

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

In the matter of the

Facilitation of a Commission-led
workshop series on the Climate
Commitment Act.

DOCKET NO. U-230161

Northwest & Intermountain Power
Producers Coalition Comments

I. COMMENTS

The Northwest & Intermountain Power Producers Coalition (“NIPPC”) provides these comments pursuant to the Washington Utilities and Transportation Commission’s (the “Commission’s”) April 10, 2023 Notice of Opportunity to file written comments.¹ NIPPC supports and appreciates the Commission’s decision to open this proceeding as a forum for “better understand[ing] the impact of the [Climate Commitment Act (‘CCA’)] on the [investor-owned utilities (‘IOUs’)] and the customers they serve” and for “addressing various issues affecting the IOUs, including how it intersects with the IOUs obligations under [the Clean Energy Transformation Act].”² NIPPC here offers two recommendations.

First, NIPPC recommends that the Commission prioritize in its work plan the issues previously identified by other stakeholders concerning the IOUs’ use of free allowances under the CCA, most particularly the use of allowance prices in utility

¹ Notice of Opportunity to File Written Comments on CCA Work Plan and Future CCA Workshops at 1-3 (Apr. 10, 2023).

² Notice of Workshop at 2 (Apr. 10, 2023).

operations.³ Utilities that are allocated free allowances should be required to impute the full cost of carbon (including both the social cost of greenhouse gases and the market price of allowances) in all dispatch decisions, bids into competitive power markets, and procurement and investment decisions. Absent this requirement, utilities may gain an unfair competitive advantage over their generation and marketing competitors who do not receive free allowances. Mitigating the potential for this unfair advantage is essential to maintaining the integrity of competitive regional markets. Additionally, failing to account for the full cost of carbon in utility decision-making may lead to suboptimal economic outcomes;⁴ therefore, this requirement is appropriate to mitigate unnecessary cost impacts on ratepayers.

Second, NIPPC urges the Commission to explicitly recognize this docket as an iterative process wherein new issues or concerns may come to light. This approach appears to be consistent with the draft Work Plan but could be clearer.⁵

NIPPC appreciates this opportunity to comment and looks forward to engaging further in this docket.

³ *In re Petition of Avista for an Order Approving its Four-Year Demand and Resource Supply Forecast Pursuant to the Climate Commitment Act*, Docket No. UE-220770, NW Energy Coalition Comments at 2-3 (Jan. 6, 2023); *see also* Docket No. UE-220770, Order 01 at 4 (Jan. 24, 2023) (acknowledging stakeholder concerns as important issues that the Commission would address in the future); Notice of Workshop at 2.

⁴ NIPPC agrees with the NW Energy Coalition that an opportunity cost exists even for free allowances. Docket No. UE-220770, NW Energy Coalition Comments at 2-3 (Jan. 6, 2023).

⁵ CCA Work Plan at 1 (Apr. 10, 2023) (indicating future opportunities to comment on workshop topics, such as the July 24, 2023 anticipated date).

Dated this 10th day of May 2023.

Respectfully submitted,

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