

DPU Data Request 11.2

Michael Wilding – Refer to Wilding Response at lines 487-: “Section 3.1.7 of the 2020 Protocol applies to the generally applicable compliance costs associated with purchasing GHG allowances for the Chehalis plant”.

- (a) How does the Company allocate the no-cost allowances provided to the Company by the state of Washington associated with generation from the Chehalis plant?
- (b) What is the applicable section of the 2020 Protocol for this allocation, and why is it applicable?

Response to DPU Data Request 11.2

- (a) No-cost allowances are provided based on PacifiCorp’s Washington retail load and not specifically for the Chehalis plant. These allowances offset the emissions associated with serving retail customers in Washington. They do not have an applicable cost and therefore are not allocated.
- (b) The no-cost allowances Washington has decided to provide to its own customers is tied directly to Washington’s retail load and the attributes associated with PacifiCorp serving that load. The provision of no-cost allowances is distinct from the generally applicable generation tax imposed by the Washington Cap and Invest Program. The provision of no-cost allowances was determined by the Washington Department of Ecology (Ecology) to be limited to Washington’s retail load. Therefore, these no-cost allowances are assigned consistent as a state specific initiative under 3.1.2.1 under the 2020 Multi-State Process (MSP) Inter-Jurisdictional Cost Allocation Methodology (2020 Protocol).

In the Concise Explanatory Statement Chapter of the Climate Commitment Act (CCA) Program,¹ Ecology addressed a comment submitted by PacifiCorp regarding the provision of no-cost allowances for the emissions associated with Washington thermal generation allocated outside the state of Washington.² PacifiCorp requested guidance for these allowances to be available not only for Washington customers but also for emissions associated with thermal generation (i.e., Chehalis) allocated to customers in other states. Ecology responded to this comment by stating that the CCA primarily focuses on regulating greenhouse gas (GHG) emissions within the state.

¹ State of Washington, Department of Ecology, Publication 22-02-046, Concise Explanatory Statement Chapter 173-446 WAC Climate Commitment Act Program at page 239, (Sept. 2022), available at: <https://apps.ecology.wa.gov/publications/documents/2202046.pdf>.

² Ecology refers to this allocation as an “export”.