



August 13th, 2021

Mr. Mark Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: Relating to the Commission's examination of energy decarbonization impacts and pathways for electric and gas utilities to meet state emissions targets, Docket U-210553

Dear Mr. Mark Johnson,

The Natural Resources Defense Council (NRDC) appreciates the opportunity to comment on Docket U-210553, relating to the Commission's examination of energy decarbonization impacts and pathways for electric and gas utilities to meet state emissions targets. NRDC is a leading environmental organization. We use law, science, and the support of 3.1 million members and online activists to advocate for affordable energy services while reducing the environmental impact of energy consumption across the United States and internationally.

NRDC is an active participant in many of the gas system decarbonization proceedings ongoing throughout the nation, including in New York State, Colorado, and California. Below we offer key scoping and modeling recommendations informed by these and other policy processes. We also strongly support the recommendations made by our environmental colleagues in their separately filed comments.

Under the Climate Commitment Act, all segments of the Washington economy will have to contribute their share of emission reductions. This includes the two energy distribution industries the Commission is responsible for overseeing. The two will have to be well coordinated, as the likely decarbonization pathways for buildings will rely heavily on gas to electric fuel switching. Therefore, the only way that the Commission will get an accurate picture of cost, reliability, and other effects of the possible decarbonization pathways for energy use in buildings is to answer the questions listed in Section 143(4) of the Appropriations Act for *both* gas and

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electric sectors for *each* decarbonization pathway considered. Any other approach will risk leaving unforeseen risks or costs out of the regulatory decision-making equation.

In its presentation, the Commission asks for feedback on how it should “determine the utility’s share of GHG reductions?”¹ We recommend using results from the Washington State Energy Strategy decarbonization modeling for this purpose: for electric utilities the path of electricity-sector greenhouse gas emissions reductions in the various scenarios; for natural gas utilities the decline in fossil gas throughput in the various scenarios. For the electric sector, greenhouse gas emissions reductions from this modeling reflect an optimized mix of supply-side resources that allow the state to meet decarbonization goals as electricity demand increases from end-use electrification. For the gas utility sector, fossil gas throughput declines reflect modelers’ expertise about the needed pace of building sector electrification to meet decarbonization goals, coupled with supply-side optimization of biogas deployment. Using these results ensures consistency with the state’s overall decarbonization effort. The alternative of using rules-of-thumb, such as straight-line emissions reductions for each utility, would not reflect consensus that, in order to limit costs and leverage existing technology, sectors should reduce emissions at different rates.

In examining “How natural gas utilities can decarbonize,” the Commission’s analysis needs to take into account, as shown in the decarbonization modeling referenced above, that gas utilities will decarbonize through a combination of fuel substitution (biomethane substitution) *and a decline in the number of customers and their use of pipeline fuel*. The Commission should examine regulatory changes that facilitate gas utilities’ transition into smaller utilities, such as prospective identification of branches of the system where customers could be switched to electricity, network sectionalization (for customers who still need gas), and a process for economic comparison of further gas system investment and customer connections with alternatives. A good resource here is Gridworks’ “Gas Resource and Infrastructure Planning for California.”²

The Commission should also consider the risks in non-electrification strategies to reduce gas utility greenhouse gas emissions. While electrification will drive some new electricity capacity needs, overseeing increases in electricity demand is a topic with which the Commission has a lot of experience. A switch to biomethane requires the Commission to

¹ Washington Utilities and Transportation Commission, Examination of energy decarbonization impacts and pathways presentation, Docket U-210553, August 9, 2021, Slide 18.

² <https://gridworks.org/initiatives/cagas-system-transition/>

oversee the development of fleets of biodigesters and develop rules for the management of biomethane’s environmental risks, including in production, transmission, and distribution leaks. A good resource for the Commission to consult on biomethane is Dr. Emily Grubert’s “At scale, renewable natural gas systems could be climate intensive: the influence of methane feedstock and leakage rates.”³

NRDC commends the Commission and the State of Washington for taking this important step towards ensuring a managed and equitable transition to the healthy, decarbonized building stock of the future. We look forward to engaging with the Commission and other stakeholders throughout the process.

Sincerely,

/s/ Dylan Sullivan

Dylan Sullivan
Senior Scientist
Natural Resources Defense Council

³ <https://doi.org/10.1088/1748-9326/ab9335>