



September 11, 2020

Mr. Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
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Re: Climate Solutions comments relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act, Docket UE-191023, and In the Matter of Amending, Adopting, and Repealing WAC 480-100-238, Relating to Integrated Resource Planning, Docket UE-190698

Dear Mr. Mark Johnson,

Climate Solutions thanks you for the opportunity to submit comments and recommendations on relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act, Docket UE-191023, and In the Matter of Amending, Adopting, and Repealing WAC 480-100-238, Relating to Integrated Resource Planning, Docket UE-190698. Climate Solutions is a clean energy nonprofit organization working to accelerate clean energy solutions to the climate crisis. The Northwest has emerged as a hub of climate action, and Climate Solutions is at the center of the movement as a catalyst, advocate, and campaign hub.

A clean and efficient grid serves as the foundation to deeply decarbonizing Washington's economy and achieving science-based greenhouse gas limits. A rigorous, transparent, and collaborative planning and compliance process is a centerpiece of ensuring the success of the Clean Energy Transformation Act ("CETA") and its carbon reduction and equity goals. In response to questions posed by the Utilities and Transportation Commission ("Commission" or "UTC") on August 13, 2020, Climate Solutions offers the following responses and additional comments.

Climate Solutions is broadly supportive of the rules proposed by the Commission, and appreciate the attentiveness of Staff and Commissioners to CETA's requirements and the input of stakeholders. The new rule draft includes a number of notable improvements in terms of better incorporating and defining equity, establishing the proper role of the social cost of greenhouse gases ("SCGHG") as a part of the baseline portfolio in incremental cost calculations, reflecting the realities and future impacts of climate change, and more.

I. Response to UTC Questions

- 1. Do you agree with Staff's interpretation of RCW 19.405.060(1)(c) that Commission approval is contingent upon the utility justifying and supporting each specific action it takes or intends to take, including providing the business cases supporting each specific action identified in the CEIP? Please explain your response.*

We broadly support Staff's interpretation of statute as presented in WAC 480-100-640(4). CETA specifies in six places that utilities are required to pursue its requirements at the lowest reasonable cost, and the Commission's response to proposed CEIPs needs to evaluate whether a utility is complying with this requirement. While we are not entirely clear on the exact meaning of 'business case' in this context, if it is intended to mean that each specific action's justification must demonstrate its value to the broader portfolio proposed within the CEIP then we do think this is a reasonable requirement. No single specific action should be evaluated siloed from the rest

of the proposed CEIP, so a business case and associated documentation must demonstrate how that action is a necessary and least cost component of a comprehensive lowest reasonable cost portfolio that achieves targets, ensures reliability and resource adequacy, equitably distributes benefits, and the other obligations identified in this section. In future iterations of the rules, we recommend providing additional clarity on the use of this term, or replace it with a description that better captures the meaning provided here.

2. *Several comments submitted in response to the first draft CEIP rules proposed that the Commission require some form of funding to support equity-related public engagement. Specific proposals ranged from requiring utilities to provide funding support for participation in a utility’s equity advisory group to utilities funding support for equity-focused intervenors.*
 - a. *Does the Commission have the authority to require utilities to provide funding to support equity participation such as intervenor funding or direct payments to advisory group members?*

CETA centers equity within its direction to transition to clean energy. The need for an equitable transition is incorporated in subsection (6) of the intent, is repeated again in subsection (8) of RCW 19.405.040 – greenhouse gas neutrality, and is incorporated as a criterion for the Commission to evaluate when considering expedited targets in RCW 19.405.060. This requirement to incorporate the needs of highly impacted communities and vulnerable populations is additional to previous statutory protections for portions of a utility’s customer base, principally low-income customers, and requires not just consideration of cost impacts but a broader range of benefits and burdens. This increase in a utility’s responsibility necessarily implies that a utility should go beyond its existing and traditional outreach strategies to its customers.

While not a component of CETA, in the same session the Legislature created an environmental justice taskforce in ESHB1109, Sec. 221(48) that included as part of its charge to identify ways to “[increase] public participation and meaningful opportunities for all people, taking into account barriers to participation that may arise due to...income”. This taskforce includes the Commission among its membership, and provides a clue as to the Legislature’s intent around achieving equity and environmental justice—ensuring adequate participation in the face of substantial obstacles is a necessary part of the equation.

