Washington’s 2019 Clean Energy Legislation

Clean Energy Transformation Act

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We strengthen communities

- HOUSING HOMELESSNESS
- INFRASTRUCTURE
- BUSINESS ASSISTANCE
- ENERGY
- PLANNING
- COMMUNITY FACILITIES
- CRIME VICTIMS & PUBLIC SAFETY
- COMMUNITY SERVICES
Clean electricity is key to emissions limits
Transition to 100% clean electricity

- **2025**: Eliminate coal
- **2030**: Greenhouse gas neutral standard
  - At least **80 percent** of electricity delivered must be renewable or non-emitting
  - Alternative compliance options for up to **20 percent**
- **2045**: **100 percent** renewable or non-emitting retail electricity supply
CETA removes carbon from WA electricity


Clean Energy Transformation Act (2019)

includes legacy hydro and nuclear
WA’s current resource mix

IOU = investor owned utilities

COU= consumer owned utilities
Clean Energy Transformation Act Implementation

- Passed in 2019 legislative session as part of suite of clean energy legislation

- Pre-rulemaking stakeholder outreach and workshops began July 2019
  - 24 total workshops

Multiple agencies involved with CETA

- **Commerce** – Consumer-owned utilities
  - AG: Enforcement
  - SAO: Compliance
- **Utilities and Transportation Commission** – Investor-owned utilities
- **Ecology** – Energy transformation projects and GHG emissions protocol
- **Health** – Cumulative impact analysis on health and environmental disparities of climate change and fossil fuels
- **Labor** – Tax incentives for renewable energy development requiring labor standards (i.e. prevailing wages, community workforce agreement or project labor agreement)
Clean Energy Transformation Act (CETA)

- **Clean**
- **Affordable**
- **Reliable**
- **Equitable**
An equitable transformation

• Legislative finding that “public interest” includes equitable distribution. Utilities must:
  • Consider non-energy impacts in resource decisions
  • Assess impacts on vulnerable populations and highly impacted communities
  • Standards incorporate equitable distribution goals
  • Incorporate CIA into long term planning

• Rules provide process for ensuring equitable distribution:
  • Identify communities and develop indicators through a public process
  • Forecast impacts of EE, RE and DR targets
Informal guidance for equity provisions

• Discussion of main concepts:
  • Highly impacted communities
  • Vulnerable populations
  • Indicators
  • Equitable distribution of energy and non-energy benefits
  • Public participation
Roadmap for increasing coverage of low-income energy assistance programs

• Requires utilities provide energy assistance to low-income customers by July 2021, focusing on high energy burden

• Requires assessment of energy burden and adequacy of energy assistance programs
  • Commerce will collect and update statewide data biennially
  • Also use data dashboard from US DOE, Low-Income Energy Affordability Data (LEAD) Tool
Planning and compliance provisions

- **Clean energy implementation plans**
  - Prepared at start of each 4-year period, starting 2022
  - Specific targets and actions for RE, EE, & DR
  - Indicators to evaluate equity and distributional impacts
  - Public process for development
  - Simplified approach for small utilities

- **Compliance or performance reports**
  - Prepared at end of each 4-year period, starting 2026
  - Annual reports on fuel mix and GHG content
Safeguards for rates and reliability

- Allows utilities to limit growth of compliance costs to 2 percent of retail rates

- Regular assessment of reliability by Commerce in consultation with experts and stakeholders
  - Allows temporary suspension to protect reliability

- Work to align with cap and trade states (i.e., CA/OR) to prevent double-counting
Implementation challenges

• Equity provisions are fresh issues
• Oversight shift from ex-post focus to planning
• Roles and authority of two agencies
• State policy and organized markets
• Planning and reporting for very small utilities
• Roles of elected boards of public/municipal utilities
• Expectations for regulators and staff
Other reports as part of CETA

• State Energy Strategy

• Energy and Climate Policy Advisory Committee
Future work under CETA

- Interpretation of requirement to “use” electricity
- Definitions for low income and energy assistance need and energy assistance reporting
- Accounting for energy storage
- Carbon and electricity markets workgroup
- Transmission corridors workgroup
- Incorporating environmental impacts in resource plans
- Clean energy transformation projects
- Electric resource adequacy meeting and 2024 report
Want to know more?

Commerce CETA website: http://www.commerce.wa.gov/ceta

Commerce low-income energy assistance program website: http://www.commerce.wa.gov/ceta-2

UTC CETA website: https://www.utc.wa.gov/regulatedIndustries/utilities/energy/Pages/CleanEnergy.aspx