describes potential electrification actions for an electrification pathway.

- Rapidly electrify all heating systems in existing buildings.
- Electrify new appliances in existing residential and commercial buildings.
- Ensure the majority of new vehicles purchased by businesses, i.e., fleets, are electric.

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- Electrify the majority of industrial processes.
- Add solar panels and energy storage to buildings to supply them with energy.
- Import renewable electricity.
- Increase the capacity of utilities to store renewable energy.

# An example set of actions for an alternative fuels pathway:

The following list includes actions that make use of alternative fuels to decarbonize:

- Incorporate dual electric and natural gas heat pumps into all existing buildings to reduce energy required for heating and cooling.
- Produce renewable natural gas to replace natural gas in the energy system.
- Produce clean hydrogen to replace natural gas in the energy system.
- Deploy hydrogen fuel cells to power homes.
- Use clean hydrogen and renewable natural gas (compressed) to power commercial vehicles.
- Use clean hydrogen and renewable natural gas to power most industrial processes.

#### **OUESTIONS FOR CONSIDERATION**

The Commission seeks comments on these pathways for consideration. General comments on other potential pathways are also welcome. In addition, the Commission seeks responses to the following questions:

# 1. Electrification Pathways:

- a. Are there any electrification actions not listed that should be considered?
- b. Are there any concerns with the electrification actions listed above?

## 2. Alternative Fuel Pathways:

- a. Are there any alternative fuel actions not listed that should be considered?
- b. Are there any concerns with the alternative fuel actions listed above?

#### 3. Equity Considerations:

- a. How do you think the actions described above could affect you and others in your community?
- b. How should equity be considered with these pathways?

# WRITTEN COMMENTS

Interested persons may submit written comments no later than 5 p.m., Monday January 16, 2023.

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Please provide written comments in electronic form, preferably in searchable .pdf format (Adobe Acrobat or comparable software). Comments may be submitted via the Commission's web portal at <a href="www.utc.wa.gov/e-filing">www.utc.wa.gov/e-filing</a>. If you are unable to submit documents via the portal, you may submit your comments by email to the Commission's Records Center at <a href="mailto:records@utc.wa.gov">records@utc.wa.gov</a>. Comment submissions should include:

- The docket number of this proceeding (Docket UE-210553).
- The commenting party's name.
- The title and date of the comment or comments.

The Commission will post on its web site all comments that are provided in electronic format. The website is located at https://www.utc.wa.gov/casedocket/2021/210553/docsets.

If you are unable to file your comments electronically, the Commission will accept a paper document via mail.

Further information on the energy decarbonization pathways project is available on the Commission's website, here. If you have any questions, please contact Administrative Law Judge Samantha Doyle at (360) 742-4451, or by email at Samantha.doyle@utc.wa.gov.

AMANDA MAXWELL Executive Director and Secretary

<sup>&</sup>lt;sup>1</sup> The complete URL is https://www.utc.wa.gov/regulated-industries/utilities/energy/natural-gasdecarbonization.