Because equity is a key component of CETA and, in the current draft rules is incorporated in the definition lowest reasonable cost, the Commission should require financial support under the same evaluation standard that it uses for other expenditures—is the expense prudently incurred as part of achieving the requirements of CETA? It is unlikely that utilities will be able to successfully achieve the equity requirements of the act without the deep engagement of identified communities, and so providing funding is an appropriate and low cost way to reflect the needs, priorities, and expertise of these customers in developing IRPs, CEIPs, and other utility documents.

- b. *If so, what type(s) of funding should the Commission require, and how would utilities implement such funding? For example, if you advocate direct payments to advisory group members, how would the utilities structure those payments (e.g., based on an hourly rate, per diem, etc.)?*

Climate Solutions recommends that the rules not specify the particular mechanisms for providing such funding, since it is likely that different communities and groups will have different needs. While some may require direct payments for time, other groups would benefit from support for intervention support, and others may need assistance with childcare, travel, food, or other considerations. Instead, the rules should provide clear direction to utilities to reduce barriers to ensure adequate participation and allow utilities flexibility to partner with their advisory groups to determine the specific mechanisms that would be most effective.

3. *...Please state whether you agree that this adaptive management requirement is appropriately placed in section 610 and explain your response.*

Climate Solutions agrees that adaptive management is an overarching expectation of utilities as they comply with CETA, including both designing plans and during the time when plans are being implemented and may require adjustments. For this reason, the current placement of this provision is appropriate.

5. *In draft WAC 480-100-660(4)(c), Staff proposes to require the utility to update the verifiable inputs of the alternative lowest reasonable cost and reasonably available portfolio (baseline portfolio). Please respond if the utility should be required to update the assumptions in its baseline portfolio when reporting its actual incremental costs, or if it should not.*

CETA is clear that the incremental cost limitation is a function of actual spending incremental to business as usual. Statute establishes planning requirements in RCW 19.405.060(1), a portion of which refers to the incremental cost provision. However, the incremental cost provision itself, found in RCW 19.405.060(3), is defined *without reference to the plan*—meaning that the ability to use it is a question of actual incremental costs, not merely planning for them. Requiring utilities to update costs to best available information does not necessarily preference cost reduction or increased clean energy deployment—it preferences accuracy. A utility is just as likely to underestimate the baseline portfolio cost as to overestimate it, but the knowledge that these costs will ultimately be adjusted to reflect reality as part of the compliance determination reduces unintentional incentives in either direction.

Climate Solutions agrees that in this scenario utilities may find themselves in a situation where in spite of their best efforts, they may underspend or overspend compared to the incremental cost provision because of circumstances changing without adequate time to adjust. In this case, we would support the Commission including a mechanism to allow true-ups between compliance periods to deal with good faith deviations from CETA’s incremental cost limitation. Doing so further provides a preference for accuracy.

6. *Incremental cost provision*

Climate Solutions believes that both interpretations are inaccurate to the meaning of RCW 19.405.060(3)(a)—the incremental cost limitation. CETA’s cost limitation is intended to provide a compounding 2% increase in spending allowance for achieving the clean energy standards identified in the preceding two sections. The cost limitation contains two principle components:

- i. “over the four-year compliance period [on] average”
- ii. “the...annual incremental cost of [compliance] equals a two percent increase of the investor-owned utility’s...sales revenue...above the previous year”.

The second item (ii) indicates that each year’s costs are over and above any previous year’s accrued costs, even as those costs are built in over time as resources are amortized over their useful life. Each year, the utility may increase its spend by an *additional 2%*—meaning that the cost limitation is a compounding growth factor. The phrase “increase...above the previous year” is operative. If in Year 1, a utility acquires a resource that increases its cost by 2% over Year 0 for years 1-20, for example, then in Year 2 it may acquire an additional resource and further increase costs. If, on the other hand, in Year 2 the utility does not acquire a new resource, then its “increase...above the previous year” is zero because its costs have gone unchanged. For this reason, interpretation 1 does not meet the requirements of the law because each years’ successive calculation of directly attributable costs does not consider whether the costs under consideration are actually an increase—whether they’re new costs—compared to previous years’ compliance actions.

