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SENT VIA WEB PORTAL

Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
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***RE: Relating to the Rules for Integrated Resource Planning, Clean Energy Implementation Planning and Compliance with the Clean Energy Transformation Act, Dockets UE-191023 and UE-190698
Comments by Washington Environmental Council***

Dear Mr. Johnson:

Thank you for issuing proposed rules for Integrated Resource Planning, Clean Energy Implementation Planning and compliance with the Clean Energy Transformation Act (Combined Docket UE-191023).

Washington Environmental Council is a statewide not-for-profit environmental advocacy organization that works to protect and restore the environment for all Washingtonians. We work in collaboration and coordination with other environmental organizations, environmental justice organizations, tribal nations, labor unions, businesses, and more, to effect change.

In 2019, the state legislature took historic action and passed the Clean Energy Transformation Act. This breakthrough climate law mandates coal-free electricity by 2026, 100% greenhouse gas-neutral electricity by 2030, and 100% greenhouse gas-free electricity by 2045, for all Washingtonians, achieved in a way that advances equity and creates good jobs here.

The clean energy transformation before us goes beyond just new technology and resources for our electricity system. Indeed, the recent draft State Energy Strategy describes the role of the Clean Energy Transformation Act as powering the transformation not only of electricity generation, transmission and distribution, but also of transportation and building energy use in Washington. Achieving this foundational law is crucial to meeting our new statewide greenhouse gas emissions limits in an equitable way that creates good jobs for generations to come. The Washington Environmental Council has engaged along with partners in the Utilities and Transportation Commission's rulemaking process to implement the law for the last eighteen months, commenting on many occasions on many parts of these rules.

We believe the proposed rules put forth a strong foundation upon which to ensure compliance with and achievement of the law. As the rulemaking process enters the last phase, we seek here to provide input around what aspects of the proposed rule are important to maintain in the final version, and make a few suggestions to strengthen what is already the intent of the rules, as we look ahead to utilities beginning to intensively plan and act to meet the law's mandates in 2021.

We appreciate that, at draft WAC 480-100-610, the Commission articulates the Clean Energy Transformation Standards: utilities must eliminate coal-fired generation by 2026, attain greenhouse gas neutrality by 2030, sell

only clean electricity to customers by 2045, and do so in a way that advances equity, keeps the system safe and reliable, and maximizes conservation and efficiency resources. We find this section is necessary and appropriate to turn the law into practice, and ensure consistency across utilities in implementation.

We also appreciate that the proposed rules set up clear processes and requirements for Integrated Resource Plans and Clean Energy Implementation Plans. Proposed WAC sections 480-100-620, -625, -640 and -645 take the interrelated standards and deadlines of the statute and translate them into processes and requirement to meet the law's standards and deadlines effectively. In particular, we find that the clarification in WAC 480-100-640(5) and -640(6) that the law requires utilities to identify how specific actions will impact the distribution of benefits and burdens on customers and mitigate risks to highly-impacted communities and vulnerable populations crucial to achieving the Clean Energy Transformation Standards.

To strengthen the rules, we urge the Commission to update four key areas that will help drive consistent utility progress, advance equity, and empower all Washingtonians to take part in this transformation crucial to our future. To this end, the final rule should—

- Add “reduction of risk” to the list of minimum required indicators at proposed WAC 480-100-640(4)(c) so that all elements of the core equity mandate at RCW 19.405.040(8) are captured by metrics in implementation.
- Restore the public engagement provisions from previous drafts of the rule to undo barriers and create the accessible public engagement opportunities needed to achieve an equitable transformation.
- Require consistent application of the incremental cost of compliance methodology across all utilities to reduce complexity and drive progress.
- Leverage the full suite of Commission enforcement authority to achieve our state's foundation climate law.

Reduction of risk: The addition of “reduction of risk” to the list of minimum required indicators at proposed WAC-480-100-640(4)(c) will ensure that, from the onset of implementation, utilities are gathering more information and developing a better understanding of all aspects of the core equity mandate at RCW 19.405.040(8). All other aspects of the mandate have already been captured by the minimum required indicators; this addition would complete the set and drive consistent progress in meeting all parts of the Clean Energy Transformation Standards.

Restore public engagement: The final rules should restore the public engagement requirements in the previous draft that set up clear processes for public participation in integrated resource planning and clean energy implementation planning to ensure utilities engage and involve customers and stakeholders, especially from highly impacted and vulnerable communities, in achieving the law. Utility advisory groups are topic-specific and less accessible than broader public engagement opportunities, and do not provide a way for a diversity of perspectives to be shared. To achieve the transformation set out by law, utilities will require more than advisory groups to build and maintain community understanding and support. The rules already require utilities to identify barriers to engagement and develop strategies to overcome those barriers; the Commission should require utilities to stand up not just advisory groups, but also the broadly accessible public engagement opportunities needed to achieve an equitable transformation.

Incremental cost: The final rules should require consistent application of the incremental cost of compliance methodology across all utilities. The Commission has a complex task ahead in overseeing and enforcing the Clean Energy Transformation Act. The Commission has already devoted intensive effort and resources to developing these rules, and will have even greater and more varied responsibility as the rules go into effect. To manage that complexity, the legislature directed the Commission to establish rules so that, across the state, utilities plan and take action in consistent ways. These proposed rules reflect that direction except in the incremental cost of compliance methodology provisions that allow for utilities to offer their own methodology. This loophole creates uncertainty, complicates the core task of tracking progress, could very well delay

implementation, and may hinder compliance. Instead, the methodology should be consistently applied across the state, and, as needed, adaptively managed and updated over time.

Leverage enforcement authority: The final rules should restore the full articulation of Commission enforcement authority in the previous draft. Achieving our state's first foundational law to address climate change may very well require the Commission to use its varied enforcement authority. Although the Commission's powers remain in statute, the proposed rules scales back the enforcement section, by omitting that it is in the Commission's power to limit the extent to which utilities may recover return on investment, determine the prudence of a utility's activities, and take action in response to violations not directly related to emissions. As we enter the intensive initial phase of implementation of this law, with many stakeholders engaging that are not deeply versed in the statute or the Commission's enforcement authority, it is important to set out in in these comprehensive rules for planning and compliance the enforcement tools upon which the Commission may rely.

We appreciate that these proposed rules are a strong start for our state's journey toward 100% clean and equitable electricity by 2045. The proposed rules establish transformational standards and set up clear processes and requirements. We suggest the four above stated updates to help develop indicators to achieve those transformational standards, to create opportunities for public engagement that will build momentum behind the law, to ensure consistent compliance across the state, and to leverage the Commission's enforcement authority. Working together, we will confront the challenge of addressing climate change in a way that invests in people and builds a better life for everyone in our state. Thank you for your efforts.

Sincerely,

Eleanor Bastian
Climate and Clean Energy Policy Manager