Affiliated Tribes of Northwest Indians AirWorks, Inc Alliance to Save Energy

Alternative Energy Resources Organization

American Rivers Backbone Campaig

Beneficial State Bank BFA Energy

BlueGreen Alliance Bonneville Environmental Foundation

Byrd Barr Place

Cascadia Consulting Group

City of Ashland

City of Portland Bureau of Planning and Sustainability City of Seattle Office of Sustainability & Environment

Clean Energy Transition Institute

Climate Smart Missoula

Climate Solutions

Coffman Engineers

Community Action Center of Whitman County

Community Action Partnership Assoc. of Idaho Community Action Partnership of Oregon

Community Energy Project

Earth Ministry

Ecumenical Ministries of Oregon

eFormative Options Electrify Now

Elevate Energy

Energy350

Energy Trust of Oregon

Environment Oregon Environment Washington

FlexCharging, Inc.

Gallatin Power

Global Ocean Health

Green Energy Institute at Lewis & Clark Law School

Grid Forward Homes for Good

Home Performance Guild of Oregon

Human Resources Council, District XI

Idaho Clean Energy Association

Idaho Conservation League

Idaho Organization of Resource Councils Idaho Rivers United

League of Women Voters Idaho

League of Women Voters Oregon

League of Women Voters Washington

Montana Audubon

Montana Environmental Information Center

Montana Renewable Energy Association

Multnomah County Office of Sustainability National Center for Appropriate Technology

Natural Resources Defense Council

New Buildings Institute

Northern Plains Resource Council

Northwest EcoBuilding Guild Northwest Energy Efficiency Council

Olympia Community Solar

OneEnergy Renewables Opportunities Industrialization Center of WA

Opportunity Council

Oracle/Opower

Oregon Citizens' Utility Board Oregon Energy Fund

Oregon Environmental Council

Oregon Physicians for Social Responsibility

Oregon Solar + Storage Industries Association Pacific Energy Innovation Association

Pacific NW Regional Council of Carpenters

Portland Energy Conservation, Inc. Portland General Electric

Puget Sound Advocates for Retirement Action

Puget Sound Cooperative Credit Union Renewable Hydrogen Alliance

Renewable Northwest

Save Our wild Salmon Seattle City Light

Sierra Club Sierra Club, Idaho Chapter

Sierra Club, Montana Chapte

Sierra Club, Washington Chapter Small Business Utility Advocates

Snake River Alliance

Snohomish County PUD Solar Oregon

South Central Community Action Partnership

Southeastern Idaho Community Action Agency

Spokane Neighborhood Action Partners

Sustainable Connections The Climate Trust

The Energy Project

UCONS, LLC

Union of Concerned Scientists

United Steelworkers of America, District 12

Washington Environmental Council

Washington Physicians for Social Responsibility Washington Solar Energy Industries Association

Washington State Community Action Partnership Washington State Department of Commerce Washington State University Energy Program

Zero Waste Vashon



February 21, 2023

UG-220926

Via Email to UTC Records Center

Amanda Maxwell **Executive Director and Secretary** Washington Utilities and Transportation Commission 621 Woodland Sq. Loop SE P.O. Box 47250 Lacey, WA 98503

COMMISSION

Records Management

Re: Climate Commitment Act Accounting Petitions (Dockets UE-220974, UG-220975, UG-220759, UG-220926, UG-220803)

Dear Director Maxwell:

The NW Energy Coalition ("NWEC" or "Coalition") appreciates the opportunity to provide comments on the Washington utilities' petitions for deferred accounting treatment of Climate Commitment Act (CCA) costs and revenues. In addition to raising important policy issues for both electric and gas utility CCA implementation, these petitions present the first opportunity to consider broader implications of the Climate Commitment Act on the gas utility sector. NWEC's comments address each utilityspecific forecast as well as relevant policy considerations, as detailed below.

NWEC supports the following recommendations of The Energy Project regarding the petitions:

- (1) the Commission should direct utilities not to comingle costs and revenues;
- (2) the Commission's orders should include a sunset date for the deferrals and require costs to included in the each utility's next general rate case.

In addition, we offer the following recommendations:

- 1. NWEC continues to support the recommendations to the Commission in our July 22, 2022 letter¹ requesting that the Commission determine how utilities should demonstrate that they have met the requirements of RCW 70A.65.120(4) and RCW 70A.65.130(2). The proceeds from the sale of allowances could benefit customers through additional demand-side resource solutions or could be returned to customers in rates, with the first priority being mitigating the long-term program impact or energy burden on low-income customers. Absent guidance from the Commission, we are concerned that each utility will interpret this requirement differently, and stakeholders will have to address this issue on a case-by-case basis when each utility requests cost recovery. This is burdensome on stakeholders and Commission staff, and is likely to lead to disparate treatment and inequitable results for customers.
- 2. The Commission should not approve requests to defer costs for research and development ("R&D") for innovative uses and application of hydrogen or other renewable or clean fuels. Research and development of clean fuels should be treated as a general business development and operating expense, and not as a cost of compliance with the Climate Commitment Act.

Sincerely,

Lauren McCloy Policy Director

NW Energy Coalition

lauren@nwenergy.org

¹ See July 22, 2022 Letter to Commissioners from NWEC, Climate Solutions, and Washington Environmental Council