

Washington Clean Energy Transformation Act

Northwest Energy Systems Symposium

Glenn Blackmon, PhD

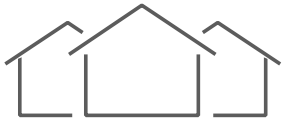
MANAGER, ENERGY POLICY OFFICE

APRIL 6, 2022

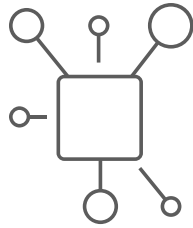


Washington State
Department of
Commerce

We strengthen communities



**HOUSING
HOMELESSNESS**



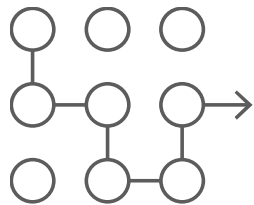
INFRASTRUCTURE



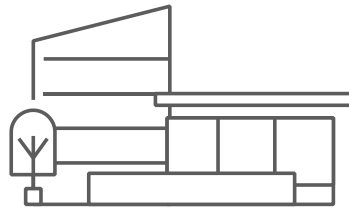
**BUSINESS
ASSISTANCE**



ENERGY



PLANNING



COMMUNITY FACILITIES

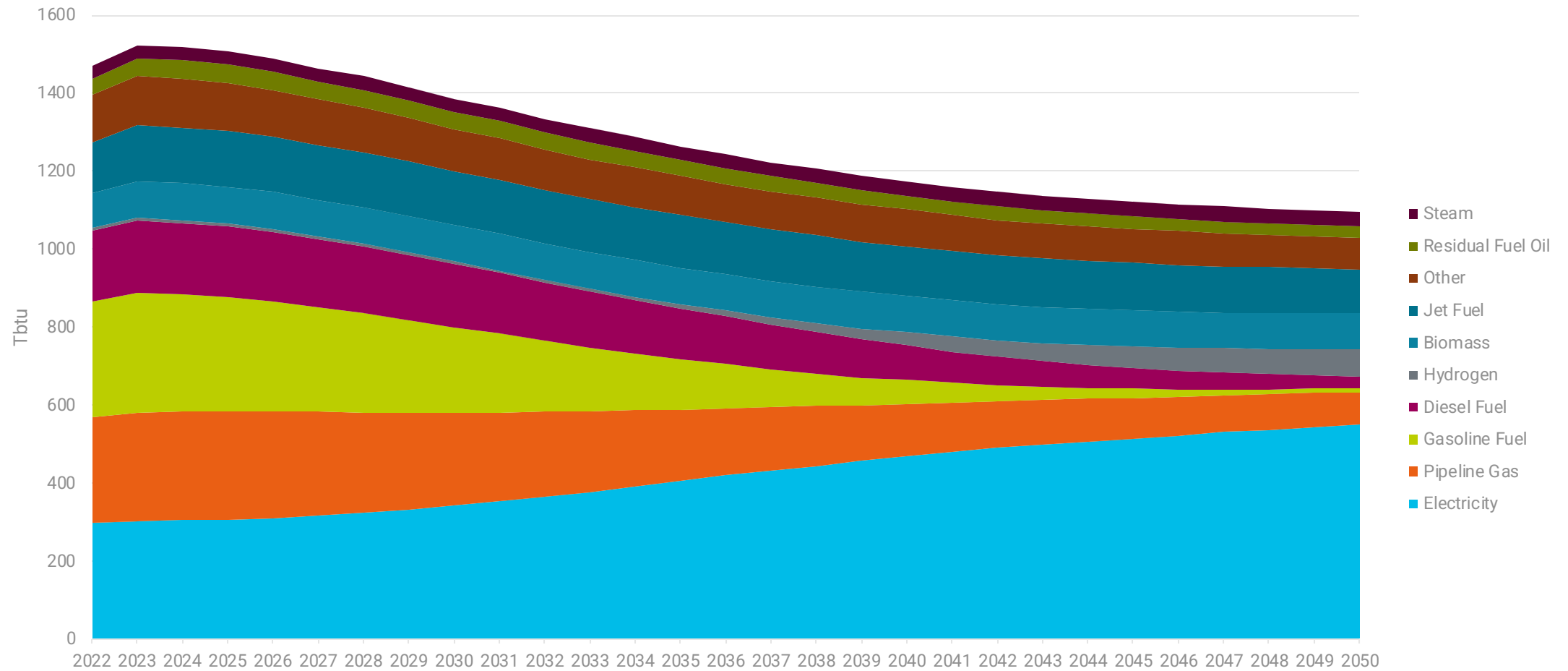


**CRIME VICTIMS &
PUBLIC SAFETY**



**COMMUNITY
SERVICES**

Electricity in Washington's clean energy future



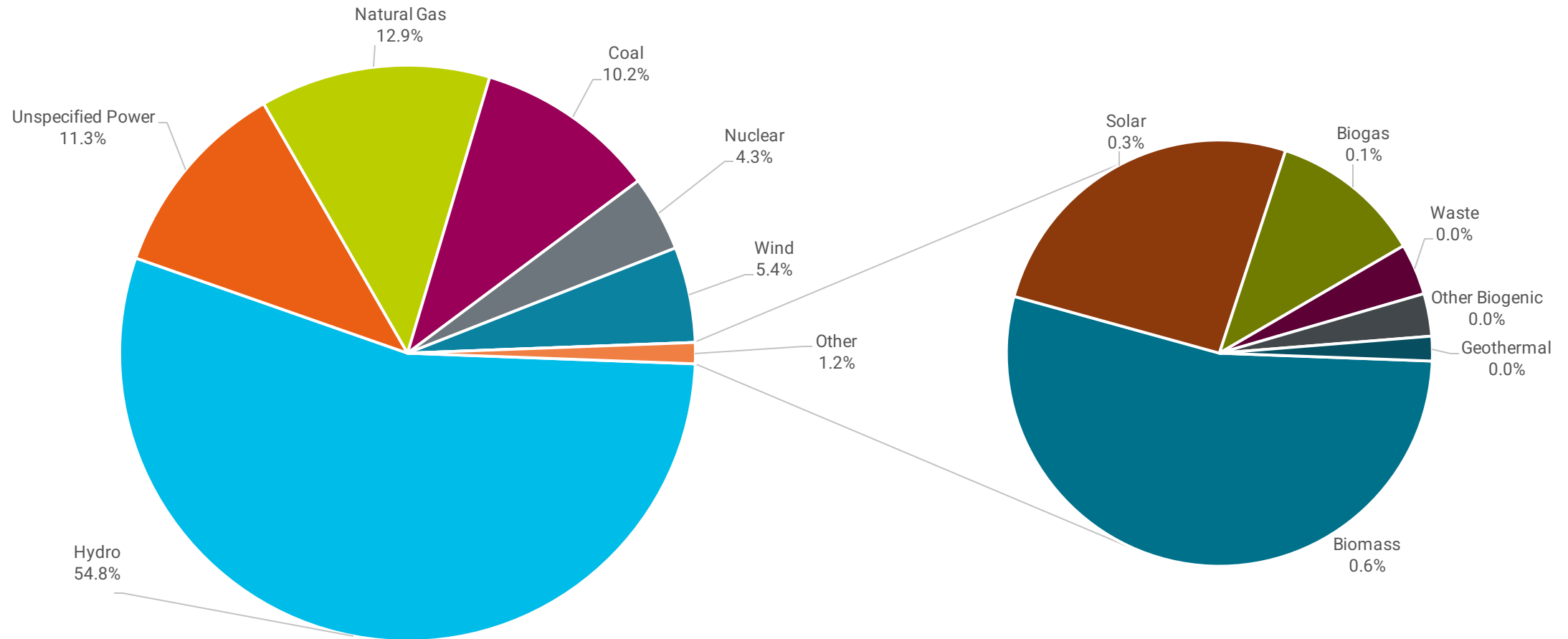
Source: 2021 Washington State Energy Strategy, Appendix B, Electrification Scenario

