Examination of energy decarbonization impacts and pathways

Docket U-210553
August 9, 2021
9 a.m. - noon
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”
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**

<table>
<thead>
<tr>
<th>Thorough</th>
<th>Transparent</th>
<th>Objective</th>
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</thead>
<tbody>
<tr>
<td>Literature review</td>
<td>Draft workplan</td>
<td>Considerations, rather than recommendations</td>
</tr>
<tr>
<td>Current conditions</td>
<td>Stakeholder input</td>
<td></td>
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</tbody>
</table>
Draft Workplan

2021
Q2
Project kickoff
Q3
Hire consultants
Q4
Landscape analysis
2022
Q1
Evaluate pathways
Q2
Write report
2023
Q3

Q4
Q1
Q2
## Impacts, by lane

<table>
<thead>
<tr>
<th>Utility</th>
<th>Customers</th>
<th>Equity</th>
<th>Regulation</th>
</tr>
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<tbody>
<tr>
<td>Electrification</td>
<td>Environmental</td>
<td>Highly impacted communities</td>
<td>UTC</td>
</tr>
<tr>
<td>Supply/demand</td>
<td>Health</td>
<td>Low-income</td>
<td>Legislation</td>
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<tr>
<td></td>
<td>Economic</td>
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**Main tasks of consultants:**

Where appropriate, support UTC analysis of impacts
# Deliverable: Decision Support

<table>
<thead>
<tr>
<th>Pathway 1</th>
<th>Consideration 1</th>
<th>Consideration 2</th>
<th>Consideration 3</th>
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<tbody>
<tr>
<td>Pathway 1</td>
<td>Benefits/costs</td>
<td>Benefits/costs</td>
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<td>Pathway 2</td>
<td>Benefits/costs</td>
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<td>Pathway 3</td>
<td>Benefits/costs</td>
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(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**.
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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