



**STATE OF WASHINGTON**  
**UTILITIES AND TRANSPORTATION COMMISSION**

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January 25, 2024

**NOTICE OF VIRTUAL WORKSHOP**  
**(Set for February 22, 2024, at 1 p.m. – 3:30 p.m.)**

**and**

**OPPORTUNITY TO PROVIDE COMMENTS**  
**(by 5 p.m., February 16, 2024)**

Re: Relating to Electricity Markets and Compliance with the Clean Energy Transformation Act “USE” Rules,  
Docket UE-210183,

TO ALL INTERESTED PERSONS:

The Clean Energy Transformation Act (CETA), Chapter 19.405 of the Revised Code of Washington (RCW), mandates that all retail sales of electricity be greenhouse gas neutral by January 1, 2030, and that the electricity supplied to retail customers in Washington comes from 100 percent renewable and nonemitting (R&N) resources by 2045. Previously in this docket, rules have been adopted to define the requirements for complying with RCW 19.405.030 through 19.405.050 with electric market purchases from centralized markets, to address the prohibition of double counting of nonpower attributes under RCW 19.405.140, and to address the treatment of energy storage for compliance with RCW 19.405.030 – RCW 19.405.050.

Previous rulemaking in this docket also investigated the interpretation of compliance with RCW 19.405.040(1)(a) relating to the definition of “use.” At the time, the Commission declined to implement rules regarding the definition of “use” due to the uncertainty surrounding the development of day-ahead markets and the implementation of the Climate Commitment Act (CCA). Additionally, the Commission shared the concerns of past commenters that differences between previously proposed rules and rules that had not yet been adopted by the Department of Commerce could create confusion and additional expenses for ratepayers.

With the adoption of Commerce’s rules,<sup>1</sup> further advances in the development of day-ahead markets in the West, and the continued implementation of the CCA, the Commission has resumed this rulemaking to address the remaining issues in this docket.

On October 25, 2023, the Commission issued a set of draft rules to address the definition of “use” in RCW 19.405.040(1)(a). The draft rules were intended to resemble the rules that were implemented by Commerce. In response, the Commission received 5 comments from investor-owned utilities (IOUs) expressing support and interested persons identifying issues that require further assessment. As a result of the comments that have been submitted, the Commission seeks additional discussion on the use of retained nonpower attributes towards CETA compliance.

## **WORKSHOP**

The Commission will convene a virtual workshop on February 22, 2024, from 1 p.m. – 3:30 p.m., to discuss the questions addressed in the included agenda addressing the use of retained nonpower attributes and planning requirements.

Interested persons may join the meeting via Zoom by calling (253) 215-8782 and using Meeting ID: 814 9540 7068# and Passcode: 518848#. To participate in the meeting using Zoom on a computer or mobile device, [click here to join](#).<sup>2</sup>

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](mailto:records@utc.wa.gov).

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 [stacey.brewster@utc.wa.gov](mailto:stacey.brewster@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](mailto: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 Charlie Inman, Energy Policy Advisor, by email at [charlie.inman@utc.wa.gov](mailto:charlie.inman@utc.wa.gov).

## **QUESTIONS FOR PRE-WORKSHOP WRITTEN COMMENTS**

Please provide written comments in response to the following questions by February 16, 2024, at 5p.m. for the workshop on February 22, 2024. Comments submitted after February 16, 2024, will be considered but may not be included in the presentation.

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<sup>1</sup> Chapter 194-40 WAC

<sup>2</sup> <https://utc-wa-gov.zoom.us/j/81495407068?pwd=HSmkDOJv4gNRSacQnoSHfi2RavFIM4.1>

In the context of this rulemaking, a ‘retained nonpower attribute’ is any environmentally related characteristic of energy generation (most notably, a renewable energy credit), exclusive of electrical power service attributes, that is associated with electricity generated by a utility and is retained by that utility after the utility separately sells the associated electricity.

CETA prohibits the use of unbundled renewable energy credits—or any other alternative compliance option—to satisfy more than 20 percent of a utility’s compliance obligation under RCW 19.405.040(1)(a). An issue of interpretation arises whether retained renewable energy credits amount to an alternative compliance option. If retained renewable energy credits are a type of unbundled renewable energy credit under CETA, a utility would be prohibited from using retained renewable energy credits—in combination with other alternative compliance options—to satisfy more than 20 percent of its compliance obligation.

1. Should retained nonpower attributes be allowed to be used toward the 80 percent compliance option?
2. If retained nonpower attributes are not allowed to be used towards the 80 percent compliance obligation, how would this change affect a utility’s planning processes, costs, and operations? What impact would this restriction have on customers?
3. If retained nonpower attributes are not allowed to be used in planning for compliance towards the 80 percent compliance obligation, but are allowed to be used for compliance, how would this affect a utility’s planning processes, costs, and operations? What impact would this restriction have on customers?
4. How would a restriction on retained nonpower attributes interact with utility requirements under the Climate Commitment Act?
5. If a utility engages in a day-ahead market, such as SPP’s Markets+ or CAISO’s Extended Day-Ahead Market, how would a restriction on retained nonpower attributes affect market participation?

## AGENDA

This agenda is an estimate. The exact timing of the presentation will change depending on the length of discussions that occur during the workshop.

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| 1:00 p.m. | Introduction(s)                                    |
| 1:15 p.m. | Overview of Docket UE-210183 and relevant statutes |
| 1:30 p.m. | Discussion of questions 1 – 2                      |
| 2:15 p.m. | BREAK  |
| 2:25 p.m. | Discussion of questions 3 – 5                      |
| 3:10 p.m. | Additional questions, comments                     |

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| 3:30 p.m. | Next Steps, Adjourn |

KATHY HUNTER,  
Acting Executive Director and Secretary