

WASHINGTON ENERGY STRATEGY ADVISORY COMMITTEE

Meeting Summary

December 7, 2020, 9:00 am to 12:00 pm

Virtual meeting via Zoom

Meeting Participants

Advisory Committee Members

Jason Campbell, Chief Executive Officer, Sovereign Power

George Caan, Executive Director, Washington Public Utility Districts Association

Reuven Carlyle, Senator, Washington State Legislature

Co-Chair: Reeves Clippard, Chair, Executive Committee, CleanTech Alliance and Chief Executive Officer, A&R Solar

Dave Danner, Chair, Washington Utilities and Transportation Commission

Kathleen Drew, Chair, Energy Facility Site Evaluation Council

Sandi Edgemon, City of Richland

Will Einstein, Director of Product Development and Growth, Puget Sound Energy

Martin Gibbins, Climate and Energy Issues Chair, League of Women Voters

Deric Gruen, Program Director, Front and Centered

Matt Harris, Director of Government Affairs and Assistant Executive Director, Washington State Potato Commission

Co-Chair: Nancy Hirsh, Executive Director, NW Energy Coalition

Nicole Hughes, Executive Director, Renewable Northwest

Paul Jewell, Policy Director, Washington State Association of Counties

Dan Kirschner, Executive Director, Northwest Gas Association

Kent Lopez, General Manager, Washington Rural Electric Cooperative Association

Bruce Martin, Energy Resource Manager, WestRock Tacoma

Clay Norris, Power Management Manager, Tacoma Power

Rebecca Ponzio, Climate & Fossil Fuel Program Director, Washington Environmental Council

Alex Ramel, Representative, Washington State Legislature

John Rothlin, Manager of Washington Government Relations, Avista Corporation

Tim Sheldon, Senator, Washington State Legislature

Jessica Spiegel, Director Northwest Region, Western States Petroleum Association

Dan Wilson, President, Local 338 United Steelworkers

Alex Ybarra, Representative, Washington State Legislature

State of Washington Participants

Glenn Blackmon, Washington State Department of Commerce

Michael Furze, Washington State Department of Commerce

Kate Kelly, Washington State Department of Commerce

Lauren McCloy, Office of Governor Jay Inslee

Kendrick Stewart, Washington State Department of Commerce

Consultant Team Participants

Tom Beierle, Ross Strategic

Aditi Bansal, Clean Energy Transition Institute

Andy Chinn, Ross Strategic

Heather Christopher, Ross Strategic

Marc Daudon, Clean Energy Transition Institute

Roel Hammerschlag, Hammerschlag LLC

David Paoella, Clean Energy Transition Institute

Eileen V. Quigley, Clean Energy Transition Institute

Bill Ross, Ross Strategic

Poppy Storm, 2050 Institute

Welcome and Agenda Overview

Kendrick Stewart, Washington State Department of Commerce, welcomed Advisory Committee members and thanked them for their participation and contributions to chart a path to a more equitable energy future for the state. Mr. Kendrick noted that economic transformation to clean energy provides an opportunity to strengthen the economy through innovation and business development, but this will require a broad spectrum of investment in homes, businesses, transportation systems, and the energy grid. New technologies for renewable energy, energy storage, and energy efficiency are also needed. Highly impacted communities and populations have much to gain in the transition to a clean energy economy, and there are opportunities for stakeholders and policymakers to address inequities in the state. The State Energy Strategy will be good for the environment but will also strengthen communities. The Advisory Committee's suggestions have been especially important as the state seeks to achieve its emissions limits and will be instrumental as the state charts its future course.

Tom Beierle, facilitator from Ross Strategic, reviewed meeting objectives and the day's [agenda](#).

Revised Draft 2021 Washington State Energy Strategy

Glenn Blackmon, Department of Commerce, [reviewed key changes](#) in the updated draft [2021 Washington State Energy Strategy](#). Mr. Blackmon noted that the revised draft retains the same basic structure as the previous version, with policies organized by end-use sectors. The draft also focuses on equity and includes information from energy and economic modeling efforts. The revised version incorporates comments from external stakeholders, state agencies, and energy policy experts at Commerce. It also incorporates informal feedback and ideas expressed in the Advisory Committee's breakout sessions in previous meetings.

Additional consideration of equity issues includes closer integration with the outcome of the state's Environmental Justice Task Force and expanded discussion of benefits and limitations of defining communities and populations, common misconceptions around equity, the importance of public participation and inclusivity, the role of resilience in equitable policy design, and a seven-step process

for equitable policy design. A more thorough and consistent discussion of equity has been woven into the other chapters of the updated draft strategy.

