



July 31, 2023

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Samantha Doyle
Administrative Law Judge
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

RE: Natural Gas Decarbonization / Docket U-210553 – Final DAG Discussion

Dear ALJ Doyle:

The Alliance of Western Energy Consumers (AWEC) appreciates the opportunity to provide final public comment on the Washington Utilities and Transportation Commission's (UTC) review of decarbonization efforts for the natural gas distribution systems in Washington.

AWEC was invited to participate as part of the Technical Advisory Committee (TAC) in the review of decarbonization pathways led by the Sustainability Solutions Group (SSG). From the beginning, AWEC expressed concern with the SSG led process, and AWEC's final comments reflect our continued frustration of the decarbonization discussion which has been dismissive of TAC comments, suggestions, and criticisms. As a group invited to provide technical support, many TAC stakeholders were not included in the detailed discussions of the inputs and assumptions used to create the methodologies for the decarbonization scenarios in the final report.

Every TAC meeting with SSG and UTC staff has included several of the engaged stakeholders expressing concerns over the process of the meetings – including the failure to share materials and SSG's unwillingness to open the box of assumptions and data used to drive the analysis presented.

To highlight AWEC's concerns with SSG's review of decarbonization pathways, we are including with our comments a copy of a presentation by Energy+Environmental Economics (E3) entitled "Supply and Demand in the Western Interconnection: The Impact of Climate and Climate Policy." This E3 presentation provides a critical review and analysis of the energy systems in the Northwest given the policy and climate goals for the same landscape. It is unclear how SSG's work reflects the detailed modeling and analysis used in the E3 presentation, which shows natural gas will be needed in the electric system for a very long time, in part, to balance against the intermittency of wind and solar.

The SSG final report seems to ignore the need for natural gas and seems to miss the environmental impacts of electrification before the electric systems are completely "green". Converting natural gas customers to electricity is not prudent if you end up using natural gas fired generation to serve electric customers. Because of the loss of efficiency (considering that gas-fired electric generators are at best only about 50% efficient vs. direct end use gas efficiency at 80-90% or more)— you would need more gas to convert to electricity compared to the direct use of gas. This is a step backward from an environmental perspective. Also, the gas and electric systems have always worked together, and electrification could impact reliability — especially on peak days.

AWEC also questions the ability to electrify the industrial sector as assumed in the SSG model. Again, SSG hasn't fully shared the details for the work conducted, and they didn't reference or rely on a broader view of publications that show the types of industrial processes that can't easily be electrified. See U.S. Energy Information Administration Manufacturing Energy Consumption Survey 2018. In many cases, the cost of industrial electrification would be cost prohibitive, and some businesses may decide to relocate their operations to other locations.

In closing, AWEC challenges the conclusions and analysis conducted by SSG. It lacks the analytical rigor we expected when supporting the legislation to review decarbonization pathways for natural gas. To support this claim, AWEC has provided two different resources not utilized in the SSG body of work that show the broader analysis and review that was expected. The Technical Advisory process didn't add to the analytical discourse of the process, but instead was used to "check the box". We encourage the UTC to realize the process lacked the critical review required and in turn work to incorporate comments provided by AWEC, and other stakeholders, that were not part of the final report.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Houskeeper".

Brandon Houskeeper
Washington Government Relations
Alliance of Western Energy Consumers

Attached –

- Supply and Demand in the Western Interconnection: The Impact of Climate and Climate Policy
- U.S. Energy Information Administration Manufacturing Energy Consumption Survey 2018