BEFORE THE

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of	)	DOCKET UE-210183
	)	
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	)	COMMENTS OF THE ALLIANCE OF WESTERN ENERGY CONSUMERS
	)	
Rulemaking Relating to Electricity Markets and Compliance with the Clean Energy Transformation Act.	)	

I. INTRODUCTION

1. Pursuant to the Washington Utilities and Transportation Commission's ("Commission") May 17, 2021 and June 7, 2021 Notices in the above-referenced docket, the Alliance of Western Energy Consumers ("AWEC") files these comments. As directed in the Commission's June 7, 2021 Notice, these comments focus on the Commission's questions related to double-counting of non-power attributes under the Clean Energy Transformation Act ("CETA"), and the extent to which the recently passed Climate Commitment Act should be considered in this rulemaking.

II. COMMENTS

A. Questions 5 through 9 related to double-counting of nonpower attributes under CETA.

2. AWEC does not have comments on the specific scenarios identified in Questions 5 through 9 of the Commission's Notice, and defers to the utilities with operational expertise in this area. As a general matter, however, ownership of nonpower attributes should be governed by the contractual provisions associated with a resource. To the extent a contract for a resource's

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output assigns ownership of nonpower attributes associated with that resource to the purchaser, then it would likely constitute double-counting for the seller also to claim these attributes. This is to be distinguished from unspecified market sales of power in which the purchaser has no contractual right to the nonpower attributes. In that case, it would not be double-counting for the seller to claim these attributes for CETA compliance.

B. Question 10: Are there provisions of the Climate Commitment Act that should be considered in this rulemaking?

3. AWEC does not see a need for the Commission to expressly incorporate any provisions or requirements of the Climate Commitment Act into this rulemaking. To the extent the Commission does consider the Climate Commitment Act, however, it should clarify that the provision of free allowances to utilities under the Climate Commitment Act based on their use of clean energy mandated by CETA is not double-counting. Section 14(1) of the Climate Commitment Act states the Legislature's intention to "allow all … investor-owned electric utilities subject to the requirements of [CETA] … to be eligible for allowance allocation as provided in this section in order to mitigate the cost burden of the program on electricity customers." The Legislature, in other words, has made clear that CETA and the Climate Commitment Act are intended to work together and are not intended to impose a double compliance obligation on utilities. Therefore, if it considers the Climate Commitment Act at all in this rulemaking, the Commission should affirm the Legislature's intent with respect to the provision of free allowances to electric utilities.

4. That said, there is one circumstance in which double-counting could potentially exist between the Climate Commitment Act and CETA. That is, if a utility were allowed to

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claim renewable energy as an "offset" under Section 19 of the Climate Commitment Act, it should not be allowed to also claim that energy toward CETA compliance, as offsets are specifically required to be "in addition to greenhouse gas emission reductions or removals otherwise required by law …."[1/]

5. While the Department of Ecology has not yet issued rules governing offsets under the Climate Commitment Act, it appears highly unlikely that this double-counting scenario could occur. For one, SB 5126 defines an "offset project" as "a project that reduces or removes greenhouse gases that are not covered emissions under this chapter."[2/] To the extent a utility pursues renewable energy, that energy is likely to reduce its own emissions, which will be covered under the cap-and-trade program and, thus, not eligible to qualify for offset credit in the first place. For another, because utilities must eventually achieve 100% carbon free electricity under CETA, it is unlikely that the pursuit of renewable energy would be "in addition to" the requirements of CETA.

III. CONCLUSION

6. AWEC appreciates the opportunity to provide these comments and looks forward to further engagement in this rulemaking, including on the issue of how the utilities may "use" carbon free and renewable energy for CETA compliance.

1/ SB 5126 § 19(2)(b)(ii).
2/ Id. § 2(52).

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Respectfully submitted,

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