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January 17, 2023

Amanda Maxwell
Executive Director
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: Notice of Opportunity to File Written Comments on Decarbonization Pathways

Dear Ms. Maxwell:

Thank you for the opportunity to provide written comments on the assumptions and scenarios informing the decarbonization pathways study that the Utilities and Transportation Commission (“UTC”) has contracted from Sustainability Solutions Group (“SSG”). The NW Energy Coalition is a public interest organization working for a clean, equitable, affordable, and reliable energy future for all in the Pacific Northwest; we provide some general comments into the docket below, as well as some specific responses to the solicitation.

General Comments

Engagement in Docket

We note that this is the first solicitation to submit written comments into this docket since September 2021, when stakeholders were invited to comment on the draft RFP for the selection of the vendor to conduct this study. Engagement with the Decarbonization Advisory Group (“DAG”) and with the public has been in three relatively brief meetings to each group, and through various Miro board interactions.¹ While these verbal and more interactive engagements can be one input into the process, we recommend more written engagement into this docket – as noted in the SSG Engagement Plan, formal written comment is important to some stakeholders.² Written comments can help ensure stakeholders are responding to the needed questions and also provide more transparency into the process, particularly for those not able to make these meetings. For example, coming into a Miro board without context, a stakeholder is unlikely to understand what feedback is being requested. Past Miro board links should also be available for viewing on the UTC website.

The Engagement Plan also noted an “Equity Focus Group”, with a targeted date of September 2022 for this engagement. An update on findings from this group’s engagement would be useful, or whether the UTC and SSG would like assistance promoting this focus group so that these perspectives can be adequately incorporated into the study.

¹ E.g., <https://miro.com/app/board/uXjVP5bRvXw=/>

² <https://www.utc.wa.gov/sites/default/files/2022-06/Decarbonization%20Pathways%20Engagement%20Plan%20June%202022.pdf>, page 50

Finally, as a member of the DAG, we want to be able to provide timely and informed input during these meetings and in dialogue with other DAG members. We request that SSG provide meeting presentations and other materials more than a day in advance and preferably a week in advance.

Data and Assumptions Report

During the DAG meeting on January 4, 2023, SSG noted the relatively new Data and Assumptions Report posted on the UTC website.³ Based on DAG discussions, we suggest that the UTC hold a separate meeting in the next few weeks for all those interested to walk through this report in some detail and provide an opportunity for questions and dialogue.

Issue Briefs

In reviewing the Decarbonization Pathways website to prepare these comments, we noticed that there are some issue briefs posted in the Resources section. We think that these are helpful resources for those newer to these topics, though we would note a few edits before they are more widely promoted:

Issue Brief #2: Climate Legislation in Washington

- The Clean Buildings Act (HB 1257, 2019) is referenced under the heading of new buildings; however, this law is more about the energy use of *existing* buildings and setting energy performance standards for these existing buildings to meet.

Issue Brief #4: Washington's Energy System

- While this is a helpful overview of Washington's energy system, the "Electricity Generation, Consumption and Transmission" section should not only discuss generation within Washington and the excess that may be exported, but also the generation that comes into Washington (e.g., coal-fired generation from the Montana-based Colstrip Power Plant). Since coal-fired power will be out of rates by 2025, and other market forces are moving to take coal out of generation supplying the state, we do not think this fundamentally impacts the study in this docket, but it is important information for anyone coming new into this topic.

Decarbonization Pathways

If we understand the scope of this study correctly, SSG is developing different pathways to provide to the UTC, which will in turn provide these to the legislature. Developing an electrification pathway (or scenario) and an alternative fuels pathway, while interesting as a modeling exercise, does not provide sufficient information to stakeholders or the legislature to inform good policy decisions. A hybrid pathway has been identified as a part of stakeholder discussions, which we think is a good first step, but as we discuss below, more information is needed to provide real input into this process.

We also recommend that this study include regulatory actions within the UTC's purview that are needed to meet our decarbonization targets (e.g., integrated IRP planning, removal of gas line extension allowances for all utilities, assessment of federal investments as a part of utility planning processes).

As the Notice for Written Comments only provides example actions, we instead refer to the Appendix in the slide presentation provided to the DAG on January 4, starting on Slide 65, for our comments.

³ <https://www.utc.wa.gov/sites/default/files/2022-11/Washington%20Data%20Methods%20and%20Assumptions%20Report.pdf>

Common Actions – Both Scenarios

These actions highlighted are generally out of the scope of our expertise (e.g., increased density, increased cycling), but at a high-level, they seem necessary to reduce energy demand economy-wide to help make decarbonization even more cost-effective. We are curious if these actions will be highlighted as needed and necessary to the legislature to move forward as policies, or if they will be provided solely for information (i.e., we assume these things to be true).

Electrification – Demand Side Actions

1. We question the assumption regarding commercial heat pump water heaters only being 50% of sales by 2040 – why would it not be 95% as other measures?
2. “Electrification of some industrial processes” - without more information on which processes, this action is challenging to comment on.
3. 100% of medium- and heavy-duty vehicle sales should be assumed to be zero-emission by 2040 per the Advanced Clean Fleets regulation.

Alternative Fuel – Demand Side Actions

4. The heat pump assumptions don’t break down what percentage would be electric versus gas heat pump. Gas heat pumps are still relatively new technology, so we would not expect them to make up a significant portion of the sales by 2040, even with very rosy projections.
5. Alternative fuels like hydrogen and RNG are likely to be limited in scope, and their use in non-industrial processes seems unlikely.
6. We’re not sure the implication of assuming in-state versus out-of-state production of alternative fuels generation.
7. We would like to see the assumptions underlying that 15% hydrogen can be injected into the gas grid by 2035.

Hybrid – Demand Side Actions

We share the same questions or comments above in #1, #2, #3, #6, and #7.

Overall, more specificity on what action is being considered and the assumptions underlying it, including costs, would help stakeholders understand the specific pathway and/or scenario being developed or proposed.

Regarding equity, we point to the equity mandate under CETA as a guidepost. Low-income customers and overburdened communities should not bear the burden of decarbonization but instead see the direct benefits, and actions considered should have that lens.

Thank you for considering our comments, and we look forward to participating in the next meeting.

Best,

Amy Wheelless
Senior Policy Associate
NW Energy Coalition