Clean Energy Transformation Act: Washington's 100% Clean Electricity Law

- Clean
- Affordable
- Reliable
- Equitable

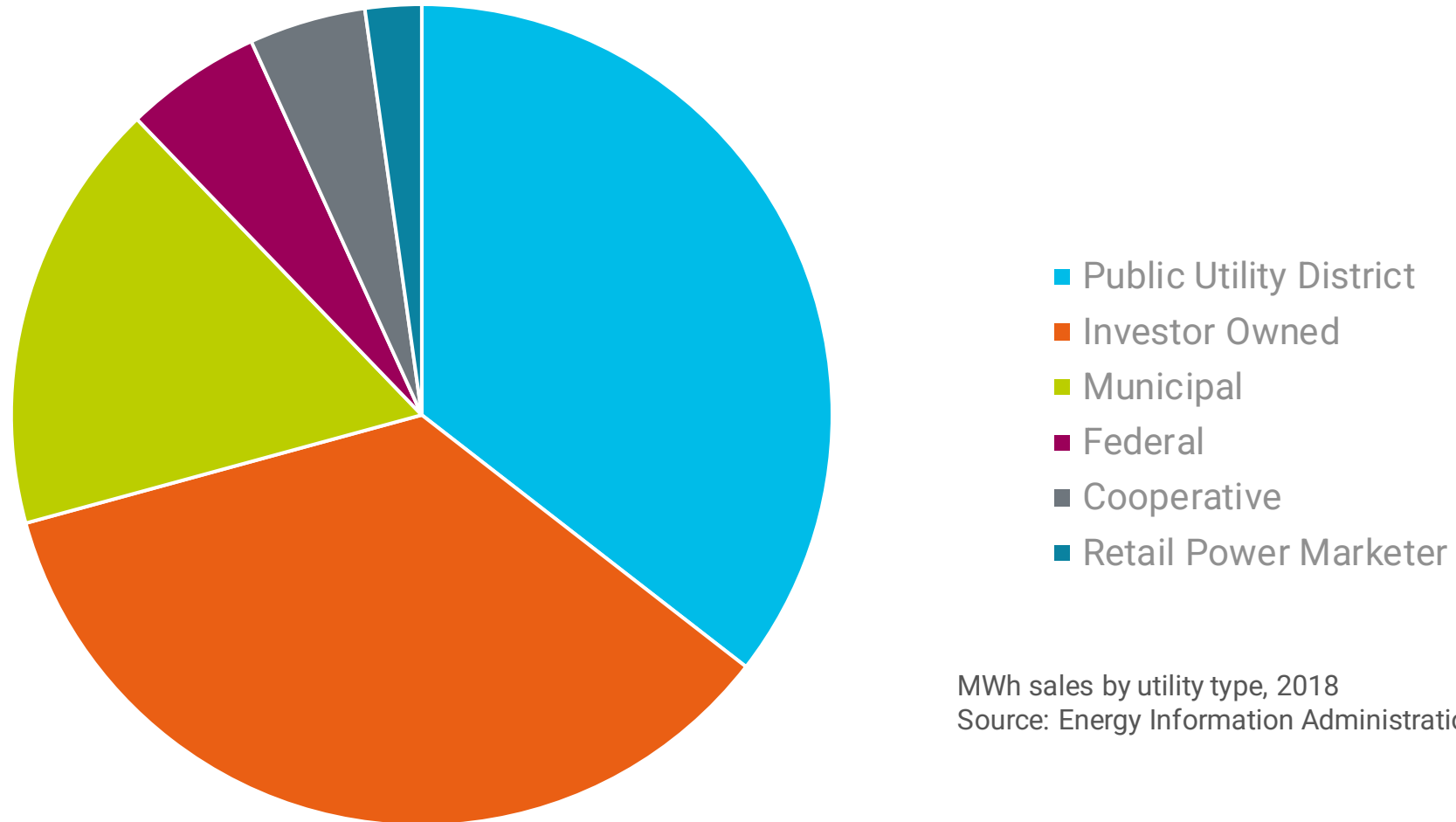


WA utilities' existing resource mix



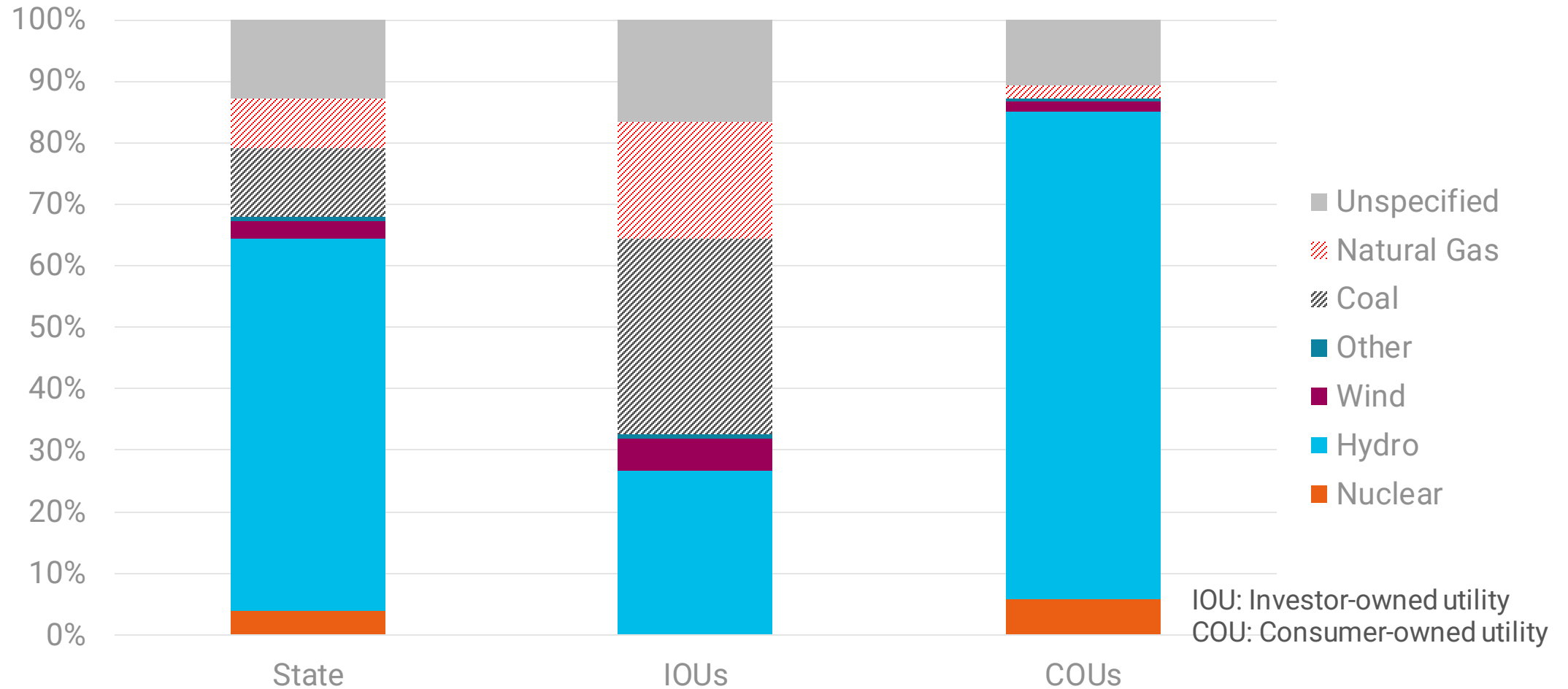
Source: WA Department of Commerce, Fuel Mix Report, 2020 data [<https://commerce.wa.gov/fmd>]

WA electric industry mix



MWh sales by utility type, 2018
Source: Energy Information Administration, Form 861

Resource mix by utility type



CETA lead implementation agencies



Investor-owned utilities

- Puget Sound Energy
- PacifiCorp
- Avista



Consumer-owned utilities

- Municipal utilities
- Public utility districts
- Rural electric cooperatives

CETA's three clean energy standards

- 2025: Eliminate coal from retail portfolios
- 2030: Greenhouse gas neutral standard
 - Use electricity from renewable or non-emitting sources in an amount equal to 80% of retail WA load
 - Alternative compliance options for up to 20%
- 2045: 100% renewable or non-emitting retail electricity supply



