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Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

VIA UTC WEB PORTAL

Re: Docket No. U-210553 - Examination of energy decarbonization impacts and pathways for electric and gas utilities to meet state emissions targets

Dear Chairman Danner and Commissioners Rendahl and Balasbas:

Sierra Club, Columbia Riverkeeper, Washington Physicians for Social Responsibility, Breach Collective, and the Power Past Fracked Gas Coalition (hereafter “Environmental and Community Commenters”) write the Washington Utilities and Transportation Commission (“UTC” or “Commission”) in response to the UTC’s request for comments on examining the energy decarbonization impacts and pathways for electric and gas utilities to meet state emissions targets.

Addressing the move away from gas comes at a critical time. Earlier this week, the latest report from the Intergovernmental Panel on Climate Change (“IPCC”) was released, which the United Nations Secretary-General described as “code red for humanity”.¹ This report was released a month after the State of Washington experienced the deadliest heatwave in its history and during another summer filled with wildfires and extensive drought.² As the report discusses, the cause of these events in Washington, and around the world, is anthropogenic climate change,

¹ See Press Release, United Nations, Secretary-General Calls Latest IPCC Climate Report ‘Code Red for Humanity’, Stressing ‘Irrefutable’ Evidence of Human Influence (Aug. 9, 2021), available at <https://www.un.org/press/en/2021/sgsm20847.doc.htm>; Intergovernmental Panel on Climate Change, *AR6 Climate Change 2021: The Physical Science Basis* (Aug. 8, 2021), available at <https://www.ipcc.ch/report/ar6/wg1/>.

² John Ryan, *2021 heat wave is now the deadliest weather-related event in Washington history*, NPR, July 19, 2021, available at <https://www.kuow.org/stories/heat-wave-death-toll-in-washington-state-jumps-to-112-people>.

which is caused by burning fossil fuels like methane gas. There is little time to spare in addressing these issues.

The Commission held a workshop on August 9, 2021, and posed questions regarding the scope of the Staff investigation, considerations to be made when developing the study or consultant engagement, and relevant studies or frameworks. These comments will address the background of the UTC gas proceeding, and these questions.

I. BACKGROUND ON UTC GAS PROCEEDING

Washington must address the gas issue in buildings and utilities to fulfill its mandate to reduce carbon emissions, while planning an orderly transition to a gas-free economy. To this end, the state legislature appropriated funding during the 2020-21 budget negotiations to the UTC to “examine feasible and practical pathways for investor-owned electric and natural gas utilities to contribute their share to greenhouse gas emissions reductions as described in RCW 70A.45.020, and the impacts of energy decarbonization on residential and commercial customers and the electrical and natural gas utilities that serve them.”

In addition to the funding allotted to study the gas transition issue, other legislation provides a guide for action. The Climate Commitment Act further underscores the need for action—to reduce statewide emissions 45% below 1990 levels by 2030 and 95% by 2050 will require extensive work and coordination across the economy in all sectors. Washington’s 2021 State Energy Strategy also analyzed various pathways for how the state could meet its climate reduction targets, concluding, “[T]he state’s long-term greenhouse gas emissions limits cannot be achieved while continuing current uses of [natural gas] ...A well-planned transition, with clear legislative and regulatory direction, is required to protect the interests of all concerned.” The mandate is clear that the UTC proceeding must focus on transitioning Washington away from gas in order to meet climate targets.

II. QUESTIONS POSED BY UTC ON THE GAS INVESTIGATION

A. Scope of UTC Gas Investigation

Under the Appropriation Act, Section 143(4), the Commission must examine at least the following issues: (a) how gas utilities can decarbonize; (b) impacts of increased electrification on the ability of electric utilities to deliver services to current gas customers reliability and affordably; (c) the ability of electric utilities to procure and deliver electric power to reliably meet that load; (d) the impact on regional electric system resource adequacy, and the transmission and distribution infrastructure requirements for such a transition; (e) the costs and benefits to residential and commercial consumers, including environmental, health and economic benefits; (f) equity consideration and impacts to low-income customers and highly impacted communities; and (g) potential regulatory policy changes to facilitate decarbonization of services that gas companies provide while ensuring customer rates are fair, just, reasonable, and sufficient.

The Environmental and Community Commenters believe this is a good initial list of issues for the UTC to explore in this proceeding. Unlike the contentions of the gas industry, our groups believe the UTC can explore as many topics as it chooses to do so in this study, as well as offer recommendations to the legislature. We would also recommend adding the following topics, or considering them within the context of these existing categories:

