



Department of Commerce

# Washington's 2019 Clean Energy Legislation


## Clean Energy Transformation Act

Glenn Blackmon, Ph.D.  
MANAGER, ENERGY POLICY OFFICE


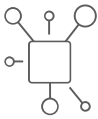


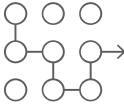
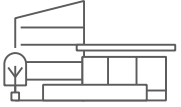


NOVEMBER 19, 2019

v2.1

1



We strengthen communities

 <b>HOUSING / HOMELESSNESS</b>	 <b>INFRASTRUCTURE</b>	 <b>BUSINESS ASSISTANCE</b>	 <b>ENERGY</b>
 <b>PLANNING</b>	 <b>COMMUNITY FACILITIES</b>	 <b>CRIME VICTIMS / SAFETY</b>	 <b>COMMUNITY SERVICE</b>

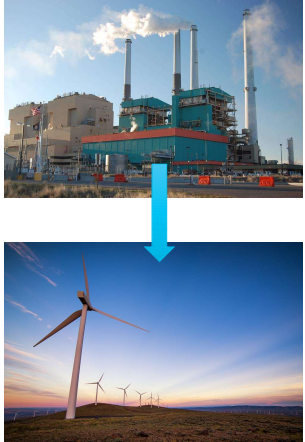
WASHINGTON STATE DEPARTMENT OF COMMERCE

2

2

## 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



WASHINGTON STATE DEPARTMENT OF COMMERCE

3

3

## 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

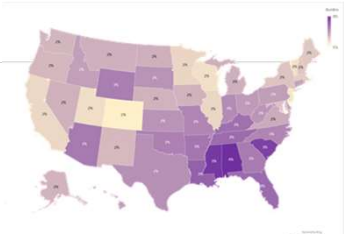
WASHINGTON STATE DEPARTMENT OF COMMERCE

4

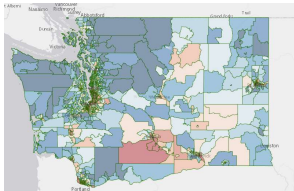
4

## Safeguards for low-income customers and vulnerable communities

- Requires utilities provide energy assistance to low-income customers
- Requires assessment of energy burden and adequacy of energy assistance programs
- Commerce will map data
- Prioritizing vulnerable communities guided by cumulative impact analysis of environmental and health disparities (Washington Tracking Network)



Average U.S. electricity burden



Environmental health disparities (WTN)


WASHINGTON STATE DEPARTMENT OF COMMERCE

5

5

# From Legislation to Rules

6




## Multiple agencies and issues

- **Utilities and Transportation Commission**
  - Investor-owned electric utilities
- **Commerce**
  - Consumer-owned utilities (municipal, public utility districts, co-ops)
- **Ecology**
- **Health**
- **Labor and Industries**
- **Revenue**

*All state agencies must incorporate the 2045 100% clean standard into all relevant planning and use all programs authorized by statute to achieve this policy.  
RCW 19.405.050(4)*

WASHINGTON STATE DEPARTMENT OF COMMERCE 7

7




## Commerce Phase 1 rulemaking

- **Update Energy Independence Act rules**
  - Include incremental generation from federal hydro projects
  - Update renewable energy credit language
- **Adopt values for social cost of greenhouse gas emissions**
- **Public hearing and written comments Dec. 16**

WASHINGTON STATE DEPARTMENT OF COMMERCE 8

8




## Phase 2 sampling of issues

- **Planning requirements**
  - Pre-2030 interim targets for efficiency, demand response, renewables
  - Methodology for incorporating GHG damage costs
- **Demonstration of compliance**
  - Bundling requirements for renewable energy
  - Geographic boundaries for unbundled RECs
  - Demonstration of no-coal compliance
- **Standards for alternative compliance methods**
- **Measurement of incremental costs for 2% rate impact provision**

WASHINGTON STATE DEPARTMENT OF COMMERCE 9

9




## Equitable distribution of benefits

- **Incorporated into resource acquisition plans**
- **Assessment of energy burden and low-income energy assistance programs and funding**
- **Demonstrate progress over time**

*"... ensure that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and non-energy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency."*  
RCW 19.405.030(8)

WASHINGTON STATE DEPARTMENT OF COMMERCE 10

10



## Carbon and electricity markets workgroup

- **Commerce and UTC appointed 20-member workgroup**
- **Examine issues arising in carbon and electricity markets**
  - Organized and bilateral electricity markets
  - Cap and trade GHG emissions regulation
- **Provide input to agencies' rulemaking**
  - Verification and reporting of market purchases from centralized markets
  - Prevention of double-counting of unbundled RECs

WASHINGTON STATE DEPARTMENT OF COMMERCE


11

11

# Resources




12



## Want to know more?

- **Commerce CETA website:**  
<http://www.commerce.wa.gov/ceta>
- **UTC CETA website:**  
<https://www.utc.wa.gov/regulatedindustries/utilities/energy/Pages/CleanEnergy.aspx>
- **Implementation plans and stakeholder sign-up forms on both websites**



WASHINGTON STATE DEPARTMENT OF COMMERCE


13

13




# Thank you!



Glenn Blackmon, Ph.D.  
MANAGER, ENERGY POLICY OFFICE

Email: [ceta@commerce.wa.gov](mailto:ceta@commerce.wa.gov)  
Phone: 360-339-5619



Department of Commerce

[www.commerce.wa.gov](http://www.commerce.wa.gov)   

14