The first item (i) reflects unevenness in resource procurement—a utility is not likely to gradually and in equal fashion spend money in pursuit of clean energy deployment requirements. More likely is that a utility will have some costs that are relatively steady, for example conservation spending or demand response procurement, and some that accrue at discreet times, like a large generation resource acquisition. For this reason, statute requires the calculation necessitated in (ii) to *average over four years* to 2% compound growth. Functionally, this means that for purpose of the incremental cost provision, it doesn't matter when within the four-year period costs are accrued, provided that averaging over the full time period, the growth equals the 2% requirement.

Interpretation 2 is a better reflection of the provision's true intent, but we think it is unclear and potentially inaccurate. The benefit of Interpretation 2 is that it does seek to ensure that costs are newly acquired by subtracting the previous year's directly attributable costs from each successive calculation, but it's not clear that the result is what is intended. Fluctuations between the portfolios could be the result of the timing of builds within them—for example if the baseline portfolio includes more large builds earlier in the four-year period than the CETA-compliant portfolio entails. In this case, the subtraction exercise isn't truly considering whether the directly attributable costs reflect only newly acquired resources.

Climate Solutions instead recommends a different approach. Because CETA emphasizes averaging over the four-year compliance period, the calculation does not need to consider year-over-year changes in incremental cost. Instead, we recommend calculating a single number for a CEIP period and comparing it to the directly attributable cost for the *entire* CEIP, rather than calculating each year's individual increment and attempting to average them together at the end. This calculation relies on a compound interest formula that compounds once per year plus an adjustment for sales growth and rate increases, the results of which are then also compounded for the remainder of the compliance period.

$$C = (B_0 * 1.02^4 - B_0) + \sum_{n=1}^3 (G_n * 1.02^{(4-n)} - G_n)$$

WHERE:

C = Total cost cap over compliance period

B₀ = Weather adjusted sales revenue in Year 0

G_n = Non – CETA related change in sales revenue compared to B₀ in Year n

n = Compliance year

The first parenthetical term that revolves around the number B_0 calculates the maximum incremental cost from the year before Year 1 of a compliance period, compounding four times to find the maximum amount that costs can climb relative to the initial weather-adjusted sales revenue figure.

Because statute specifies that the calculation is based on an "increase...above the previous year", the calculation must capture other increases that happen after Year 0. This is done with the sigma term, which finds the 2% compound interest on each years' sales revenue increase, from growth or rate increases or anything else, for the number of years remaining in the compliance period ($4-n$).

The sum of the two terms yields the maximum incremental cost, which is compared to the total directly attributable cost, calculated as the Commission recommends, for the full CEIP, rather than year by year.

Enclosed please find these calculations applied to the Appendix C sample provided by the Commission in the notice.

7. *...Do stakeholders have concerns about whether e-tags are capable of tracking all electricity generated from coal-fired resources? Should the commission wait for recommendations or comments from the markets workgroup before addressing this issue in rule?*

Climate Solutions believes that the language proposed by the Commission is appropriate, and we do not recommend changes. Further, because this is the most near-term compliance obligation imposed by CETA, we strongly urge the Commission to finalize this provision in this round of rule-making and not delay until the completion of the markets workgroup.

II. Additional Comments

“Equitable distribution:” Climate Solutions is appreciative of the update to this definition to incorporate a recognition of legacy conditions and their impacts accumulated impacts on communities prioritized by CETA. Because pollution, like other kinds of burdens, doesn’t necessarily create a negative impact in the moment of exposure but as a result of the accretion of harm over time, this modification is necessary to ensure that the Legislature’s purpose is well-served as utilities implement the statute.

“Indicator:” Inclusion of this term is helpful, but we recommend expanding the definition. An indicator shouldn’t be limited only to resource and distribution investments, but should include programs as well, reflecting that equitable distribution is likely served by both direct capital investments and other methods of redressing identified impacts.

