

STATE OF WASHINGTON

### UTILITIES AND TRANSPORTATION COMMISSION

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April 10, 2023

# NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS ON CCA WORK PLAN AND FUTURE CCA WORKSHOPS

(By 5 p.m. on Wednesday, May 10, 2023)

RE: Relating to the Commission-led workshop series on the Climate Commitment Act, Docket U-230161

## TO ALL INTERESTED PERSONS:

The Climate Commitment Act (CCA), Senate Bill 5216, enacted in 2021, establishes a cap-andinvest program to reduce carbon emissions. The CCA requires Washington to reduce carbon emissions by 95% below 1990 levels by 2050 and to invest proceeds from a cap-and-trade program in projects that, among other objectives, promote equity, under guidance of the environmental justice council.<sup>1</sup>

### **Key Targets for Emissions Reductions**

**2030** 45% below 1990 levels **2040** 70% below 1990 levels **2050** 95% below 1990 levels

Under the CCA, most facilities that emit more than 25,000 metric tons of carbon emissions a year are required to obtain emission allowances.<sup>2</sup> The CCA allows electric investor-owned utilities (IOUs) subject to the Clean Energy Transformation Act (CETA) to receive no-cost allowances to mitigate the cost burden of the cap-and-invest program on electric customers. Natural Gas IOUs also receive no-cost allowances and must sell an increasing share of their no-

<sup>&</sup>lt;sup>1</sup> RCW 70A.45.020 and *See generally*, WAC 173-446.

<sup>&</sup>lt;sup>2</sup> See, e.g., WAC 173-446-030.

cost allowances to auction for the benefit of ratepayers. The no-cost allowances provided to Natural Gas IOUs to cover their emissions will decline proportionally with the cap over time to zero after seven years.<sup>3</sup>

The legislature has required electric IOUs, subject to CETA, to submit forecasts of utilityspecific supply and demand, and the cost burden resulting from the inclusion of the covered entities in the first compliance period.<sup>4</sup> These forecasts form the basis of the Department of Ecology's allocations of no-cost allowances to these IOUs and came before a Commission Open Meeting on January 23, 2023.<sup>5</sup>

The Commission is proposing a work plan, and an associated proceeding in this Docket, in order to arrive at a holistic understanding of any potential impacts of the CCA on IOUs' cost of service and its impacts on ratepayers. At this time, the Commission is seeking public comments on its proposed work plan attached to this notice, which provides a high-level overview of future workshops. The Commission anticipates it will conduct subsequent workshops throughout the year, to conclude in late 2023. The Commission intends to gather input from commenters to inform CCA discussions for future workshops.

Questions:

- 1. Do you have any thoughts, concerns, or suggestions on the proposed work plan?
- 2. What are the most important issues for the Commission to address during this proceeding?
- 3. Do you have any other comments you would like to offer on the implications of the CCA for IOUs and ratepayers?

# WRITTEN COMMENTS

The Commission provides notice that interested persons may file comments in this Docket by 5 p.m. on Wednesday, May 10, 2023.

Pursuant to WAC 480-07-250(3), written comments must be submitted in electronic form, specifically in searchable .pdf format (Adobe Acrobat or comparable software). As provided in WAC 480-07-140(5), those comments must be submitted via the Commission's web portal at <u>www.utc.wa.gov/e-filing</u>. If you are unable to submit documents via the portal, you may

<sup>&</sup>lt;sup>3</sup> RCW 70A.65.130 (1)(a).

<sup>&</sup>lt;sup>4</sup> RCW 70A.65.120(3).

<sup>&</sup>lt;sup>5</sup> See Notice Requiring Petitions Requesting Approval of Forecasts Pursuant to RCW 70A.65.120, in dockets UE-220797; UE-220789; UE-220770.

submit your comments by email to the Commission's Records Center at <u>records@utc.wa.gov</u> or by mailing an electronic copy to the Commission's Records Center on a flash drive, DVD, or compact disc that includes the filed document(s). Comment submissions should include:

- The docket number of this proceeding (Docket U-230161).
- The commenting party's name.
- The title and date of the comment or comments.

The Commission will post on its website all comments that are provided in electronic format. The website is located at <u>https://www.utc.wa.gov/casedocket/2023/230161</u>.

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

If you need translated materials, please contact records@utc.wa.gov or call (360) 664-1234.

#### STAY INFORMED OF THIS PROCEEDING

Information related to this proceeding, including comments from interested persons, will be posted on the Commission's website as it becomes available. Persons filing comments in response to this Notice will receive future communications the Commission issues in this Docket. If you do not file comments but wish to receive such information you may contact the Commission's Records Center by telephone at (360) 664-1139 or by email at records@utc.wa.gov and ask to be included on the mailing list for Docket U-230161.

When contacting the Commission, please refer to Docket U-230161 to ensure that you are placed on the appropriate service list. The Commission's mailing address is:

Executive Director and Secretary Washington Utilities and Transportation Commission P.O. Box 47250 Olympia, WA 98504-7250

If you have questions regarding the workshop or opportunity to comment, you may contact Keith Quinata, Energy Policy Advisor, at (360) 701-3191, or by email at <u>keith.quinata@utc.wa.gov</u>.

AMANDA MAXWELL Executive Director and Secretary