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

Re: Docket UE-191023, Comments to July 27 workshop on Clean Energy Transformation Act Statutory Interpretation and Compliance Structure

Dear Mr. Mark Johnson,

Avangrid Renewables appreciates the opportunity to provide comments to the Washington Utilities and Transportation Commission (UTC) in docket UE- 191023. Avangrid Renewable's comments focus on concerns raised at the July 27th workshop regarding UTC staff's preliminary interpretation of RCW 19.405.040(1)(a)(ii) that "use" means delivery to retail customers of "bundled" renewable and non-emitting electricity.

Avangrid Renewables, headquartered in Portland Oregon, is one of the larger owner/operator of renewable generation in the United States. Specific to the Northwest, Avangrid owns and operates over 1500 MW of wind and solar and is deeply committed to helping Washington meet its progressive clean energy goals.

If the statute is interpreted to require a geographic delivery requirement paired with hourly matching of renewables to load there could be a number of unintended consequences that would make the implementation of CETA onerous for both utilities and renewable suppliers and costlier for Washington ratepayers.

- **Renewable energy would be worth less than it is today in Washington and compared to other states like OR and CA.** Renewable Generation is variable and does not typically line up exactly with retail load which would, under the geographic delivery, hourly matching interpretation, result in any excess renewable generation not qualifying for CETA's bundled REC requirement and instead being categorized as an unbundled REC. This approach creates inconsistencies with the approach taken in other states and would result in WA ratepayers paying more for the same clean energy products sold to other states to make up for the loss of value.
- **Future PPA negotiations will be more complex for suppliers and off takers.** This interpretation of the statute would create a structure that would essentially de-couple actual RECs generated by a facility from the RECs that would be usable by a Washington utility for purposes of complying with CETA. This would be a very new dynamic and risk for developers/customers to contract around. The risk around how

the RECs would be valued, which would be variable, would have to be accounted for by suppliers in contract pricing to mitigate the risk.

- **MWh's delivered into an electric system cannot be color coded even if they are delivered at the same exact moment.** Consequently, it is not accurate to interpret "use" to mean use unless it is defined as instantaneous and the physics could be modeled to show the generation path of least resistance was from the asset to the load. Absent that, an hourly match is very arbitrary and the complexity and cost it would generate would not provide comparable value towards meeting clean energy targets and mitigating the impacts of climate change.
- **Utilities will not get the full value from the renewable energy they have invested in already through long-term contracts that extend post 2030.** Some of this risk could also fall onto the Independent Power Producers depending on how the contracts are structured.
- **Renewable Generation dispatched by the Energy Imbalance Market would not count towards CETA.** As the EIM expands to the Day-Ahead timeframe more volumes of energy will transact in the EIM and it is critical that any geographic delivery requirement allow for participation in the expanded market now and how it may evolve in the future. The EIM and future organized markets are important to integrate large amounts of renewable energy cost effectively. Considering aggressive clean energy policies being implemented across the west, this will continue to be a focus.

In closing, for the reasons outlined above, allowing utilities more flexibility in meeting the CETA by allowing requirements to be met over the course of a multi-year compliance period, would meet the goals and spirit of the CETA statute without creating unnecessary complexity and increased costs. If the main concern is ensuring bundled purchases, this can be accomplished without an hourly matching requirement.

Please feel free to contact me if you have any questions.

Yours Sincerely,

/ s / Margaret Miller
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