In addition, we do not think that an indicator should be merely a characteristic of a utility asset, as the current definition holds. Instead, an indicator should represent real-world conditions that can be addressed by how the utility invests in and manages its system. For example, exposure to transportation pollution can be an indicator, which the utility can address through transit electrification. While the rules go on to use the term in a way that appears consistent with this recommendation—suggesting that indicators can be associated with “public health, environment, economics” and more—the proposed definition does not appear to allow measuring real-world conditions that are exogenous to resources themselves. We recommend changing the definition to reflect what appears to be the intent—that indicators are a method of measuring real world impacts and burdens that the utility can seek to address through an equitable distribution of benefits.

Doing so does not imply that the utility is solely responsible for addressing these burdens, since they are likely the result of an accumulation of factors beyond the utility’s control, but this should not be an obstacle in creating a broad and useful definition of indicator. The Legislature has incorporated through CETA public health into the public interest responsibility of utilities—this does not indicate that utilities must address the broad burdens of public health that exist in Washington, but is a recognition of the fact that utilities can contribute to reducing those burdens through their actions and investments.

“Lowest Reasonable Cost:” Climate Solutions appreciates the inclusion of equitable distribution of benefits within the updated definition of lowest reasonable cost, and hope to see this proposal carry through to final adopted rules. Because public health has been defined by the Legislature to be part of the public interest, we continue to request the addition of this to the definition of lowest reasonable cost.

We appreciate the inclusion of “emissions of carbon dioxide” in the definition, but recommend that term be changed to the “greenhouse gases”. This term is consistent with statute and the rest of the rule, and recognizes that carbon is only one of six greenhouse gas emissions referenced in the statute, in addition to those specified by the Department of Ecology. When considering the social cost of emissions, utilities must consider the full range of greenhouse gas emissions for planning, programs, and procurements, rather than only focusing on carbon dioxide.

We additionally believe the definition of lowest reasonable cost would benefit from the inclusion of programs, rather than limiting the definition to resources. The addition of programs will ensure that utilities are not limited to specific actions and investments that have historically been considered a resource.

“Retail sales:” CETA provides a definition for retail electric load, but it does not provide a definition for retail sales, a term used regularly throughout the rules. To demonstrate compliance with the various standards, utilities must document and identify the specific resources being used to supply load to Washington customers each year, and compliance is determined based on a percentage of retail sales. Because the clean energy standards and interim targets are based on retail sales of electricity to customers, it is critical that the Commission provide clarity on this term.

The statute is clear in its intent that its purpose is to transition the electricity supply to 100% greenhouse gas free electricity. To achieve this, a utility’s calculation of retail sales must include all electricity that needs to be generated in order to produce the delivered power, inclusive of transmission, distribution and other system losses. Utility costs and the resulting rates paid by customers incorporate such losses, which indicate that those resources are also supplied to load. On the other hand, simply acquiring generation from renewable and nonemitting resources equal to the volume of electricity consumed by customers would allow emitting resources to fill in gaps created by line losses and other factors that result in a difference between the amount of electricity generated and the amount of electricity supplied to load. In this circumstance, customers would be paying for electricity that was produced with emitting generation, and doing so would run counter to the intent of the law. This interpretation is also consistent with the fuel mix reporting requirements under RCW 19.29A.060.

When calculating the specific targets, interim targets, or requirements for the clean energy standards, it would be inconsistent for utilities to calculate targets based only on volumes of energy delivered to customers without regard to the full associated generation activity. Rather, they should consider losses along the way and ensure that each megawatt hour necessary to deliver electricity to load is from nonemitting or renewable resources. We recommend clarifying this by providing a definition of retail sales that incorporates losses between the point of generation and electricity supplied to load.

“Social cost of greenhouse gas emissions:” The definition of the social cost of greenhouse gas emissions emphasizes the cost of emissions resulting from the generation of electricity, but the generation of electricity from a fossil fuel results in emissions that occur before the actual point of generation itself. We recommend confirming in rules that utilities must include all emissions that occur as a result of generation, including those from the extraction, production, and transportation of a fuel used to generate electricity. Failing to include the full social cost of these emissions would underestimate the harms of processes that are known to result in a significant release of emissions.

