



September 25, 2020

Lauren McCloy, Office of Governor Jay Inslee
Chair Dave Danner, Utilities and Transportation Commission
Commissioner Ann Rendahl, Utilities and Transportation Commission
Commissioner Jay Balasbas, Utilities and Transportation Commission
Glenn Blackmon, Department of Commerce

Re: Recommendations for the regulatory approach to interpreting “use” of renewable resources and nonemitting electric generation for Clean Energy Transformation Act compliance (UE-191023)

Dear All:

The joint signatories to this letter are writing to offer a modified approach to demonstrate the “use” of renewable resources and nonemitting electric generation for Clean Energy Transformation Act (CETA) compliance. Since submitting our joint recommendation on July 31, we have continued to engage in discussions to determine if there is a solution that aligns with the intent and letter of the law, achieves our priorities, and is also supported by a broader stakeholder community. We believe the rules we are proposing in Appendix A to this letter is a solution that accomplishes that goal.

We believe the benefits of our recommended rule include the following:

- Supports the goal of CETA to transform Washington’s energy supply;
- Enables utilities to fully participate in, and benefit from, electricity markets that will enable further transformation of the energy supply;
- Creates a nexus between resources acquired by utilities and Washington customers’ energy supply without adopting a “delivery to load” approach;
- Provides an auditable approach to assure no double counting of clean energy resources and
- Offers a lowest reasonable cost approach for Washington customers, enabling earlier and more investments in clean energy resources.

As we expressed in our July 31 joint letter, we hope that this recommendation will form the basis for a rule that can be implemented by the end of 2020. Implementing this approach in this timeframe will provide utilities with a firm foundation on which to build their planning processes for meeting the 2030 Greenhouse Gas Neutral Standard. We welcome the opportunity to engage with the Utilities and Transportation Commission and Department of

Commerce, with the goal of including this recommendation in the agencies' proposed rules planned for release in October.

We appreciate your consideration and look forward to continuing the conversation. Please feel free to contact us if you have any questions.

Sincerely,

/s/Therese Hampton

Therese Hampton
Executive Director
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/s/Shawn Bonfield

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Encl: Appendix A, Proposed Rule Language