An equitable and affordable transformation

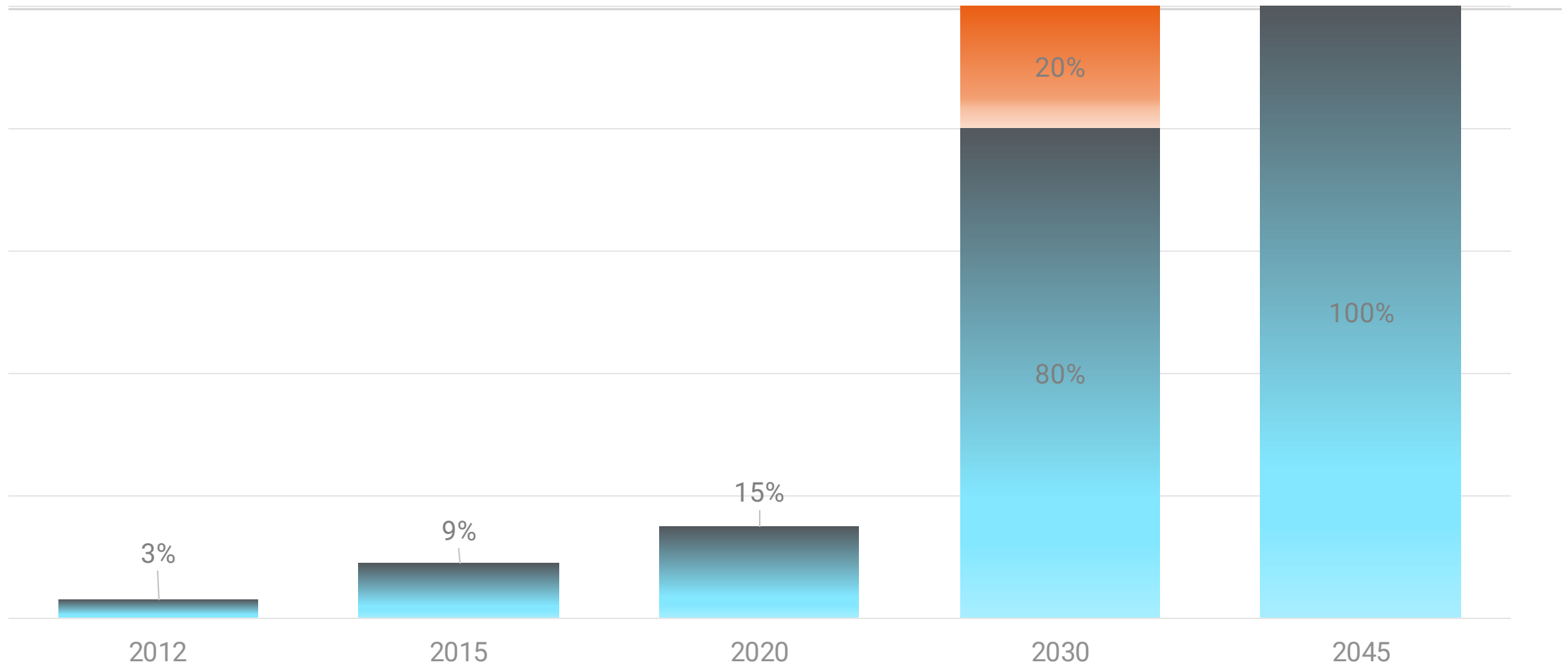
- Legislative finding that “public interest” includes equitable distribution...
- Utilities will:
 - Provide energy assistance to low-income customers
 - Assess energy burden and adequacy of energy assistance programs
 - Consider non-energy impacts in resource decisions
 - Assess impacts on vulnerable populations and highly impacted communities
- Standards incorporate equitable distribution goals
- CETA includes a cost impact safeguard