In the transportation chapter, the updated draft emphasizes the role of metrics in tracking emissions and energy efficiency, specific accountability for action items, information on statewide transportation planning and processes, and a softer recommendation for a road use charge. The detailed transportation metrics were relocated to an appendix. The industry chapter includes a new discussion of workforce development, clarified analysis of hydrogen/synthetic fuels/biofuels, and an expanded description of regulatory mechanisms. The electricity chapter has a softer recommendation concerning capacity markets, an emphasis on the siting of generation and transmission infrastructure, and acknowledgement of resource adequacy concerns. The chapter also integrates resilience, community engagement, and ownership values; and discusses the opportunity for collaboration on distribution planning and distributed energy resources. The draft strategy includes additional information from the energy and economic modeling such as basic data on energy sources and flows, detail on consumer costs, and non-GHG air quality benefits.

Key themes in the updated draft strategy include the need for planning, data analysis and outreach and the role of investment in an equitable and inclusive transition. Universal broadband access is a key theme as a foundation for the energy transition, as well as the transition of the fossil natural gas industry. Finally, the strategy describes the value of comprehensive pricing mechanisms and the development of green hydrogen and clean fuels.

Mr. Blackmon thanked the Advisory Committee co-chairs and members for their input to the draft strategy and their contributions to making it a stronger document.

Advisory Committee Comments and Clarifying Questions on the Updated Draft 2021 Washington State Energy Strategy (and responses from presenters, in italics):

- Do the “external stakeholder comments” in this version of the State Energy Strategy include Advisory Committee members’ comments?
 - *Some of the external stakeholder comments were from Advisory Committee members but not all of them.*
- Does the revised strategy include ZEV targets and the evolving California emissions standards?
 - *The revised strategy has a more thorough discussion of ZEV targets and potential use of the California emissions standards as well as more information on existing/ongoing work within Washington State Department of Transportation.*
- Department of Commerce should look at how the document describes the role of natural gas, in particular the tone of the comments, which seem to reflect a point-counterpoint that does not otherwise occur in the document. Given the uncertainty of the state’s direction around natural gas it is probably not helpful to debate pros and cons in the document, considering the importance of the discussion given the number of natural gas customers in the state.
- Some Advisory Committee members have made strong suggestions on the issue of moving away from natural gas. Some of these are not framed accurately in the draft strategy, and some comments are not addressed. It is important for Commerce to demonstrate that these comments were addressed. The natural gas industry will play an important role in the clean energy transition

but should not bear the burden of determining the natural gas transition, nor is it solely the state's responsibility.

- The section of the draft State Energy Strategy on equity is general, and implementation will be difficult (at least one Advisory Committee member volunteered to participate in implementing the equity recommendations, particularly around defining equity).
- Some of the recommendations are hard and some are soft. The legislature should be able to review the document and determine what areas make the most sense for the state, as opposed to seeing some areas as less important and others more important. The draft document should have that type of balance.
 - *Commerce has attempted to use softer recommendations for items that are less certain, and harder recommendations for items that require firmer direction. Commerce recognizes that the recommendations are for consideration by the legislature, the Governor, and other state decisionmakers, as well as the private sector, advocacy groups, and others.*
- The updated draft strategy provides a stronger framework and calls out specific actions and priorities for the state to consider for greenhouse gas reductions. It would be helpful to see an implementation plan. It seems that many of the actions could be undertaken by state agencies without the need for legislation.
- There will be many people in the state affected by this strategy, in particular those who use natural gas in their homes and businesses. The tone of the strategy seems harsh from this perspective and appears to invalidate the time invested by the natural gas industry in this process. Commerce should consider the tone of the document and whether there is a more neutral way to characterize it.
- Transmission infrastructure is difficult to build due to the amount of time and investment including navigating all relevant rules and regulations. This challenge may be underestimated in the draft strategy.

Advisory Committee Report

Advisory Committee Co-Chairs Nancy Hirsh and Reeves Clippard briefly reviewed the draft [Advisory Committee report](#), intended to accompany the final State Energy Strategy and detail the work of the Advisory Committee over the course of 2020.

Advisory Committee Comments and Clarifying Questions on the Draft Advisory Committee Report (and responses, in italics):

- The report should be reviewed by the Co-Chairs to make sure it is neutral. The report makes it clear that the Advisory Committee is not endorsing the State Energy Strategy.
- The report should be more positive about what the Advisory Committee accomplished.
- The report provides a sense of the Advisory Committee's work. However, it is optimistic about a clean energy future. Washington's population is increasing, and the assumption is that will help defray increased energy costs by spreading them out amongst a larger group thereby lowering per-person costs, which may not be the case.
- There is a statement in the report that Washington must move away from fossil fuels, yet according to the consultants, 11 gigawatts of natural gas capacity are also required. These statements appear to contradict each other.
 - *The needed natural gas capacity will only run when needed, to meet reliability goals.*

- The report uses the words "clean" and "renewable" interchangeably, but they do not have the same meaning.
- The final section of the report on behavioral changes and opportunities describes behavior change as an individual choice, when it should also be in relation to changing societal structures.