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SENT VIA WEB PORTAL

Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
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***RE: Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act, Docket UE-191023
Comments by Washington Environmental Council***

Dear Mr. Johnson:

Thank you for issuing an initial draft rule relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act (Docket UE-191023).

Washington Environmental Council is a statewide not-for-profit environmental advocacy organization that works to protect and restore the environment for all Washingtonians. We work in collaboration and coordination with other environmental organizations, environmental justice organizations, tribal nations, labor unions, businesses and more, to effect change.

This rulemaking is a foundational part of Washington's efforts to plan for and respond to the risks and consequences of climate change for vulnerable populations and communities disproportionately impacted. The Clean Energy Transformation Act called for the Utilities and Transportation Commission to chart a new course for utilities in Washington to achieve 100% clean energy by 2045 by investing in workers and building a more equitable energy system (Findings and Intent, Section 1(1)). We appreciate that these initial draft rules set the regulatory foundation necessary to achieve the law in key aspects, and urge the UTC to continue to add to and refine the initial draft rule.

Setting Clean Energy Standards

At draft WAC 480-100-650, the UTC articulates the Clean Energy Standards: utilities must eliminate coal-fired generation, attain greenhouse gas neutrality by 2030, sell only clean electricity to customers by 2045, and do so in a way that advances equity, public health, resilience, reliability and affordability. This clear articulation translates the statute's text into a regulatory standard. We find this section is necessary and appropriate for the UTC to turn the law into practice, and ensure consistency across utilities in implementation.

However, subsequent drafts of the rules should make important additions to and refine the definitions of key terms in the Clean Energy Standards to ensure the law is met.

The Clean Energy Standards should include that utilities must pursue all cost-effective, reliable and feasible conservation and efficiency resources to reduce or manage retail load. This provision must be

carried over from the statute into the Standards to ensure investments to transform the electricity system benefit customers.

To meet the Standards, it must also be made clearer in the rule that emissions from the generation of electricity lost in transmission or distribution, and emissions generated from electricity lost in storage, must be reflected in meeting the Standards, which are ultimately to “supply one hundred percent of all sales of electricity to Washington retail electric customers by January 1, 2045” (RCW 19.405.050(1)). Giving exception to an unavoidable physical outcome in the supply of electricity contradicts the intent of the law.

The UTC should add more specificity to key definitions to ensure a consistent interpretation across utilities in practice. The term “equitable distribution” should be defined so that historical conditions that have contributed to disparities are included in determinations of what is equitable. This reflects the concept of equity, and is valid for the agency’s rulemaking purposes regardless of whether the statute defines it specifically.

The term “lowest reasonable cost” should be defined so that it is calculated to reflect the distribution of public health costs and benefits, energy and nonenergy benefits, and reductions of burdens to vulnerable populations and highly impacted communities. CETA generally requires this understanding of the distribution of effects of utility actions, so it is reasonable to include this in the determination of how to meet the Clean Energy Standards.

Utility Planning to meet the Clean Energy Standards

The initial draft rules require meaningful utility planning processes toward the Clean Energy Standards that evaluate key indicators, set consistent targets and identify specific actions towards 100% clean energy. We appreciate that the rule requires interim targets for implementation periods from 2022 through 2045.

However, subsequent drafts should add targets to meet the Clean Energy Standards that provide a way for the UTC to measure progress and ensure vulnerable populations and highly impacted communities receive environmental and non-environmental benefits in the transition. These targets are appropriate to achieve the equitable distribution of benefits necessary to meeting the Clean Energy Standard at draft WAC 480-100-650.

Utility Reporting on Targets, Indicators and Actions toward the Clean Energy Standards

Achieving the law also requires meaningful and regular reporting by utilities on targets, indicators and actions toward the Clean Energy Standards. The initial draft rule sets up a sound framework for reporting; subsequent versions of the rule should add measurable indicators for vulnerable populations and highly-impacted communities, including the indicators of health improvements, job training and resilient power. These indicators are necessary to ensure utilities, the UTC and stakeholders are able to evaluate whether progress is being made in the equitable distribution of benefits necessary to meeting the Clean Energy Standard at draft WAC 480-100-650.

Furthermore, the UTC should add to the rules that utilities must report on all targets and indicators in Biennial Clean Energy Implementation Plan updates, annual clean energy progress reports and clean energy compliance reports.

Public Engagement towards meeting the Clean Energy Standards

Reflecting the clear public interest in planning for a clean and equitable energy future, the initial draft rule sets up processes for public participation. These provisions should go further to ensure utilities engage and involve customers and stakeholders, especially from highly impacted and vulnerable

communities. Subsequent drafts of these rules should require utilities to identify barriers to engagement and contract with community-based organizations that bring expertise, trusted relationships, cultural and linguistic capacity and input.

The UTC should also require in these rules public hearings during the Clean Energy Implementation Plan approval processes and clean energy compliance plan approval processes. Furthermore, the UTC should establish on its own authority an advisory group to the Commissioners to inform compliance with the Clean Energy Standards. The customer notices of Clean Energy Implementation Plans in draft WAC 480-100-670 are also a good practice.

Compliance with and Enforcement of the Clean Energy Standards

The initial draft rule identifies how utilities will be held accountable to the law, and hews to the intent of the law in a few key aspects thus far. We appreciate that the UTC requires retirement of renewable energy credits used to meet its targets and standards, to prevent double-counting. We also appreciate that annual clean energy progress reports require reporting of electricity by type, and utilize e-tag data to ensure compliance with the coal phase out by 2026.

We appreciate that in the incremental cost methodology, the alternative lowest reasonable cost portfolio and reasonably available portfolio must include the social cost of greenhouse gases, but further detail is needed in the rule so that the calculation of the social cost of greenhouse gases includes all emissions that result from the use of a resource for electricity generation.

The rules the UTC writes now can chart the course to clean, safe, fair and resilient electricity for Washington. Working together, we can confront the challenge of addressing climate change in a way that invests in people and builds a better life for everyone in our state. Thank you for your efforts.

Sincerely,

Eleanor Bastian
Climate and Clean Energy Policy Manager