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

Re: Docket UE-210183—PacifiCorp’s Comments on April 1, 2025 Draft Use Rules

The Washington Utilities and Transportation Commission (Commission) issued a Notice of Opportunity to Submit Written Comments on April 1, 2025 (Notice), on proposed regulations to implement certain provisions of RCW 19.405, including how utilities can comply with Washington’s Clean Energy Transformation Act (CETA) with the “use” of clean and non-emitting electricity.

PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp) generally supports the updated rules, which continue to recognize CETA’s statutorily required four-year compliance period, and allows for resources to both participate in organized markets, and be claimed for CETA compliance.

With modest amendments discussed below, the Commission’s approach will allow Washington customers to experience the benefits of organized markets participation, align resource assignment with CETA’s incentives to procure clean energy, and ensure that renewable energy credits (RECs) or nonpower attributes (NPAs) are not double counted for other programs.

I. PacifiCorp supports the ability of CETA-compliant energy to be offered in organized markets in WAC 480-100-6xxa (8)(b).

PacifiCorp continues to support the language in WAC 480-100-6xxa (8)(b), which allows a utility to offer renewable or nonemitting resources into the market as unspecified while retaining and using the RECs for CETA compliance. This allows PacifiCorp and other utilities subject to CETA to offer more renewable energy into the market, while still being incentivized by the law to transition to renewable and nonemitting resources.

II. The Commission should clarify that utilities can comply with the “supplying electricity” provision in WAC 480-100-6xxc(1)(b) with resource or cost allocation methodologies—otherwise it is not possible to comply with the regulation.

As discussed in prior comments, PacifiCorp does not have concerns with the requirement that utilities demonstrate they “did not use the associated electricity for any purpose other than

supplying electricity to its Washington retail electric customers,” so long as the regulation permits utilities to rely on market or cost allocation methodologies.

CETA recognized the important role electricity markets play in decarbonization, including requiring the Commission and Washington Department of Commerce that consider “the efficient dispatch of the generation resources” dispatched by markets when adopting rules around meeting load with market purchases.¹

As PacifiCorp noted in its May 10, 2024,² comments, it is not possible to track electrons to end-use customers, which is what WAC 480-100-6xxc(1)(b) appears to require. Without additional Commission clarification, PacifiCorp represents it would not be possible to comply with CETA’s 100 percent clean energy standard.

To start, consider how the Commission’s draft regulations allow utilities to comply with CETA through either market or cost-based resource allocation methodologies—as opposed to tracking electrons. For example, the Commission’s proposed regulation to comply with CETA’s greenhouse gas neutrality standard (WAC 480-100-6xxb(6)), allows utilities to comply with RECs or NPAs from an appropriate allocation of resources dispatched in a centralized electricity market. Similarly, WAC 480-100-6xxb(4)-(5) allows utilities to comply with the use of RECs or NPAs that are directly procured from resources in a single transaction, and the costs of these RECs and NPAs would be assigned to Washington customers in a utility-specific cost-allocation proceeding.

Neither of these provisions require utilities to track electrons to Washington retail customers, yet both allow the allocation of market resources or REC/NPA costs to Washington retail customers. Similarly, the Commission’s draft regulation in WAC 480-100-6xxc(1)(a) points back to these same provisions (ensuring that RECs and NPAs used to comply with the 100 percent standard *must also* satisfy CETA’s greenhouse gas neutrality REC and NPA requirements).

Yet WAC 480-100-6xxc(1)(b) muddies the water. This “supply electricity” language raises the operational, physical, and jurisdictional concerns that result from any sort of tracking of electrons to end users. PacifiCorp’s May 10, 2024 comments discussed this issue in detail. PacifiCorp addresses it again here, because it is imperative that the Commission adopt rules that allow utilities to comply with CETA that reflect organized market developments, as well as physical limitations of the grid. This could be accomplished by:

(1) Striking WAC 480-100-6xxc(1)(b), as WAC 480-100-6xxc(1)(a) requires RECs and NPAs to adhere to WAC 480-100-6xxa, which should apply with equal force to CETA’s 100 percent clean energy standard as it would to CETA’s greenhouse gas neutrality standard. Alternatively, the Commission could strike WAC 480-100-6xxc in its entirety, and instead amend WAC 480-100-6xxa to apply to both CETA’s greenhouse gas neutrality and 100 percent clean energy standards;

¹ RCW 19.405.120(3).

² PacifiCorp Use Comments, at 2-4.

(2) Change the last word of WAC 480-100-6xxc(1)(a) from “and” to “or”; or

(3) Otherwise address the issue in the Commission’s rulemaking adoption order and confirm that “supplying electricity” obligation can be met with market or cost allocation methodologies.

III. PacifiCorp suggests modest amendments to better align CETA compliance with utility practices.

WAC 480-100-6xxc(1)(a) should use “retired” as opposed to “submitted,” as it aligns with CETA’s compliance mechanism (retirement, as opposed to submitted).

Finally, WAC 480-100-6xxa 6(b) could be streamlined as centralized electricity market is included in the definition of Resource Allocation Framework and changing the term “resulting from attribution of the resource” to “deemed” accomplishes the same goal of highlighting the in-market solution sending a specific resource into Washington’s GHG Zone.

(b) the attribution of the electricity to Washington occurs as a result of the ~~centralized electricity market’s~~ resource allocation framework; 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 ~~resulting from attribution of the resource~~ deemed to Washington ~~in the centralized electricity market~~.

IV. Conclusion

PacifiCorp appreciates the Commission’s continued work in this docket, and recommends the Commission consider the modest amendments discussed above.

Sincerely,

/s/ Robert Meredith

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