

Service Date: June 15, 2023



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

621 Woodland Square Loop S.E. • Lacey, Washington 98503
P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY 1-800-833-6384 or 711

June 15, 2023

NOTICE OF WORKSHOP
(Set for Wednesday, July 26, 2023, at 1 p.m.)

RE: Commission-led workshop series on the Climate Commitment Act, Docket U-230161

TO ALL INTERESTED PERSONS:

The Climate Commitment Act (CCA), Senate Bill 5216, enacted in 2021, establishes a cap-and-invest program to reduce carbon emissions. The CCA requires Washington to reduce carbon emissions by 95% below 1990 levels by 2050 and to invest proceeds from a cap-and-trade program in projects that, among other objectives, promote equity under guidance of the environmental justice council.¹

Under the CCA, most facilities that emit more than 25,000 metric tons of carbon emissions a year are required to obtain emission allowances.² The CCA allows electric investor-owned utilities (IOUs) regulated by the Washington Utilities and Transportation Commission (Commission) and subject to the Clean Energy Transformation Act (CETA) to receive no-cost allowances to mitigate the cost burden of the cap-and-invest program on electric customers. Natural Gas IOUs also receive no-cost allowances and must sell an increasing share of their no-cost allowances to auction for the benefit of ratepayers. The no-cost allowances provided to Natural Gas IOUs to cover their emissions will decline proportionally with the cap over time to zero after seven years.³

The Legislature has required electric IOUs, subject to CETA, to submit to the Commission forecasts of utility-specific supply and demand and the cost burden resulting from the inclusion

¹ RCW 70A.45.020, and *see generally* WAC 173-446.

² *See, e.g.*, WAC 173-446-030.

³ RCW 70A.65.130 (1)(a).

of the covered entities in the first compliance period.⁴ These forecasts form the basis of the Department of Ecology's allocations of no-cost allowances to these IOUs. The Commission reviewed and approved the IOUs' forecasts at its regularly scheduled open meeting on January 23, 2023.⁵

On April 10, 2023, the Commission issued a Notice of Opportunity to File Written Comments in Docket U-230161 soliciting feedback from interested persons on priority CCA topics the Commission should plan to discuss throughout the workshop proceedings. The workshop series will provide IOUs, their customers, and all interested persons with an opportunity to discuss and understand the CCA's potential impacts.

The Commission received 16 comments from IOUs and interested persons in this Docket identifying priority issues that require Commission guidance. The Commission plans to address such issues throughout a series of workshops.

WORKSHOP

The Commission will convene a second virtual workshop on Wednesday, July 26, 2023, from 1 p.m. to 5 p.m., to discuss priority issues within the Commission's purview. The Docket materials are available on the Commission's website:

<https://www.utc.wa.gov/casedocket/2023/230161>. [The proposed agenda for the meeting is including in this notice below.](#)

Commission headquarters will not be open to the public for in-person participation. Interested persons may listen to the meeting via Zoom by calling (253) 215-8782 and using Meeting ID: 845 2208 3189# and Passcode: 011446#. To participate in the meeting using Zoom on a computer or mobile device, [click here to join the meeting](#).

AGENDA

1:00 p.m.	Introduction(s); Overview of Workshop Workplan: CCA Exploration – Purpose: Climate Commitment Act Issues & Priorities
1:15 p.m.	Summarizing Workshop 1 – Common Questions, Docket Scope, UTC Jurisdiction

⁴ RCW 70A.65.120(3).

⁵ See Notice Requiring Petitions Requesting Approval of Forecasts Pursuant to RCW 70A.65.120, in Dockets UE-220797; UE-220789; UE-220770.

1:40 p.m.	<p>CCA Discussion</p> <p>(1) No-Cost Allowances</p> <ul style="list-style-type: none"> • What guidance does the Commission need to provide on the use of revenues to benefit ratepayers? • What oversight does the Commission need to ensure related to the use of revenues to benefit ratepayers? • What other issues do interested parties see?
2:50 p.m.	BREAK
3:00 p.m.	<p>Continue CCA Discussion</p> <ul style="list-style-type: none"> • How should the Commission define “low-income”? • In defining “low-income,” which methods and procedures should the Commission consider? • What guidance should the Commission provide on identifying low-income households/customers? • What potential low-income metrics could the Commission consider?
3:40 p.m.	BREAK
3:50 p.m.	<p>CCA Cost Recovery:⁶</p> <ul style="list-style-type: none"> • Which mechanisms related to CCA cost recovery are most appropriate (<i>e.g.</i>, general rate case, accounting petitions, multi-year rate plans, separate tariff mechanisms, hybrid)? • As a follow-up, what guardrails/parameters should the Commission consider for CCA cost recovery? • What CCA activities or costs should the Commission consider to be recoverable? • How should the Commission consider costs on a forward-looking basis? • As a follow-up, what guardrails/parameters should the Commission consider costs on a forward-looking basis?
4:50 p.m.	Next Steps/Adjourn

If you wish to be placed on the interested parties contact list, please submit your request to the Commission’s Records Center at records@utc.wa.gov.

⁶ If the discussion runs over time, the Commission will reconvene in the third CCA workshop to complete any outstanding discussion points.

If you wish to participate and need an interpreter, one will be provided at no cost to you. If you need an interpreter, please contact the Commission at least one business day prior to the meeting by calling (360) 664-1140 or by sending an email to paige.doyle@utc.wa.gov.

The Commission is committed to providing reasonable accommodations to participants with disabilities. If you need a reasonable accommodation for the workshop, please contact the Commission at least one business day prior to the workshop by calling (360) 664- 1132 or by sending an email to human_resources@utc.wa.gov. For TTY service, please call the Washington Relay Service at 1-800-833-6384 or 711.

If you have any questions regarding this docket, you may contact Keith Quinata, Energy Policy Advisor, at (360) 664-1207, or by email at keith.quinata@utc.wa.gov.

AMANDA MAXWELL
Executive Director and Secretary