- Account for decommissioning the gas system (possibly under section (e) or (f) so as not to burden ratepayers, especially those that are low-income).
- Section (e) on health and environmental impacts to ratepayers should calculate the significant indoor and outdoor air pollution, and health and safety impacts like gas explosions, associated with gas and the implications for public health.
- Examine rate structures to encourage building electrification (possibly under section (e) or (f)).
- Explore low-income pilot programs for building electrification (possibly as part of section (f)).
- Review whether some low-income homes and buildings are not ready to electrify for structural reasons. This is especially important if Washington is prioritizing low-income ratepayer transition to avoid having stranded asset gas costs fall disproportionately on these ratepayers. Section (f) on equity considerations should be broadened to include an investigation into the extent of that need.
- Section (f) on equity should account for the disproportionate energy burden experienced by low-income and historically marginalized communities, and investigate opportunities to buffer these demographics from greater impacts related to transitioning off of gas.
- Discuss removal of gas subsidies, including for gas appliances (including water heaters, HVAC) or gas line extensions to homes and businesses (possibly as part of section (g)).
- Add electric appliance incentive/subsidy programs to aid in fuel switching, with special consideration for low-income customers (possibly as part of section (g)).
- Determine whether ratepayers should have to pay for gas line extensions or whether ratepayer monies can be given to pro-gas or anti-climate lobbying groups (possibly as part of section (g)).
- Explore subsidies for encouraging electrification in residential and commercial buildings (potentially as part of section (g)).
- Discussion of the need for any future proceedings that come out of this initial investigation (i.e., pilot programs for the use of microgrids in fire-prone areas).

B. Other Considerations

In addition to these topics, the Commission should consider these other issues when developing the study and engaging a consultant:

- **Access to data/data requests.** For Environmental and Community Commenters to be able to deliver comments that are valuable to this Commission, the ability to view the numbers and underlying data utilized in these proceedings will be critical for us and our outside experts. Whether it is in the context of this proceeding or those spinning out of it, the ability to lodge data requests and view data—even if deemed confidential or sensitive information—is key. Groups can intervene and sign protective orders to keep information confidential as needed, although generally an open proceeding is the best and most transparent way to allow for public participation. At the workshop the Commission expressed an interest in getting unbiased data. A robust analysis of data and assumptions

from competing interests is one way to ensure that the Commission has the most accurate information.

- **Consultant.** Hiring a well-respected utility consultant with deep expertise in moving away from gas and moving towards electrification should be the Commission’s goal. Hiring someone with a slanted perspective from the gas industry would not be wise given the applicable Washington laws and the legislature’s directive for this study, and it would not yield impartial information.
- **Limiting Discussion of Renewable Natural Gas, Biogas, Green Hydrogen, and Synthetic Gas.** At the workshop, several pro-gas entities urged a deep examination of RNG, green hydrogen, biogas, and synthetic gas technologies. These technologies have limited value and should not consume a disproportionate amount of the UTC’s time. Any exploration of these technologies should remain limited.³

C. Resources and Studies Useful to the Commission’s Decarbonization Strategies

Environmental and Community Commenters are aware of a number of recent studies and processes that may provide useful information to the Commission in examining practical and feasible decarbonization strategies in Washington. These studies and processes include, but are not limited to:

³ See, e.g. Rep. Alex Ramel, Comments at the August 9, 2021 Workshop (recording available on the WUTC docket website) (noting that the study has a limited budget and given the minor contributions in the carbon transition that are expected from RNG, the analysis of this topic should be proportional, i.e., limited).

Other Utility Commission Gas Dockets

- Gas investigation or transition dockets are underway in public utility commissions in California⁴, New York⁵, Massachusetts⁶, Washington, D.C.⁷, and several other states. The California proceedings are most advanced and would likely be most useful to the UTC.

Equity Considerations

- [Rewiring Communities: A Plan to Accelerate Climate Action and Environmental Justice by Investing in Household Electrification at the Local Level](#), Rewiring America & Coalition for Green Capital, May 2021
- [Equity and Buildings: A Practical Framework for Local Government Decisionmakers](#), Emerald Cities Collaborative, et al., June 2021
- [The Flipside Report: A White Paper on Targeted Geographic Electrification in California's Gas Transition](#), The Building Decarbonization Coalition & Common Spark Consulting, July 2021
- [Prioritizing California's Affordable Housing in the Transition Towards Equitable Building Decarbonization](#), California Housing Partnership, March 2021
- [Leading with Equity and Justice in the Clean Energy Transition: Getting to the Starting Line for Residential Building Electrification](#), Green & Healthy Homes Initiative (GHHI), August 2021
- [Equitable Building Electrification: A framework for powering resilient communities](#), Greenlining Institute, September 2019
- [The Building Electrification Equity Report](#), Emerald Cities Collaborative, April 2020

⁴ See, e.g., *Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Safe and Reliable Gas Systems in California and perform Long-Term Gas System Planning*, Docket No. R.20-01-007 (Cal. Pub. Utils. Comm'n Jan. 16, 2020); *Order Instituting Rulemaking Regarding Building Decarbonization*, Docket No. R.19-01-011 (Cal. Pub. Utils. Comm'n Jan. 31, 2019); Cal. Energy Comm'n, *California Building Decarbonization Assessment* (Aug. 12, 2021), available at <https://www.energy.ca.gov/publications/2021/california-building-decarbonization-assessment>; Press Release, Cal. Energy. Comm'n, CEC Adopts updated Building Code (Aug. 11, 2021), available at <https://www.energy.ca.gov/news/2021-08/energy-commission-adopts-updated-building-standards-improve-efficiency-reduce-0>; Cal. Energy Comm'n, *2022 Building Energy Efficiency Standards Summary* (Aug. 2021), available at https://www.energy.ca.gov/sites/default/files/2021-08/CEC_2022_EnergyCodeUpdateSummary_ADA.pdf.

