

July 31, 2023

Chair David W. Danner, Commissioner Ann Rendahl, and Commissioner Milt Doumit  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

Received  
Records Management  
Jul 31, 2023

*Re: U-210553, Examination of energy decarbonization impacts and pathways for electric and gas utilities to meet state emissions targets*

Dear Commissioners:

In 2021, the Washington State Legislature allocated \$450,000 for the Utilities and Transportation Commission (Commission) to “examine feasible and practical pathways for investor-owned electric and natural gas utilities to contribute their share to greenhouse gas emissions reductions as described in RCW 70A.45.020, and the impacts of energy decarbonization on residential and commercial customers and the electrical and natural gas utilities that serve them.”<sup>1</sup> The results of the examination were to be reported to the legislature by June 1, 2023.

To complete the required examination, the Commission contracted with Sustainability Solutions Group (SSG), based in Vancouver, British Columbia, to conduct public engagement, execute a technical decarbonization pathways study, and draft a report for Commission review and submission to the legislature.

The signatories of this letter have been engaged in this process throughout the last two years in varied ways: as members of the Decarbonization Advisory Group (DAG); as participants in public meetings; and as commenters on the docket’s process and public materials. As dedicated stakeholders in this examination, we share a common desire for the successful completion of the legislature’s directive and a commitment to using our collective experience and expertise in support of this outcome.

**In this spirit, we are writing to respectfully request that the Commission make SSG’s draft report, as well as the report’s final Data, Methods, and Assumptions document, publicly available for comment before submission to the legislature.**

On May 31, 2023, a notice of opportunity to file written comments was issued by the Commission, with an initial deadline of June 30, 2023. Comments were sought on an online dashboard, created by SSG, containing limited information from SSG’s technical study. After receiving feedback from multiple stakeholders that more time and additional information from SSG and Commission staff was necessary in order to provide substantive comments, the Commission moved the comment deadline to July 31, 2023, and held a meeting of the DAG on

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<sup>1</sup> SB 5092, Chapter 334, Laws of 2021 Section 143(4)(a)

July 18, 2023. We appreciate the Commission's responsiveness to public requests in these matters.

However, after thorough review, it has become clear that the online dashboard lacks sufficient detail to allow members of the public to provide meaningful and substantive comments. SSG developed three decarbonization pathways for the examination: Electrification, Alternative Fuels, and Hybrid. These pathways form the heart of SSG's analysis, but the dashboard and SSG's past presentation slides include only limited information about the pathways, without adequate explanation to enable understanding or analysis.

For example, electricity and geothermal energy are the dominant fuel types driving decarbonization in the residential buildings sector in all three pathways through 2050. Electricity is the dominant fuel driving decarbonization in the commercial buildings sector in all three pathways. Renewable natural gas is included at slightly different and very low percentages of the total energy mix in the residential and commercial buildings sectors in each pathway. However, the dashboard does not describe the assumptions or methods that SSG used to arrive at these resource distributions or to differentiate between the scenarios. For explanation, the dashboard states only that the Electrification and Hybrid scenarios assume "*Continued electric heat pump adoption in the residential and commercial sectors for space and water heating,*" while the Alternative Fuels scenario describes a "*Combination of electric and renewable natural gas heat pump adoption in the residential and commercial sectors for space and water heating.*" These explanations do not provide insight into the underlying logic of the scenarios and do not enable comment on the viability of their unknown assumptions.

In terms of financial costs, the dashboard states that the Electrification and Hybrid scenarios assume maximized build-out of rooftop solar with battery storage, which drives up capital and total scenario cost for each. However, including a requirement to maximize rooftop solar in these scenarios is not explained or justified in the dashboard. Adding this requirement to only two scenarios precludes the ability to make a cost-benefit comparison between all scenarios, especially without access to the underlying data and assumptions.

These are just two examples of many, included here to illustrate the limits of attempting to provide comments based on incomplete information. There is a Data, Methods, and Assumptions report available on the project webpage.<sup>2</sup> However, it is titled "Version 1" and includes no information on any of the three decarbonization pathways. Without more detailed information on the data, methods, and assumptions that SSG used to develop its pathways, we are unable to fully understand or comment on the merits of these scenarios.

We are concerned that if the Commission submits a report to the legislature without providing opportunity for meaningful public comment, potential errors, oversights, and gaps in the report and its underlying methodology may be missed. Additionally, participants in the process will not have the opportunity to correct any misunderstandings or inadvertent mischaracterizations of

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<sup>2</sup><https://www.utc.wa.gov/sites/default/files/2022-11/Washington%20Data%20Methods%20and%20Assumptions%20Report.pdf>

their participation. Left uncorrected, these may undermine the perceived legitimacy of the report and its usefulness for informing the legislature on feasible and practical decarbonization pathways for investor-owned utilities.

Thank you for your ongoing work to complete this examination, and for your consideration of our request that the Commission make SSG's draft report, as well as the report's final Data, Methods, and Assumptions document, publicly available for comment before submission to the legislature.

Signed,

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**NW Energy Coalition**

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**Washington Conservation Action**

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CC:

Samantha Doyle, Administrative Law Judge, Utilities and Transportation Commission

Anna Lising, Senior Policy Advisor, The Office of the Governor

Amanda Maxwell, Executive Director and Secretary, Utilities and Transportation Commission