

10/25/2021

Ms. Amanda Maxwell  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

RE: UTC Docket UG-210729

Dear Ms. Maxwell,

The City of Seattle would like to thank the Utilities and Transportation Commission (UTC) and Chair Dave Danner for the opportunity to comment on consideration of whether to use the Perpetual Net Present Value (PNPV) methodology to calculate natural gas line extension allowances.

The City of Seattle believes the discussion of this issue is timely, considering the changes to state and local climate policies adopted since the PNVP was first adopted by the UTC. Our city has aggressive climate goals, including a goal to be carbon neutral by 2050. In Seattle, 37% of carbon emissions are from the building sector and emissions are rising. Between 2016 and 2018, we saw an 8.3% increase in building emissions due to an increase in natural gas use<sup>1</sup>. Seattle's most recent Citywide greenhouse gas inventory indicates that we need to be reducing emissions faster than current progress and achieving the elimination of greenhouse gas emissions will only be possible by intentionally moving our buildings and transportation systems away from using fossil fuels.

Achieving our climate goal is a critical but challenging task. To that end, the City has employed local policies that will reduce greenhouse gas emissions and fossil fuel use, including:

- City of Seattle Green New Deal Resolution<sup>2</sup>: "The City envisions a future where Seattle residents can live healthy, prosperous lives, **free of toxic chemicals and fossil fuels**, and the social and ecological well-being of all people is prioritized over the profit of private corporations." One of the goals of Seattle's Green New Deal is to make Seattle free of climate pollutants, and to **support the transition from the use of natural gas to electricity**. The City's Jump Start Payroll Tax which will be collected starting January 1, 2022, will support this transition by earmarking revenue investments to switch homes from gas to electric space and water heating.
- An Executive Order<sup>3</sup> signed by Mayor Durkan that requires all new and substantially altered municipal buildings to **operate without fossil fuels** and directs City departments to develop a municipal building electrification strategy that outlines investments for converting existing buildings from fossil fuels to electricity.
- City of Seattle 2019 Commercial Energy Code **limits the use of natural gas** in newly constructed, and substantially altered, commercial and multifamily buildings. The code also requires most existing gas heating and hot water equipment, at the end of its useful life, to be replaced by efficient electric heat pump equipment.
- A Heating Oil Tax placed on heating oil providers with revenues to pay for **oil to electric heat pump conversions** for low-income households and rebates for middle-income households.

Washington state is also leading with bold climate policies that reduce greenhouse gas emissions and the use of fossil fuels, including the Clean Energy Transformation Act, Climate Commitment Act, Washington state's statutory limit on greenhouse gas emissions, and the Clean Buildings Act, to name a few. The goal of limiting fossil fuels is also reinforced

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<sup>1</sup> [Understanding Our Emissions - Environment | seattle.gov](#)

<sup>2</sup> [Legislation Text - Res 31895 \(legistar.com\)](#)

<sup>3</sup> [Final-Executive-Order-2020-01-Advancing-a-Green-New-Deal-for-Seattle .pdf](#)

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in the Washington State 2021 Energy Strategy<sup>4</sup> which explicitly recommends key actions in meeting the state's greenhouse gas emission limits through developing and implementing a planned transition of natural gas end uses to alternative energy forms that do not result in greenhouse gas emissions.

The current gas line extension allowance policy is incompatible with local and state climate policies that are intended to significantly reduce natural gas use. We therefore encourage the UTC to consider the true costs of the expansion of fossil fuels, including the social costs of greenhouse gas emissions and whether benefits would still accrue for ratepayers, including households with lower incomes and vulnerable communities. We also ask that the UTC consider how the gas extension allowance policy can better achieve parity with consumer-owned electric utilities whose customers currently pay the full construction costs of new electric service, with no allowance.

Thank you again for engaging in discussion on this important issue. If you would like additional detail about our comments or have questions, please contact Christine Bunch, Climate and Energy Advisor at 206-615-1633 or [christine.bunch@seattle.gov](mailto:christine.bunch@seattle.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Michelle Caulfield".

Michelle Caulfield  
Interim Director, Office of Sustainability and Environment

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<sup>4</sup> [Key-Actions-2021-State-Energy-Strategy.pdf \(wa.gov\)](#)