Enhanced emphasis on resource adequacy

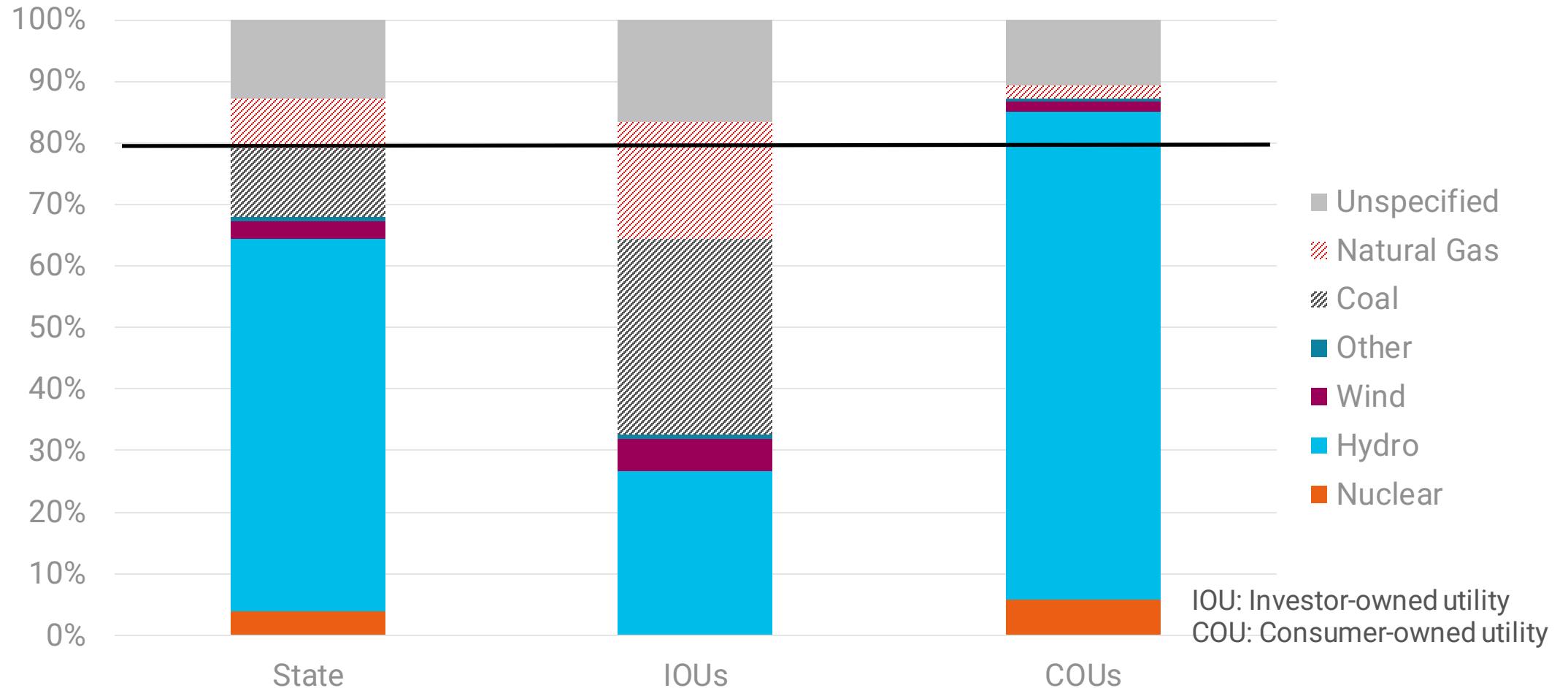
- Utilities must adopt an explicit resource adequacy standard and apply it in resource planning
- Allows temporary suspension to protect reliability
- Regular assessment by Commerce of reliability and resource adequacy
 - Begins in 2023
 - Includes consultation with experts and stakeholders

Energy Independence Act
(2006)

Clean Energy Transformation
Act (2019)



WA utilities' existing resource mix



Planning and compliance rules

- **Clean energy implementation plans**
 - Prepared at start of each 4-year period, starting 2022
 - Specific targets and actions
 - Indicators to evaluate equity and distributional impacts
 - Public process for development
- **Compliance or performance reports**
 - Prepared at end of each 4-year period, starting 2026
 - Annual reports on fuel mix and GHG content

Implementation challenges

- Building a shared understanding of equity provisions
- Siting, financing, and building clean energy resources
 - Renewable energy resources across the West
 - Transmission capacity for diversity and reliability
- Developing flexible loads to replace thermal flexibility
- Serving new electric loads in transportation, industry, buildings
- Increasing energy efficiency
- Harnessing the potential of organized markets
- Aligning CETA and Climate Commitment Act (cap and invest law)
- Watching for loopholes and soft spots in CETA



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Thank you!

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