

November 27, 2024

Jeff Killip, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

Re: Western Power Trading Forum Comments Relating to Electricity Markets and Compliance with the Clean Energy Transformation Act “Use” Rules, Docket UE-210183

Dear Director. Killip,

The Western Power Trading Forum<sup>1</sup> (WPTF) appreciates the opportunity to provide input to the Washington Utilities and Transportation Commission (the Commission) on the draft “use” rules under RCW 19.405.040(1)(a) of the Clean Energy Transformation Act (CETA).

WPTF appreciates and supports the Commission’s decision to forego implementation of a monthly ‘use’ cap. We also believe that the Commission’s proposed approach regarding acquisition of Renewable Energy Credits (RECs) and Nonpower Attributes (NPAs) and associated electricity provides an reasonable and appropriate interpretation of ‘use’

Our proposed revisions to the draft rule address provisions regarding electricity dispatched within organized markets. We support the intent of these provisions, but recommend further clarification to better reflect the accounting frameworks being developed in the organized markets and the ability of those frameworks to support CETA implementation.

**Proposed revisions to the draft rules.**

As the Commission is aware, both the Southwest Power Pool (SPP) and the California Independent System Operator (CAISO) are developing frameworks to facilitate load-based accounting of clean energy procurement and greenhouse gas emissions in their organized markets. Although SPP’s development is ahead of CAISO’s, both market frameworks are expected to provide for the unique assignment of energy dispatched by utility-owned or contracted resources to the utility, including renewable and non-emitting energy. While both frameworks will provide for validation by the counter-party (the resource owner) for contracted electricity so that the same energy is not assigned to more than one utility, the

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<sup>1</sup> WPTF is a diverse organization comprising power marketers, generators, investment banks, public utilities and energy service providers, whose common interest is the development of competitive electricity markets in the West. WPTF has over 100 members participating in power markets within California and elsewhere across the United States.

frameworks will not provide for validation of the contracts themselves, nor for transfer of associated RECs/NPA. Because it is outside the ability of a market operator to prevent double-counting of RECs/NPAs, it is inappropriate to require that a “Renewable Attribution Framework” have “protections against double-counting”

WPTF therefore recommends that reference to double-counting be deleted from the definition of “Renewable Attribution Framework”. We note that double-counting is still addressed in paragraph (8) of the draft rules. This paragraph should be modified to clarify what would constitute double-counting of RECs/NPAs of renewable and nonemitting electricity offered in an organized market, and to appropriately place the onus of preventing such double-counting on the offering utility.

Additionally, we recommend that paragraph 6 be modified for clarity. We have two concerns here. First, as stated above, REC/NPAs are not transferred within the organized markets, but they must be transferred to the utility for CETA compliance. However, some of these RECs/NPAs will already be in the possession of the utility. We therefore suggested changing the ‘or’ to an ‘and’ and clarifying that separate acquisitions applies only when the utility does not already own the associated RECs/NPAs.

Our proposed revisions to reflect these comments are shown below.

(#) “Renewable Attribution Framework” means, within the context of an organized electricity market, a system or protocol that allows for the attribution of renewable or nonemitting electricity owned or contracted by a utility. ~~nonpower attributes with protections against double counting.~~

(6) RECs or NPAs associated with electricity generated by a renewable or nonemitting resource dispatched in an organized electricity market are eligible to count towards a utility’s primary compliance if the electricity is attributed to the utility by the organized electricity market’s renewable attribution framework; ~~or~~ and, if the utility does not already own the associated RECs or NPAs, the utility separately acquires the RECs or NPAs associated with the renewable or nonemitting electricity from the resource or system that generated the electricity ~~was acquired in the organized electricity market.~~

(8) A utility may retire a REC or NPA for primary compliance only if the utility demonstrates that there is no double counting of that REC, NPA, or the associated clean energy within another load-based program in Washington or other jurisdictions. At a minimum, this requires that any bilateral sale of electricity without its associated RECs or NPAs must include terms stating that the sale is of unspecified electricity. ~~and the~~ Any electricity generated by a renewable or nonemitting resource and offered for sale by the utility in an organized market may not be offered as specified, and the utility

must ensure that not offer for sale in any organized electricity market the associated RECs or NPAs are not transferred to another entity characterized as a zero or non-GHG resource.

We appreciate your consideration of these comments.

Respectfully,

Clare Breidenich  
Director, Carbon and Clean Energy Committee  
Western Power Trading Forum