Resource Adequacy: As part of the contents of the IRP, WAC 480-100-620(7) requires utilities to provide an “assessment and determination of resource adequacy metrics”. Measuring and assuring continued to reliability

of the system is a core function of utilities, and IRPs and other plans should ensure that their systems remain adequate as they transition to clean resources. However, under RCW 19.405.090, resource adequacy concerns are among the reasons provided by statute to justify a Commission-granted exemption from the clean energy transformation standards.

Given this, Climate Solutions urges the Commission to add detail to future rule proposals to provide guidance for utilities to measure resource adequacy and identify transmission availability in a consistent manner across utilities. As well, we recommend that the Commission consider a greater role in evaluating proposed methodologies. In particular, as the electricity system gradually transitions to higher penetrations of variable resources, it is important that resource adequacy methodologies effectively measure the contribution of these assets. This should be done through probabilistic measures—we recommend the use of effective load carrying capacity (“ELCC”) to measure the capacity contribution of resource choices—and grounded in defined and established targets for loss-of-load probability (“LOLP”) or a similar metric for reliability.

We recommend that these rules provide a level of consistency across the utilities regulated by the Commission while retaining flexibility for continued evolution and development. Rules and future guidance should be informed by ongoing regional efforts related to resource adequacy and transmission availability, and be designed to maximize the intent of achieving the greenhouse gas reduction requirements the Legislature has directed utilities to achieve. We note the importance of coordination with other markets regionally and WECC-wide to identify resource needs and integrated solutions across the West.

Climate Solutions supports Renewable NW’s analysis of this topic, and refers the Commission to their letter responding to this notice.

Social Cost of Greenhouse Gas Application: We appreciate the directive to incorporate SCGHG into the baseline portfolio when calculating the incremental cost of CETA compliance. This is clearly in keeping both with past UTC direction in acknowledgment letters to previous IRPs, and supported by statutory requirements in RCW 19.280.030(3)(a).

We recommend that the Commission provide guidance for utilities to incorporate the social cost of greenhouse gases into planning so that utilities are consistently planning across the state. If utilities are not incorporating the social cost of greenhouse gases consistently there is a risk of differing utility assumptions distorting resource procurement and availability in Washington and across the WECC, as well as posing substantial barriers to participation by stakeholders across Washington’s many utilities.

Incorporating the social cost of greenhouse gas emissions should strive to reflect how generating stations and resource portfolios will operate in real-time after the planning process is complete. Utilities may own or contract with generating resources located both inside and outside of Washington’s state boundaries. Additionally, electricity from generating stations located within Washington may be sold to out-of-state entities. In order to not distort the analysis and artificially impact resources that are not affected by Washington’s Clean Energy Transformation Act, utilities should apply the social cost of greenhouse gas emissions to all WECC resources that are flowing into a utility’s system, but only the portion of their electricity that is delivered to Washington customers. This includes the utility’s existing resources, new resources being considered to serve the utility’s load, and market purchases, regardless of geographic location. This will avoid the distortions that may arise from applying the adder to Washington or other WECC resources that are not used to serve a utility’s load. In IRP processes currently underway, utilities are not choosing consistent application methods for SCGHG, so UTC guidance on this score is necessary.

In addition, in order to accurately understand the greenhouse gas impacts of specific utility choices, a utility's resource plan should reflect the state of the grid, the true costs of dispatch, and the competitive standing of various resources as accurately as possible and as they would function in reality. Doing this accurately enables a utility, its customers, and the public to understand the import of differing choices and the social costs being imposed by those choices. The resulting aggregate SCGHG should be then applied as a fixed or capital cost as the utility evaluates the comparative costs of various resources on the way to selecting a preferred portfolio.

