

**EXHIBIT NO. _____ (PMR-9)
DOCKETS UE-170033/UG-170034
2017 PSE GENERAL RATE CASE
WITNESS: PATRICK M. RISKEN**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-170033
Docket UG-170034**

**EXHIBIT PMR-9 TO THE
CROSS-ANSWERING TESTIMONY OF
PATRICK M. RISKEN
ON BEHALF OF THE STATE OF MONTANA
NON-CONFIDENTIAL**

August 9, 2017

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

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EXECUTIVE ORDER 09-05

WASHINGTON'S LEADERSHIP ON CLIMATE CHANGE

WHEREAS, Washington is particularly vulnerable to the impacts of climate change, and without additional action to reduce carbon emissions, the severity of the impacts will negatively affect nearly every part of Washington's economy and environment; and

WHEREAS, Washington is already experiencing the effects of a changing climate and needs to address current and future projected impacts; and

WHEREAS, greenhouse gases are air contaminants within the meaning of the state's Clean Air Act and pose a serious threat to the health and welfare of Washington's citizens and the quality of the environment; and

WHEREAS, energy independence and security are vitally important, and maintaining Washington's leadership position in the development of clean energy and green jobs is critical to our economic and energy future; and

WHEREAS, RCW 70.235.020 establishes greenhouse gas emission reduction limits for Washington State, and RCW 47.01.440 establishes vehicle miles traveled benchmarks for Washington State; and

WHEREAS, alternative vehicle technologies can provide economic development opportunities and reduce Washington's transportation sector greenhouse gas emissions, criteria pollutants, and toxic air contaminants; and

WHEREAS, Washington's extensive forest resources play an important role in capturing and storing carbon dioxide; and

WHEREAS, it is critical to Washington's economic future that greenhouse gas reduction strategies be designed and implemented in a manner that minimizes cost impacts to Washington citizens and businesses; and

WHEREAS, President Obama and the United States Congress are actively working to establish a strong federal response to climate change, and regional and state level greenhouse gas reduction programs will inform and complement a federal program; and

WHEREAS, effective and immediate action to reduce greenhouse gas emissions – preferably at the federal level but at the regional or state level as necessary – is essential to the future well being of all Washingtonians.

NOW, THEREFORE, I, Christine O. Gregoire, Governor of the state of Washington by virtue of the power vested in me by the Constitution and statutes of the state of Washington do, effective immediately, hereby order and direct:

1. The Director of the Department of Ecology to:

- (a) Continue to participate in the Western Climate Initiative to develop a regional greenhouse gas emission reduction program and to work with the federal Administration, Washington's congressional delegation and appropriate committees to help design a national greenhouse gas emission reduction program that reflects Washington State priorities. Those priorities include: protecting small businesses and families, particularly those with low incomes, in the transition to a clean energy future; investing in clean energy development, demonstration and deployment; ensuring appropriate credit for early emission reductions; providing a level playing field that allows Washington's businesses to fairly compete; recognizing Washington's unique electricity-generating portfolio, its forest industry and other important resources; and ensuring the program spurs the creation of green jobs.
- (b) By December 1, 2009, provide to each facility that the Department of Ecology believes is responsible for the emission of 25,000 metric tons or more of carbon dioxide equivalent each year in Washington with (1) the Department's best estimate of each facility's baseline greenhouse gas emissions; and (2) each facility's proportionate share greenhouse gas emission reduction necessary to achieve the state's 2020 emission reduction in RCW 70.135.020; and (3) a request to each facility, or groups of facilities representing a sector of Washington's economy, for any recommended strategies or actions they believe would achieve the needed reductions. By October 1, 2010, the Department of Ecology shall develop emission reduction strategies and actions, including complementary policies, to achieve the state's 2020 emissions reduction targets.
- (c) In consultation with business and other interested stakeholders, develop emission benchmarks, by industry sector, for facilities the Department of Ecology believes will be covered by a federal or regional cap and trade program. The Department of Ecology shall support the use of these emission benchmarks in any federal or regional cap and trade program as an appropriate basis for the distribution of emission allowances, and as a means to recognize and reward those businesses that have invested in achieving emission reductions. These benchmarks shall be based on industry best practices, reflecting emission levels from highly efficient, lower emitting facilities in each industry sector. The benchmarks shall be developed to allow their application as state-based emissions standards, should they be needed to complement the federal program, or in the absence of a federal program.

