



April 25, 2025

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

UE-210183
Received
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RE: Docket UE-210183 Relating to Electricity Markets and Compliance with the Clean Energy Transformation Act

Dear Mr. Killip:

The Washington Utilities and Transportation Commission (Commission) issued a Notice of Opportunity to File Written Comments on Draft Rules (Notice) on April 1, 2025.

The Public Generating Pool (PGP) is a trade association representing nine consumer-owned utilities that own and operate their own generating resources in Washington and Oregon. PGP appreciates the multiple opportunities we have had to provide comments to the Commission in various dockets addressing the Clean Energy Transformation Act (CETA). PGP looks forward to continued collaborative discussions with the Commission, the Department of Commerce (Commerce), and other stakeholders on CETA implementation

General Comments

PGP appreciates the Commission's continued work on its draft "use" rules under CETA, particularly with respect to clarifying the application of CETA's requirements to utility participation in centralized electricity markets. PGP has been and continues to be involved in greenhouse gas (GHG) design discussions in the context of the California Independent System Operator's (CAISO) Western Energy Imbalance Market (WEIM) and Extended Day-Ahead Market (EDAM), as well as the Southwest Power Pool's (SPP) Markets+ initiative. PGP has also been engaged in the Department of Ecology's (Ecology) Electricity Markets Rulemaking and other rulemakings under the Climate Commitment Act (CCA). It is critical that any rules relating to centralized electricity markets adopted by the Commission (and, perhaps eventually, by Commerce) enable electric utilities to fully participate in either the CAISO or SPP markets without compromising those utilities' ability to

comply with CETA. To that end, PGP respectfully offers the following comments to the April 1st draft rules pertaining to centralized electricity markets for the Commission's consideration.

WAC 480-100-6XXa Use of RECs or NPAs other than unbundled RECs to comply with the greenhouse gas neutral standard

With respect to subsection (6)(b) of draft WAC 480-100-6XXa, PGP observes that attribution of electricity to Washington occurs "as a result of" market optimization, rather than as a result of a centralized electricity market's out-of-market resource allocation framework. The resource allocation framework incorporates and reflects market attribution after-the-fact.

Double-Counting Provisions

PGP appreciates the strong engagement by Commission staff in the discussions around the tracking and reporting frameworks being developed in the context of the CAISO markets and the SPP Markets+ day-ahead market. The topic of how a participant in a centralized electricity market can be assured that its RECs will not become impaired through double-counting of the associated NPAs by another state's load-based accounting program is complex and nuanced. Both market operators and associated stakeholders have been diligently grappling with these issues and the tensions between state policies and accounting practices that they highlight. PGP's perspective is that, with one minor change proposed below, the current draft rules strike an appropriate balance between clarifying the Commission's policy on double-counting while also allowing discussions to continue and evolve as market accounting and reporting also evolves. It is highly likely that real world experience with allocation frameworks will inform further guidance and discussion on this topic from the Commission as well as future rules that may be adopted by Commerce on the same topic.

With this context, PGP offers the following minor change to subsection 8(b) of draft WAC 480-100-6XXa. In this subsection, the draft rule refers to an offer made in a centralized electricity market on a "specified" basis, which is slightly incomplete. Rather, resources may include a GHG adder in their bid offer indicating a willingness to be attributed to a GHG Zone on a specified basis at a specific price. Furthermore, double-counting would not occur simply as a result of the GHG adder and offer to be attributed—instead, double-counting would only occur to the extent that the energy was actually attributed to the GHG Zone as a specified import. PGP proposes a minor edit below to clarify this conceptually:

- (b) ~~The utility must ensure that~~ any electricity generated by a renewable or nonemitting resource and offered for sale by the utility in a centralized electricity market (~~shall not be offered as specified power~~) **is not attributed to a greenhouse gas pricing zone**, and (~~the utility must ensure~~) that the associated RECs or NPAs are not transferred to another entity.

Conclusion

PGP appreciates the opportunity to comment. We look forward to participating in future discussions about the implementation of CETA, particularly as it pertains to centralized electricity markets.

Sincerely,

/s/ Mary Wiencke

Mary Wiencke
Executive Director
Public Generating Pool