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State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

November 11, 2020

Mark L. Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

**RE: Docket UE-191023: Comments of the Western Power Trading Forum Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act**

Dear Mr. Johnson,

The Western Power Trading Forum<sup>1</sup> (WPTF) appreciates the opportunity to comment on the Washington Utilities and Transportation Commission's (the Commission) Proposed Rule Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act (CETA). WPTF comments address issues raised under Section 480-100-650 (Reporting and Compliance) of the Proposed Rule.

Paragraph 3(a) of this section, which pertains to Annual Clean Energy Progress Reports, would require each utility beginning in 2027 to provide an attestation that it "did not use any coal-fired resource as defined in this chapter to serve Washington retail electric customer load." While WPTF considers this language to be a substantial improvement over the previous language in the draft rule, we remain concerned about staff responses in the summary of comments, which suggest that further consideration will be given to this issue.

As WPTF has stated in previous comments, because of common market practices and contracts in wholesale electricity markets, forcing utilities to ensure that they do not inadvertently procure electricity from a coal resource when they purchase unspecified electricity under terms of greater than one month would lead to more reliance on specified or unit contingent contracts. This would be an inefficient and costly outcome, as it would require the utility to carry greater capacity reserves than if it had relied on firm system power. To the extent that hydropower capacity is used for the increased capacity reserves, less hydro generation is available for integrating renewable resources.

Additionally, WPTF considers that efforts to ensure that electricity sourced from coal does not show up in utilities' unspecified power purchases would require significant administrative effort but yield negligible environmental benefits. Coal generation in the west is declining rapidly. As

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<sup>1</sup> WPTF is a diverse organization of over 90 members comprising power marketers, generators, investment banks, public utilities and energy service providers, whose common interest is the development of competitive electricity markets in the West.

of 2019, coal generation capacity in the western interconnect was 34,000 MW<sup>2</sup>. 8,330 MW of this capacity is planned for retirement by the end of 2025, and an additional 4,553 MW before 2030.<sup>3</sup> These are just the currently announced retirements – the Northwest Power Council anticipates closer to 18,000 MW of coal electric generation capacity to be retired by the 2030 timeframe due to environmental and economic pressure on coal generation and coal mining.<sup>4</sup>

Further, the way that coal generation is used should ameliorate concerns about the potential for coal generation in the unspecified purchases of Washington utilities. Coal-fired resources have limited dispatchability, in that they operate efficiently only in a range of around 20-30% below the resource's maximum capacity and within that range, require several hours to ramp up or down. Because of this limited dispatchability, these resources are run to serve base loads, even when fuel costs are high. This is evinced by high capacity factors of coal generation relative to other resources and the fact that the vast majority of coal resources in the west are owned by utilities, cooperatives and municipalities. The few coal plants that are owned by independent power producers (only 4 after Centralia is retired or repowered) require long-term baseload contracts to be economically viable. Thus, it is extremely unlikely that electricity from coal resources is being offered into the short-term (under a year) wholesale market.

Given these facts, rather than expending additional effort to develop rules to ensure that Washington utilities can document that every single megawatt hour of unspecified power has not been sourced from a coal resource, the Commission should instead focus on the narrow question of how to ensure that the investor-owned utilities that currently own coal fully divest of it, and/or don't continue to use these resources to serve Washington customers.

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<sup>2</sup> WECC State of the Interconnect: <https://www.wecc.org/epubs/StateOfTheInterconnection/Pages/Capacity.aspx>

<sup>3</sup> <https://www.westernenergyboard.org/wp-content/uploads/Fall-2020-Joint-CREPC-WIRAB-webinar-series-western-wholesale-electricity-market-configurations-moyer.pdf>

<sup>4</sup> <https://www.nwcouncil.org/news/coal-retirements>