

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of)	DOCKET U-230161
)	
WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	COMMENTS OF THE ALLIANCE OF
)	WESTERN ENERGY CONSUMERS
Commission-led Workshop Series on the)	
Climate Commitment Act.)	
_____)	

I. INTRODUCTION

1 Pursuant to the Washington Utilities and Transportation Commission’s (“Commission”) April 10, 2023 Notice of Opportunity to File Written Comments on CCA Work Plan and Future CCA Workshops (“Notice”), the Alliance of Western Energy Consumers (“AWEC”) files these Comments. The Commission opened this proceeding “in order to arrive at a holistic understanding of any potential impacts of the [Climate Commitment Act] on [investor-owned utilities’] cost of service and its impacts on ratepayers.”¹ In its Notice, the Commission posed the following three questions to help commenters provide feedback: (1) Do you have any thoughts, concerns or suggestions on the proposed workplan? (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?

2 AWEC has no concerns about the structure of the Commission’s workplan, with the understanding that it may need adjustments depending on the issues and scope determined by

¹ Notice at 2.

the Commission to be appropriately addressed as part of this proceeding. More substantively, AWEC recommends that the Commission’s workplan address four issues of importance to AWEC: Emissions-Intensive, Trade-Exposed (“EITE”) transparency; use of revenues derived from the consignment of no-cost allowances allocated to natural gas IOUs; use of revenues derived from the consignment of no-cost allowances allocated to electric IOUs; and general transparency.

3 Treatment of Emissions-Intensive Trade Exposed Entities. Many of AWEC’s members are considered EITE entities, who face their own compliance obligations under the CCA and are thus allocated no-cost allowances.² Clarity and transparency for how IOUs are treating emissions associated with EITEs is necessary to ensure that EITEs are not double-paying CCA compliance costs or being otherwise allocated CCA compliance costs that do not apply to them, such as CCA administrative costs. AWEC recommends the Commission add discussion of this issue to its workplan with the intended outcome of determining filing requirements and related guidance on EITE issues.

4 Revenues from consignment of no-cost allowances for natural gas customers. RCW 70A.65.130(2)(b) requires that revenues from the auction of no-cost allowances be used first to eliminate low-income burdens, and then provides discretion for the use of remaining revenues, which can include non-volumetric rate credits to other customer classes or other mitigating measures through actions like weatherization, decarbonization, conservation,

² RCW 70A.65.120(5) provides “If an entity is identified by the department as an emissions-intensive, trade-exposed industry under RCW 70A.65.110, unless allowances have been otherwise allocated for electricity-related emissions to the entity under RCW 70A.65.110 or to a consumer-owned utility under this section, the department shall allocate allowances at no cost to the electric utility or power marketing administration that is providing electricity to the entity in an amount equal to the forecasted emissions for electricity consumption for the entity for the compliance period.”

efficiency services and bill assistance. This provision raises a number of implementation questions, including but not limited to how low-income customers will be identified and the policies related to the use of revenues beyond those dedicated to eliminating low-income burdens. There is likely to be a range of views on these issues. The workplan should include a process for Commission consideration and guidance to ensure that IOUs are using a consistent basis to identify low-income customers, and that there is a consistent policy underlying the use of additional revenues in a manner that is equitable to all customer classes that pay CCA compliance costs. These determinations should not be left to litigate in individual utility proceedings.

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Revenues from consignment of no-cost allowances for electric IOUs. RCW

70A.65.120(4) provides that “[t]he benefits of all allowances consigned to auction under this section must be used by consumer-owned and investor-owned electric utilities for the benefit of ratepayers, with the first priority the mitigation of any rate impacts to low-income customers.”

Similar to natural gas no-cost allowances, this provision leaves implementation discretion both in how low-income customers are defined and how each electric utility should return benefits derived from the auction of no-cost allowances to ratepayers while prioritizing rate mitigation for low-income customers. Again, this issue is likely one that will elicit varying perspectives.

AWEC recommends that the Commission add this issue to its work plan in order to ensure that there are consistent expectations and policies among the electric IOUs. This will allow for increased efficiency in implementation and will ensure that utilities are taking a consistent approach so that customers of different utilities do not face disparate treatment.

6 CCA Cost Recovery. AWEC also recommends that the Commission add CCA cost recovery to its workplan, including the appropriate cost recovery mechanism to recover CCA costs whether it be through a general rate case or a separate tariff rider. Consistent cost recovery treatment among utilities will ensure that customers of differing IOUs do not experience disparate rate impacts from CCA compliance costs.

7 Transparency and Filing Requirements. In addition to transparency for how IOUs are addressing EITE compliance obligations in their own forecasts and true-ups of CCA costs and auction revenues, a more general discussion around transparency is necessary around utility strategy for complying with the CCA, potential rate impacts associated with a range of compliance options, as well as the administrative costs associated with implementing the CCA. Commission guidance on information disclosure would facilitate review when utilities make filings for CCA ratemaking treatment. AWEC therefore encourages the Commission to consider adding a transparency and filing requirements discussion to its CCA workplan.

8 AWEC appreciates the opportunity to provide these comments and looks forward to continued engagement on CCA issues in this proceeding.

Dated this 10th day of May, 2023.

Respectfully submitted,
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