If a utility incorporates the social cost of greenhouse gas emissions into the input cost of fossil fuel resources, this assumes that in real-time, the social cost of greenhouse gas emissions will impact dispatch and operations. Doing this will artificially suppress the dispatch of fossil fuel resources in a utility's system simulation compared to how they may actually run and create the impression of a portfolio that is lower-emitting than said portfolio would be in actuality. In practice, this means that a substantial share of emissions the portfolio would generate would not be covered by the social cost of greenhouse gases as required in statute, and lead to utility resource decisions that are not reflective of real-world greenhouse gas impacts of specific resource selections. Artificially suppressing certain resources would also create the appearance of greater resource needs, thus potentially yielding an overbuilt and unnecessarily expensive resource procurement plan. Utilities should only be permitted to incorporate the social cost of greenhouse gas emissions in economic dispatch if in real-time utilities plan to incorporate these costs into operational decisions.

Finally, with regards to the emissions covered, utilities must consider the social cost of greenhouse gas emissions at the point of generation, as well as upstream emissions that are released as a part of the production and processing. The Clean Energy Transformation Act requires that the social cost of greenhouse gas emissions be considered, which includes a range of greenhouse gases beyond carbon dioxide. Upstream emissions may account for an estimated 5-37% of the total emissions from fossil fuel generating resources, and these emissions should not be ignored in the planning process. In order to maintain consistency among utilities, the Commission should provide guidance on how to incorporate upstream emissions and how to determine a methane emissions leakage rate when incorporating the social cost of greenhouse gas emissions.

Modeling future climate change impacts: Climate Solutions supports the requirement to model future climate change impacts, including not just on system demands, but also on the region's hydrology and other climate impacts that will impact the productivity of existing and future resources.

End-use Fuel Choices in IRPs: The 2019 legislature passed several bills into law that required multiple sectors to reduce harmful greenhouse gas emissions. RCW 80.28.400 requires that the Commission track the progress of natural gas utilities in meeting the state greenhouse gas emission reduction targets. Both electric and gas utilities are now required to use the social cost of greenhouse gases in various parts of planning and procurement. With natural gas emissions rising faster than any other sector in Washington, the regulatory and planning framework must be updated to ensure utilities do not continue to rapidly increase emissions from gas in homes and buildings. We recommend that IRPs for dual gas and electric utilities' planning processes be more integrated to analyze the two systems as a whole, rather than viewed as two completely separate systems run by separate utilities. More holistically integrating gas and electric IRPs would facilitate comparing the cost-effectiveness of broader electrification programs or other programs to reduce greenhouse gases when incorporating the social cost of greenhouse gases.

Under the new obligations to consider health impacts, both dual fuel and electricity-only utilities should consider the impacts of end-use fuel choices in their planning process. Reliance on gas releases a number of

indoor pollutants, including NO_x, carbon monoxide, and formaldehyde, as well as outdoor pollutants that are located very close to where people live and work. These chemicals are harmful to human health, especially for children and individuals with respiratory illnesses. Studies have identified that children in homes with natural gas cooking have a 42% higher chance of developing childhood asthma¹, and 90% of homes that rely on natural gas cooking have indoor air quality that exceeds federal ambient air quality standards². This means that similar air quality impacts outdoors would violate the law and require remediation. Continuing to expand the use of gas is inconsistent with the direction to consider human health impacts as part of resource plans; addressing electrification *is* consistent with CETA's requirement to center public health as part of a public interest analysis; and consideration of such programs is necessary for achieving sufficient greenhouse gas emissions reductions. Utilities should likewise design programs to aid customers that choose to switch from wood stoves and heating oil, two heating sources with similar health concerns. Aiding customers in a gradual transition to zero-emission fuel sources in their homes and businesses helps advance the Clean Energy Transformation Act's statutory requirements.

Clean Energy Action Plans ("CEAP") and four-year targets: While the CEAP is an appropriate location for the utility to identify its mid-term actions as a subset of the IRP, we recommend the establishment of four-year goals for efficiency, demand response and renewable energy be moved into the CEIP, as specific actions identified under RCW 19.405.060(1)(b)(iii), which is a more appropriate setting for the granular plans the utility intends to take action on in the successive years. The CEAP should provide increased information for plans and actions to take place after the completion of each current CEIP.