Recommendations on industry benchmarks, and the appropriate use of these benchmarks in achieving the state emission reduction targets, shall be submitted to the Governor by July 1, 2011;

- (d) Work with the existing coal-fired plant within Washington that burns over one million tons of coal per year, TransAlta Centralia Generation LLC, to establish an agreed order that will apply the greenhouse gas emissions performance standards in RCW 80.80.040(1) to the facility by no later than December 31, 2025. The agreed order shall include a schedule of major decision making and resource investment milestones;
- (e) In consultation with the Department of Natural Resources and the forest carbon sector working group, develop by September 1, 2010, recommendations for forestry offset protocols as well as other financial incentives for forestry and forest products. The starting point for this work should be the 2008 forest sector working group report; and
- (f) In consultation with the Departments of Commerce and Transportation, assess whether the California low-carbon fuel standards; standards developed or proposed in other states, provinces or for the nation; or modified standards or alternative requirements to reduce carbon in transportation fuels would best meet Washington's greenhouse gas emissions reduction targets. By July 1, 2010, provide to the Governor a recommendation regarding which standards or requirements should be adopted for Washington, either by rule or legislation.

2. The Secretary of the Department of Transportation to:

- (a) In consultation with the Departments of Ecology and Commerce, and in collaboration with local governments, business, and environmental representatives, estimate current and future state-wide levels of vehicle miles traveled, evaluate potential changes to the vehicle miles traveled benchmarks established in RCW 47.01.440 as appropriate to address low- or no-emission vehicles, and develop additional strategies to reduce emissions from the transportation sector. Findings and recommendations from this work shall be reported to the Governor by December 31, 2010; and,
- (b) Work with the Puget Sound Regional Council, Spokane Regional Transportation Council, Southwest Washington Regional Transportation Council and Thurston Regional Planning Council to cooperatively develop and adopt regional transportation plans that will, when implemented, provide people with additional transportation alternatives and choices, reduce greenhouse gases and achieve the statutory benchmarks to reduce annual per capita vehicle miles traveled in those counties with populations greater than 245,000. By December 1, 2011, the Department will report to the Governor on which regional transportation planning organizations have developed, or are developing, plans with greenhouse gas strategies, which strategies appear to have the greatest potential to achieve the benchmarks, and what policy or funding issues need to be resolved to ensure implementation;

3. The Office of the Governor shall work with affected state agencies to develop and seek federal funds to implement a project for the electrification of the West Coast interstate highway and associated metropolitan centers, including request for federal funding to purchase electric vehicles and install public infrastructure for electric and other high-efficiency, zero- or low-carbon vehicles. The Office shall invite the collaboration of the states of Oregon and California and participation by the private sector in developing and implementing this project and in requesting federal support.
4. The Director of the Department of Ecology shall evaluate the potential impacts of sea level rise on the state's shoreline areas, including the potential increases in storm surge and coastal flooding, increased erosion, and loss of habitat and ecosystems, and develop recommendations for addressing these impacts. The Department shall invite the Washington State Association of Counties and the Association of Washington Cities to collaborate in conducting the evaluation and developing recommendations.
5. The Director of the Department of Ecology and the Secretary of the Department of Health, in consultation with other affected state, local and federal agencies, shall develop specific guidelines, tools, and recommendations to assist the state and its water users to meet the anticipated changes in water resources due to climate change impacts.
6. In implementing all aspects of this Executive Order, the state and its agencies shall consult, on a government-to-government basis with Washington's Native American Tribes.
7. The Director of the Department of Ecology, in cooperation with affected agencies shall provide a progress report to the Office of the Governor by December 31, 2010.

Signed and sealed with the official seal of the state of Washington on this 21st day of May 2009 at Seattle, Washington.

By:

/s/

Christine O. Gregoire
Governor

BY THE GOVERNOR:

/s/

Secretary of State