⁵ *Proceeding on Motion of the Commission in Regard to Gas Planning Procedures*, Case No. 20-G-0131 (N.Y. Dept. of Pub. Serv), available at <https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=20-g-0131&submit=Search>.

⁶ *Investigation by the Department of Public Utilities on its own Motion into the role of gas local distribution companies as the Commonwealth achieves its target 2050 climate goals*, Docket No. 20-80 (Mass. Dept. of Pub. Utils. June 4, 2020). See also *Stakeholder Engagement Process, Future of Gas*, <https://thefutureofgas.com/> (last accessed Aug. 12, 2021).

⁷ *In the Matter of the Implementation of the Climate Business Plan*, Docket No. 1167 (D.C. Pub. Serv. Comm'n Dec. 18, 2020), available at <https://edocket.dcpsc.org/public/search/casnumber/fc1167>.

- [A New Lease on Energy: Guidance for Improving Rental Housing Efficiency at the Local Level](#), American Council for an Energy-Efficient Economy, August 2021

General Gas Transition Studies

- [Zero Net Gas: A Pathway for Managing Gas Demand Reduction as a Pathway to Decarbonizing the Buildings Sector](#), Pace Energy and Climate Center, July 2020
- [Building Decarbonization Roadmap](#), United States Climate Alliance & Rocky Mountain Institute, June 2021
- [Who Will Pay for Legacy Utility Costs?](#), Energy Institute at Haas Work Paper, June 2021
- [The Impact of Fossil Fuels in Buildings, A Fact Base](#), Rocky Mountain Institute, December 2019
- [Under Pressure: Gas Utility Regulation at a Time of Transition](#), Regulatory Assistance Project (RAP), May 2021
- [U.S. National Electrification Assessment](#), Electric Power Research Institute (EPRI), April 2018
- [Existing Building Electrification and Multifamily Electric Vehicle Charging: Policy and Financing Literature Review and Analysis](#), TRC, June 2021
- [The Coming Electrification of the North American Economy: Why We Need a Robust Transmission Grid](#), WIRES & The Brattle Group, March 2019
- [Electrification Futures Study: Operational Analysis of U.S. Power Systems with Increased Electrification and Demand-Side Flexibility](#), National Renewable Energy Laboratory (NREL), May 2021
- [Regional End Use Load Profile Data Inventory and Needs Assessment](#), Northeast Energy Efficiency Partners (NEEP), April 2021
- [The Costs of Building Decarbonization Policy Proposals For California Gas Ratepayers: Identifying Cost-Effective Paths to a Zero Carbon Building Fleet](#), Stanford Woods Institute for the Environment, June 2021
- [Building Electrification Action Plan for Climate Leaders](#), Sierra Club, December 2019
- [Net Zero America: Potential Pathways, Infrastructure, and Impacts](#), Princeton University, December 2020
- [Mission Possible: Reaching Net-Zero Carbon Emissions from Harder-To-Abate Sectors by Mid-Century](#), Energy Transitions Commission, November 2018
- [The New Economics of Electrifying Buildings](#), Rocky Mountain Institute, 2020
- [Demand Response as a Power System Resource](#), Synapse & The Regulatory Assistance Project (RAP), May 2013
- [NY Carbon Neutral Buildings](#), NYSERDA, Summer 2021

Limitations of RNG, Biogas, and similar technologies

- [A Pipe Dream or Climate Solution? The Opportunities and Limits of Biogas and Synthetic Gas to Replace Fossil Gas](#), NRDC Issue Brief, June 2020
- [Myth v Rhetoric: The Myth of “Renewable Natural Gas” for Building Decarbonization](#), Earthjustice & Sierra Club, July 2020
- [The Four Fatal Flaws of Renewable Natural Gas](#), Sightline Institute, March 2021

Gas Health and Safety Issues

- [Negative impacts of burning natural gas and biomass have surpassed coal generation in many states](#), Harvard T.H. Chan School of Public Health, May 2021
- [Effects of Residential Gas Appliances on Indoor and Outdoor Air Quality and Public Health in California](#), University of California Los Angeles Fielding School of Public Health, April 2020

Environmental and Community Commenters are happy to provide any of these resources upon request and they are all linked to in this document.

III. CONCLUSION

This UTC gas investigation is the first of many steps in a well-planned transition away from gas in Washington. We expect that this investigation will provide a critical foundation to support future policy and regulatory changes—whether in this docket or in other dockets—to ensure that Washington makes progress in the critical task of eliminating gas, while also protecting frontline communities and low-income ratepayers. Such a framework should avoid subsidizing or funding the expansion of gas infrastructure as the state transitions away from gas to further its climate goals, and getting sidetracked by the limited potential of renewable natural gas. The UTC is well-equipped to study these topics in-depth and to analyze and offer recommendations to policymakers based on their findings.

Sincerely,

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