Comment Opportunity for the Final IRP: We respectfully disagree with Staff's conclusion that a hearing or comment on the final draft IRP is unnecessary. While it is true that the Commission may be able to accurately guess whether a utility has properly incorporated feedback following the draft IRP, it is possible that feedback from the initial submission may yield substantial changes to portions of a utility's plan. These changes may not have been foreseen by stakeholders and would not have previously been commented on. Because the IRP and the UTC's acknowledgement of it forms the basis on which the binding CEIP is developed, it is crucial that stakeholders are able to comment on the updates incorporated in the final IRP. At minimum, the Commission should provide a written comment opportunity in lieu of a hearing.

Timespan of the Interim Targets in the CEIP: The proposed rules appear to include conflicting direction to utilities to provide interim targets that "cover the subsequent implementation period" and in the next paragraph for the remaining years before 2045. We believe the second proposal is consistent with what is called for in statute. RCW 19.405.040 stipulates that "interim targets for meeting the standard...during the years prior to 2030 and between 2030 and 2045". We request the Commission clarify that interim targets are intended to cover not just the subsequent implementation period, but all successive implementation periods before 2045.

Biennial CEIP Update: Climate Solutions appreciates the inclusion of a biennial CEIP update at the same time as the IRP progress report in even years between full filings. The Commission appropriately recognizes that in the two years that have elapsed since the acceptance of the last CEIP there could be substantial changes to resources needs, availability, costs, and other material factors in resource procurement. In the August 13 notice,

¹ Lin, Weiwei, Bert Brunekreef, and Ulrike Gehring. 2013. "Meta-analysis of the effects of indoor nitrogen dioxide and gas cooking on asthma and wheeze in children." <https://pubmed.ncbi.nlm.nih.gov/23962958/>.

² UCLA Fielding School of Public Health, "Effects of Residential Gas Appliances on Indoor and Outdoor Air Quality and Public Health in California." April 2020. <https://coeh.ph.ucla.edu/effects-residential-gas-appliances-indoor-and-outdoor-air-quality-and-public-health-california>.

the Commission raises concerns in Question 5 regarding compliance challenges arising from discrepancies between original CEIP plans and changing conditions. This is a reasonable concern, and for the same reason Climate Solutions requests that the Commission incorporate mechanisms to *require* the biennial CEIP update to incorporate more substantial evaluation and resource procurement changes in certain circumstances. Rules should provide guidance as to the conditions when the biennial CEIP update must extend beyond the conservation plan, including substantial changes in costs for resources slated for procurement, substantial cost changes for resources incorporated in the baseline portfolio, and changes that impact ways the utility participates in markets, accesses transmission and other similar alterations that are likely to substantially alter the utility's system and its likely CETA compliance pathway.

Increased Public Participation: The proposed rules include a variety of robust consultation requirements, including the creation of advisory groups, creation of participation plans, identifying barriers to participation and ways to address them and other considerations. Climate Solutions appreciates the inclusion of these measures—utilities and the Commission will benefit from robust consultation and participation of stakeholders, especially those that traditionally do not have access to utility planning processes. It is appropriate to have high levels of scrutiny on the CEIP because it forms the basis of the utility's CETA compliance pathways, incorporates cost protections and therefore potential underachievement of clean energy deployment, and is ultimately approved by the Commission.

However, because the CEIP is a derivative of the CEAP and the IRP and that come before it, many of the high-level decisions will have been made and finalized before a utility begins this final stage of planning. This means that the community expertise and needs that will be gathered by utilities at this stage of the process will potentially have limited application and be unable to materially impact substantial portions of the utility's planned compliance strategy. For this reason, Climate Solutions recommends separating many of the standing committees and their advisory functions, along with the identification of participation barriers, from the CEIP and requiring these as general practices of utilities. These mechanisms can then inform IRPs, distribution planning, conservation planning, and the CEIP development process, instead of being added at the end of the planning process when they are likely to be the least impactful.

III. Conclusion

Climate Solutions is grateful for the opportunity comment on the ongoing CETA rulemaking process, and appreciates the hard work of Commissioners and staff to develop rules that preserve the integrity of the law's requirements while maximizing benefits for Washingtonians of all backgrounds. As always, we remain ready to engage in further developments and discussion as the Commission moves toward finalizing rules this year.

Sincerely,



Vlad Gutman-Britten
Washington Director, Climate Solutions



Kelly Hall
Senior Policy Manager, Climate Solutions