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Kathy Hunter
Acting Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

**Re: Comments of Puget Sound Energy – Relating to Electricity Markets and Compliance with the Clean Energy Transformation Act “Use” Rules
Docket UE-210183**

Dear Director Hunter:

On October 25, 2023, the Washington Utilities and Transportation Commission (“Commission”) issued a Notice of Opportunity to File Written Comments (“Notice”) on updated proposed draft rules related to the interpretation of “use” under the Clean Energy Transformation Act (“CETA”). Puget Sound Energy (“PSE”) respectfully submits the following comments in support of the adoption of the proposed draft “use” rules.

Background

In the Notice, the Commission outlines the series of extensive rulemaking proceedings undertaken by both the Commission and the Washington State Department of Commerce (“Commerce”) to implement CETA. In these rulemakings, Commerce and the Commission explored a number of complex topics on a fast-tracked implementation timeline. Through these rulemakings the Commission adopted new rules governing a wide range of subjects, including utility integrated resource planning, clean energy implementation plans, resource acquisition, and changes to existing rules under other statutes, such as the Energy Independence Act.

During the second phase of CETA rulemakings in 2022, the Commission encountered a rapidly changing market environment and additional responsibilities resulting from the passage of new laws, including the Climate Commitment Act. The Commission therefore exercised its discretion to delay the adoption of rules pertaining to the “use” of electricity under RCW 19.405.040(1)(a). Commerce, however, proceeded to

adopt rules relating to “use” for consumer-owned utilities.¹ The Commission now proposes to adopt revised proposed rules on the topic of “use,” which would synchronize the Commission’s rules with those adopted by Commerce previously.

Comments

PSE supports the Commission’s adoption of the proposed draft rules. The proposed rules facilitate utility compliance with CETA over the course of multiyear compliance periods, consistent with CETA’s core compliance obligation.² The proposed rules also provide utilities with the flexibility envisioned in the law to address renewable energy variability and align with current and future market systems and structures.

The Commission’s synchronization of the proposed draft “use” rules with the rules adopted by Commerce also creates needed uniformity and consistency for all of the State’s utilities. Critically, this approach avoids the unnecessary confusion, unintended market consequences, and competitive disadvantages that could result if two groups of utilities subject to the same statutory standard were governed by substantively different administrative rules with different compliance pathways.

It is possible that the Commission may need to revisit these rules at a future time to accommodate the operational rules associated with day ahead markets currently forming in the West. However, at the present time the approach embodied in the Commission’s proposed draft rules implements CETA in a manner consistent with the overarching statutory framework, as envisioned by the Legislature, and enables utilities to achieve the State’s clean energy transformation goals. PSE therefore encourages the Commission to adopt the proposed draft rules as soon as is practical.

Thank you for the opportunity to submit these comments. Please contact Brett Rendina, Regulatory Affairs Initiatives Manager, at (360) 294-9558 or

¹ See WAC 194-40-410 and 194-40-415.

² RCW 19.405.040(1)(a) states: “To achieve compliance with this standard, an electric utility must: (i) Pursue all cost-effective, reliable, and feasible conservation and efficiency resources to reduce or manage retail electric load, using the methodology established in RCW 19.285.040, if applicable; and (ii) ***use electricity from renewable resources and nonemitting electric generation in an amount equal to one hundred percent of the utility’s retail electric loads over each multiyear compliance period***” (emphasis added).

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Brett.Rendina@pse.com for questions about this submittal. If you have any other questions, please contact me.

Sincerely,

/s/ Wendy Gerlitz

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