

Washington's Clean Energy Transformation Act

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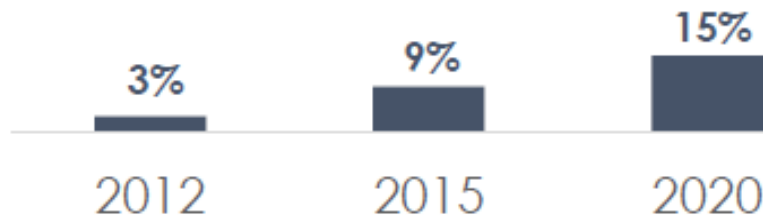
Key Provisions

- **Phases out coal-fired electricity by the end of 2025**, when Washington's last coal-fired power plant is expected to cease operations.
- Requires utilities to achieve a **carbon-neutral standard by 2030** – 80 percent of which must be met with clean energy resources.
 - Clean resources = renewable & nonemitting
 - Renewable claims must be documented with RECs
- Adopts a policy to **transition to 100% clean electricity by 2045**, and requires utilities to incorporate the policy into their planning and resource acquisition processes.

Clean Power in Washington

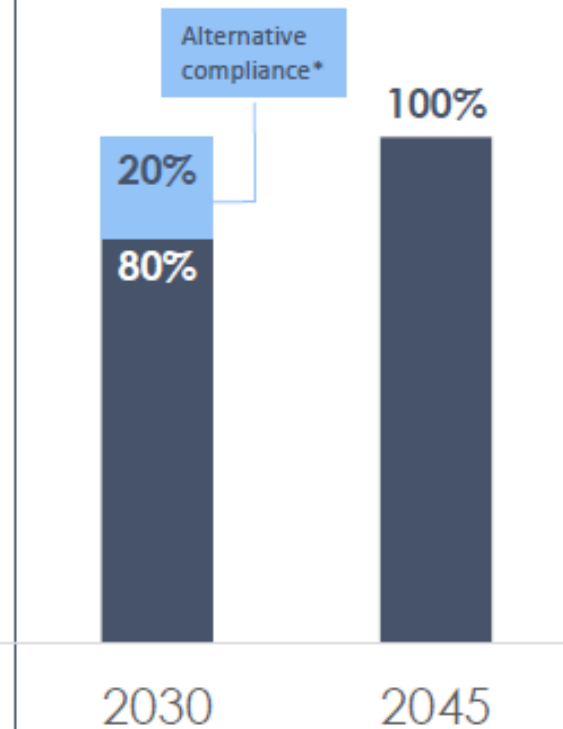
Current law under Initiative 937

Percent eligible clean electricity



2SSB 5116

Percent clean electricity



Enhanced planning requirements

- Beginning in 2022, utilities must develop clean energy implementation plans
 - Interim targets for efficiency, demand response, and renewables
- Utilities must include social cost of carbon
- The Department of Commerce must develop an updated state energy strategy by 2021

Safeguards for rates and reliability

- The bill limits the growth of compliance costs to 2 percent of retail rates
- The bill requires an assessment of energy burden and adequacy of energy assistance programs
- The bill provides for a temporary suspension of the standard to protect reliability and waiver of the penalty if reliability standards are threatened
- The bill requires regular assessment by the Department of Commerce in consultation with experts and stakeholders

Market issues

Sec. 13: the Utilities & Transportation Commission and the Department of Commerce must:

- Convene a stakeholder group to examine: (a) Efficient and consistent integration of this act and transactions with carbon and electricity markets outside the state; and (b) Compatibility of the requirements under this act relative to a linked cap-and-trade program.
- Adopt rules by June 30, 2022 for: (a) Retail electric load met with market purchases and the western energy imbalance market or other centralized market administered by a market operator; and (b) to address the prohibition on double counting of nonpower attributes that could occur under other programs.
- With respect to purchases from the western energy imbalance market or other centralized market, the department and the commission must consult with the market operator and market participants to consider options that support the objectives of this chapter and the efficient dispatch of generation resources dispatched by those markets

Recognizing the value of hydropower

- The bill allows all hydropower generation from existing dams to be used for compliance with the 2030 carbon-neutral standard and the 2045 100% clean standard.
- The bill allows hydropower to generate renewable energy credits.
- The bill provides incentives for Washington investor-owned utilities to purchase hydropower.
- The bill accounts for the variability of hydroelectric generation.

Other important provisions

- Resources used to comply with I-937 are eligible for compliance with this act.
- The bill harmonizes compliance with I-937, beginning in 2030. Utilities may be relieved of any portion of their I-937 compliance obligation that would cause them to exceed 100% clean.
- The bill allows for the investments made to implement I-937 be counted toward compliance with the Act, including the customer rate protection mechanism.
- The bill allows increased generation due to efficiency upgrades at federally-owned dams to be an eligible renewable resource for compliance with I-937, the Energy Independence Act.

Questions?

Stakeholder information and email signups will be posted here:

www.commerce.wa.gov/ceta

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THANK YOU!!!



Jay Inslee  Governor

Read more about our historic legislative session for climate and clean energy [here](#).