

Agenda Date: November 21, 2024
Item Number: A1

Docket: UE-240653
Company Name: Goldfinch Energy Storage LLC

Staff: Byron Harmon, Regulatory Analyst
Paul Barrager, Regulatory Analyst

Recommendation

Staff recommends the Commission issue a declaratory order¹:

- adopting a date certain for qualifying biodiesel,
- finding that the fraction of renewable biodiesel Goldfinch purchases from the Grays Harbor Facility qualifies as “renewable resources” for purposes of RCW 19.405.040(1) and,
- affirming that the Commission maintains its ongoing authority to determine the status of the power from each, distinct facility on a case-by-case basis.

Background

On August 30, 2024, Goldfinch Energy Storage LLC (Goldfinch or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition for a declaratory order (Petition). The Petition asks that the Commission issue an order to approve that Goldfinch’s purchases of biodiesel from the Chevron – Renewable Energy Group’s Grays Harbor Facility, or similarly situated biodiesel producing facilities, qualify as a “renewable resource” under RCW 19.405.020(33)(h) for use in electric power generation qualifying under RCW 19.405.040(1).

Goldfinch is currently developing three power plants in Washington for the purpose of making electricity from renewable biodiesel resources to follow the Clean Energy Transformation Act (CETA). Goldfinch notes that their ability to do these projects hinges on buyers being certain that the biodiesel that Goldfinch plans to use follows RCW 19.405.020(33)(h).²

Commission staff (Staff) filed a response to the petition on October 18, 2024. The response is included as Attachment 1 to this memo.

Discussion

Staff has reviewed Goldfinch’s request for a date certain for qualifying biodiesel as a “Renewable Resource” under CETA. CETA is unclear which lands cleared from old growth are and are not eligible to grow CETA-compliant biodiesel crops. Providing a “date certain” would provide a way for companies to know which lands can and cannot

¹ See UE-240653 OM Attachment 1, Staff Response filed in docket on 10/18/2024.

² Petition paragraph 3, page 2.

be used to grow CETA-compliant biodiesel crops. Staff agrees with the reasons provided by the Company supporting this request.

Staff has reviewed Goldfinch's request for a finding that its biodiesel purchases from the Grays Harbor facility are renewable biodiesel derived from land that has not been forested in recent years, thereby qualifying as "renewable resources" for the purposes of CETA. Staff consulted with Commerce Staff and agreed that the risk to old growth forests from Grays Harbor facility's supply chains are likely near-zero.

Staff does have some reservations and asks that the Commission keep a close eye on further developments with biodiesel fuels and stresses that this order should be considered non-precedential, and that further biodiesel fuel use should be considered on a case-by-case basis. Staff explicitly did not include the "similarly situated biodiesel producing facilities" language requested by Goldfinch in Staff's recommendation.

Conclusion

Commission Staff recommends the Commission issue an order declaring a date certain for which crops lands that were previously old growth are acceptable as feedstock for CETA-compliant biodiesel. The Commission's order should further declare that the fraction of renewable biodiesel Goldfinch purchases from the Grays Harbor Facility is from the portion of renewable biodiesel derived from crops grown on those portions of the North American land that have not been forested in recent years, thereby qualifying as "renewable resources" for purposes of RCW 19.405.040(1), particularly including RCW 19.405.040(1)(a) and RCW 19.405.040(1)(b).

Attachment: 1