

Examination of energy decarbonization impacts and pathways

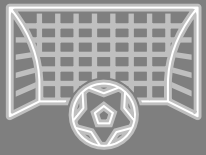
Docket U-210553

August 9, 2021

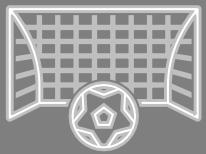
9 a.m. - noon



UTC
Washington Utilities
and Transportation
Commission



Shared
understanding of
project scope



Input from
stakeholders to
inform workplan



Agenda

Commissioner Remarks	9:00
Presentation	9:15
5-Minute Break	9:30
Open Discussion	9:35

Virtual Workshop Instructions

Do:

- ✓ Try to participate using your computer.
- ✓ Mute your mics and turn off your video camera when not speaking.
- ✓ Wait to be called on to speak.
- ✓ Respect the pause.

Don't:

- × Hesitate to “raise your hand” or ask a question!
- × Speak over the presenter or a speaker who is voicing a question or thought.
- × Forget this is a public workshop. The presentation and comments will be recorded and posted.



Senate Bill 5092

Section 143(4)



Pathways

The commission must 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”





Impacts

The examination must “identify and consider impacts of energy decarbonization on residential and commercial customers and the electrical and natural gas utilities that serve them.”

- Utility impacts
- Customer impacts
- Equity impacts
- Potential regulatory changes



Information

The commission may require data and analysis from investor-owned natural gas and electric utilities.

Consumer owned utilities may submit data.





Timeline

Appropriations by year:
FY 2022 = 56 percent
FY 2023 = 44 percent

Report to legislature by
June 1, 2023



Commission Approach

Current thinking

Proposed Principles: Commission Approach

Thorough

Literature review
Current conditions

Transparent

Draft workplan
Stakeholder input

Objective

Considerations,
rather than
recommendations



Impacts, by lane

Utility	Customers	Equity	Regulation
Electrification Supply/demand	Environmental Health Economic	Highly impacted communities Low-income	UTC Legislation

Main tasks of consultants:

Where appropriate, support UTC analysis of impacts



Deliverable: Decision Support

	Consideration 1	Consideration 2	Consideration 3
Pathway 1	Benefits/costs	Benefits/costs	Benefits/costs
Pathway 2	Benefits/costs	Benefits/costs	Benefits/costs
Pathway 3	Benefits/costs	Benefits/costs	Benefits/costs



(a) \$251,000 of the general fund—state appropriation for fiscal year 2022 and \$199,000 of the general fund—state appropriation for fiscal year 2023 are provided solely for the 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.

(b) The examination required in (a) of this subsection must **identify and consider**:

- How natural gas utilities can decarbonize;
- The impacts of increased electrification on the ability of electric utilities to deliver services to current natural gas customers reliably and affordably;
- The ability of electric utilities to procure and deliver electric power to reliably meet that load;
- The impact on regional electric system resource adequacy, and the transmission and distribution infrastructure requirements for such a transition;
- The costs and benefits to residential and commercial customers, including environmental, health, and economic benefits;
- Equity considerations and impacts to low-income customers and highly impacted communities; and
- Potential regulatory policy changes to facilitate decarbonization of the services that gas companies provide while ensuring customer rates are fair, just, reasonable, and sufficient.

(c) The **commission may require data and analysis** from investor-owned natural gas and electric utilities, and consumer owned utilities may submit data to the commission to inform the investigation. The results of the examination must be reported to the appropriate legislative committees by **June 1, 2023**.



A photograph of water polo players in a pool. One player in the center is holding a yellow, red, and blue ball high above her head. Another player to her left is reaching out towards the ball. The background shows other players and the water surface. The image is partially obscured by a dark blue overlay at the bottom.

Stakeholder Discussion

Please use the “raise hand” button to speak

Comments in the chat will be read aloud

The Commission must consider:

- Utility impacts, including:
 - impacts of increased electrification
- Customer impacts including:
 - environmental,
 - health, and
 - economic benefits;
- Equity considerations
- Potential regulatory policy changes

Subject to budget and data constraints, what, if any, additional considerations should the Commission include as part of its examination?

Besides any additional considerations, what else do you think the Commission should consider during the development of the study and consultant engagement?



The appropriation states that the examination should study pathways for energy utilities to meet “their share” of state greenhouse gas (GHG) reductions. How should the Commission determine the utility’s share of GHG reductions?




Please provide references that may be relevant to the Commission's examination of practical and feasible decarbonization strategies, including resources evaluating the impacts of the strategies.



What types of information should investor-owned utilities be required to provide?



Next Steps

 Comments to Docket U-210553
By 5 p.m. on Friday, Aug. 13, 2021

 Sign up for notifications

-  Docket (U-210553)
-  Clean Energy Bulletin

Questions?

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