



**DISCUSSION WORKSHOP
CLEAN ENERGY TRANSFORMATION ACT
INTERIM ASSESSMENT
Oct 9, 2023, starting at 1 p.m.
*Hosted via online webinar, details below***

In-person meeting:

Smart Buildings Center Training Room
Pacific Tower
1200 12th Ave S
Seattle, WA 98144

Login information

- [Meeting link](#) (link)
- Meeting ID: 862 2602 9265
- Passcode: CETA

Dial-in information

- Phone #: +1 253 215 8782
- Find your local number: <https://wastatecommerce.zoom.us/j/kqpkyyITB>
- Meeting ID: 862 2602 9265
 - Passcode: 250360
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BACKGROUND

CETA is Washington's landmark 100% clean electricity law, passed by the Legislature and signed by Gov. Jay Inslee on May 7, 2019. The law (Chapter 19.405 RCW) establishes comprehensive new requirements for electric utilities serving Washington customers, including these major provisions:

- Ensure equitable distribution of the benefits of clean energy transition
- Adopt more explicit resource adequacy requirements
- Develop periodic clean energy implementation plans
- Acquire energy efficiency and demand response resources
- Eliminate the use of coal-fired generating resources after 2025
- Meet a greenhouse gas neutral standard for electricity resources starting in 2030
- Provide customers with 100% renewable or non-emitting electricity resources starting in 2045.

In 2021, the Legislature and Gov. Inslee enacted additional legislation (RCW 19.280.065) establishing an annual meeting on electric resource adequacy, convened by Commerce and the Washington Utilities and Transportation Commission.

Interim Assessment

The 2019 CETA statute includes a provision for Commerce to review and evaluate the law every four years, starting Jan. 1, 2024. The text of this section, RCW 19.405.080, is attached.

The assessment includes a review of the clean electricity standards, an evaluation of reliability, an evaluation of financial impacts, an evaluation of potential new technologies, and an assessment of impacts on specifically identified customer groups.

The 2024 assessment occurs before any of CETA's three clean electricity standards take effect. Moreover, in the time since CETA was enacted, Washington has enacted and implemented the Climate Commitment Act, an economy-wide regulation of greenhouse gas emissions that covers entities that generate or import electricity in Washington. In addition, the federal government has enacted significant tax and incentive provisions encouraging the development of renewable and non-emitting energy resources to replace fossil fuels.

As a result of these factors, it may be difficult at this phase of CETA's implementation to discern any specific and substantial impact of CETA itself.

WORKSHOP AGENDA

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| 1. Welcome | 15 minutes |
| On this day, designated by President Biden as Indigenous Peoples Day in the United States, we acknowledge that we live and work on the traditional territories of the Coast Salish peoples, whose ancestors have lived here and cared for these lands, air, and waters since time immemorial. In our work today may we honor the people past and present who belong to this place. | |
| 2. CETA background | 10 minutes |
| 3. Interim Assessment background | 15 minutes |
| 4. Public comment summary and discussion (w/break) | 70 minutes |
| 5. Next steps | 15 minutes |

RCW 19.405.080

Report to legislature.

By January 1, 2024, and at least every four years thereafter and in compliance with RCW 43.01.036, the department must submit a report to the legislature. The report must include the following:

(1) A review of the standards described in RCW 19.405.030 through 19.405.050 focused on technologies, forecasts, and existing transmission, and an evaluation of safety, environmental and public safety protection, affordability, and system reliability.

(2)(a) An evaluation, produced in consultation with the commission, electric utilities, transmission operators in Washington, the reliability coordinator for electric utilities, any regional planning organization serving electric utilities, public interest and environmental organizations, and the regional entity for the western interconnection identifying the potential benefits, impacts, and risks on system reliability associated with achieving the standards described in RCW 19.405.040 and 19.405.050. The evaluation must assess whether electric utilities have sufficient electric generation resources to meet forecasted retail electric load in addition to adequate transmission capability to implement RCW 19.405.030 through 19.405.050 without: (i) Violating mandatory and enforceable reliability standards of the North American electric reliability corporation; (ii) violating prudent utility practice for assuring resource adequacy; or (iii) compromising the power quality or integrity of the electricity system. Subject to funding appropriated for this purpose, the department must consult with a national laboratory with expertise in grid reliability, security, and resilience.

(b) The evaluation should assess the anticipated financial costs and benefits of investments necessary to correct those deficiencies at the lowest reasonable costs as identified by electric utilities, transmission operators in Washington, the regional entity for the western interconnection, or any regional planning organization serving electric utilities. The assessment of these investments in the report is not deemed to be approval of such investments for rate recovery by any authorizing entity.

(3) An evaluation identifying the nature of any anticipated financial costs and benefits to electric utilities, including customer rate impacts and benefits including, but not limited to:

(a) Greenhouse gas emissions of electric utilities;

(b) The allocation of risk between customers and electric utilities;

(c) The allocation of financial costs among electric utilities in the state and whether retail electric customers are equitably bearing the financial costs of implementing RCW 19.405.030 through 19.405.050;

(d) The timing of cost recovery for electricity generated by nonemitting electric generation or renewable resources;

(e) The resource procurement process of electric utilities; and

(f) The barriers to, and benefits of, implementing RCW 19.405.040 and 19.405.050.

(4) An evaluation of new or emerging technologies that could be considered to be a renewable resource.

(5) An assessment of the impacts of RCW [19.405.030](#) through [19.405.050](#) on middle-income families, small businesses, and manufacturers in Washington.