

AGENDA
BENTON COUNTY PUBLIC UTILITY DISTRICT NO. 1
SPECIAL COMMISSION MEETING

CLEAN ENERGY IMPLEMENTATION PLAN

Tuesday *July 27, 2021* *8:15 a.m.*
2721 West 10th Avenue, Kennewick

The meeting is open to public attendance via telephonic means.

The conference call line is:

1-469-998-5874

Conference ID: 152 468 949#

1. Pledge of Allegiance

2. Welcome and Introductions
President Lori Sanders

3. Presentation
Kevin White/Paul Durham

4. Commission Questions and Discussions

5. Public Comments – Open

6. Adjournment



- Business Agenda
- Second Reading
- Consent Agenda
- Info Only/Possible Action
- Info Only

COMMISSION MEETING AGENDA ITEM

Subject:	Clean Energy Implementation Public Meeting #1	
Agenda Item No:		
Meeting Date:	July 27, 2021	
Presented by:	Kevin White / Paul Durham	<i>Staff Presenting Item</i>
Approved by (dept):	Kevin White	<i>Director/Manager</i>
Approved for Commission review:	Rick Dunn 	<i>General Manager/Asst GM</i>

Motion for Commission Consideration:

None

Recommendation/Background

The Clean Energy Transformation Act (CETA) was enacted in 2019 and established clean energy requirements including no coal-fired resources by the end of 2025, greenhouse gas neutral by 2030, and 100% carbon-free by 2045. In addition to the clean energy requirements, CETA established additional planning requirements to the Integrated Resource Plan process and a new planning document called the Clean Energy Implementation Plan (CEIP). The CEIP must propose interim targets for energy efficiency, demand response and renewable energy as well as actions to ensure an equitable transition to the state’s carbon-free energy goals. Targets must be consistent with a utility’s long-range, integrated resource plan and resource adequacy requirements. The first CEIP is due to the department of commerce by January 1, 2022. Public participation in the CEIP process is required under CETA and holding two Public Meetings provides a public input process and comment period for the draft CEIP in advance of the Commission adopting the final CEIP in Q4 2021.

Summary

The first CEIP public meeting will provide an overview of the CEIP process/requirements and provide staff’s recommendation for two of the five main components of the CEIP.

Fiscal Impact

None



Clean Energy Implementation Plan

July 27, 2021

Clean Energy Transformation Act (CETA) Overview

What is the Clean Energy Transformation Act?

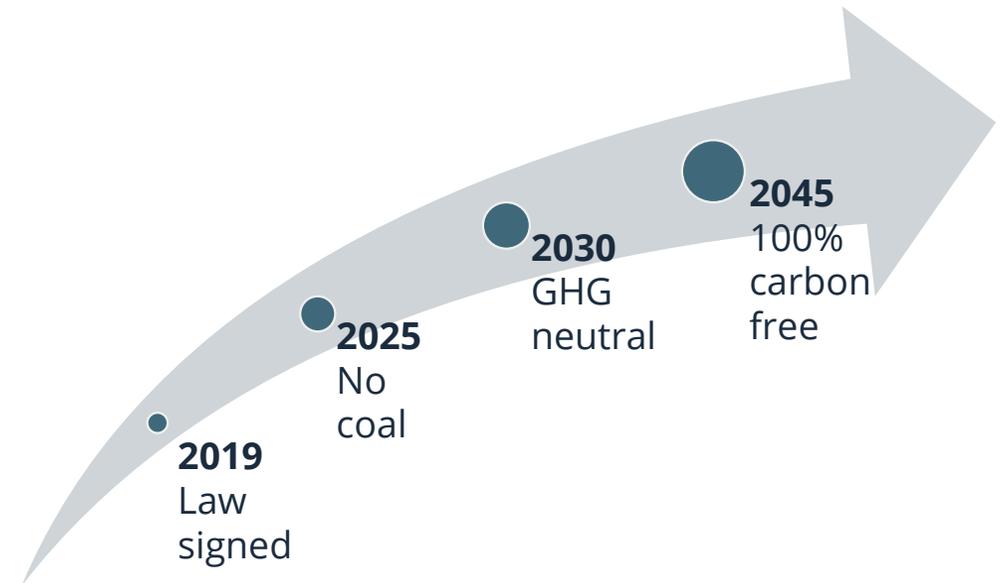
A law, enacted in 2019, that requires Washington State electric utilities to have 100% Carbon Free electricity supply by 2045

What are the CETA requirements for electric utilities?

- Eliminate coal from power supply by December 31, 2025
- 100% of all retail sales of electricity must be greenhouse gas (GHG) neutral by 2030
- 100% of all retail sales of electricity must be supplied by renewable or non-emitting electric generation by 2045

What qualifies as **renewable** or **non-emitting**?

- **Hydro**
- **Renewable Hydrogen**
- **Nuclear**
- **Geothermal**
- **Wind**
- **Biomass**
- **Solar**



Current Status

District Fuel Mix

Fuel Type	4-Year Average
Coal	0.2%
Hydro	78.4%
Natural Gas	1.2%
Nuclear	9.5%
Solar	0.0%
Wind	6.3%
Other	4.4%

Carbon Free 94.2%

CETA Requirements

2030

100% of all retail sales of electricity in Washington State must be greenhouse gas neutral by 2030

(80/20)

80% of compliance must be renewable and non-emitting generation resources

Up to 20% of compliance can be alternate compliance options:

- Compliance Payments
- Renewable Energy Credits
- Energy Transformation Projects

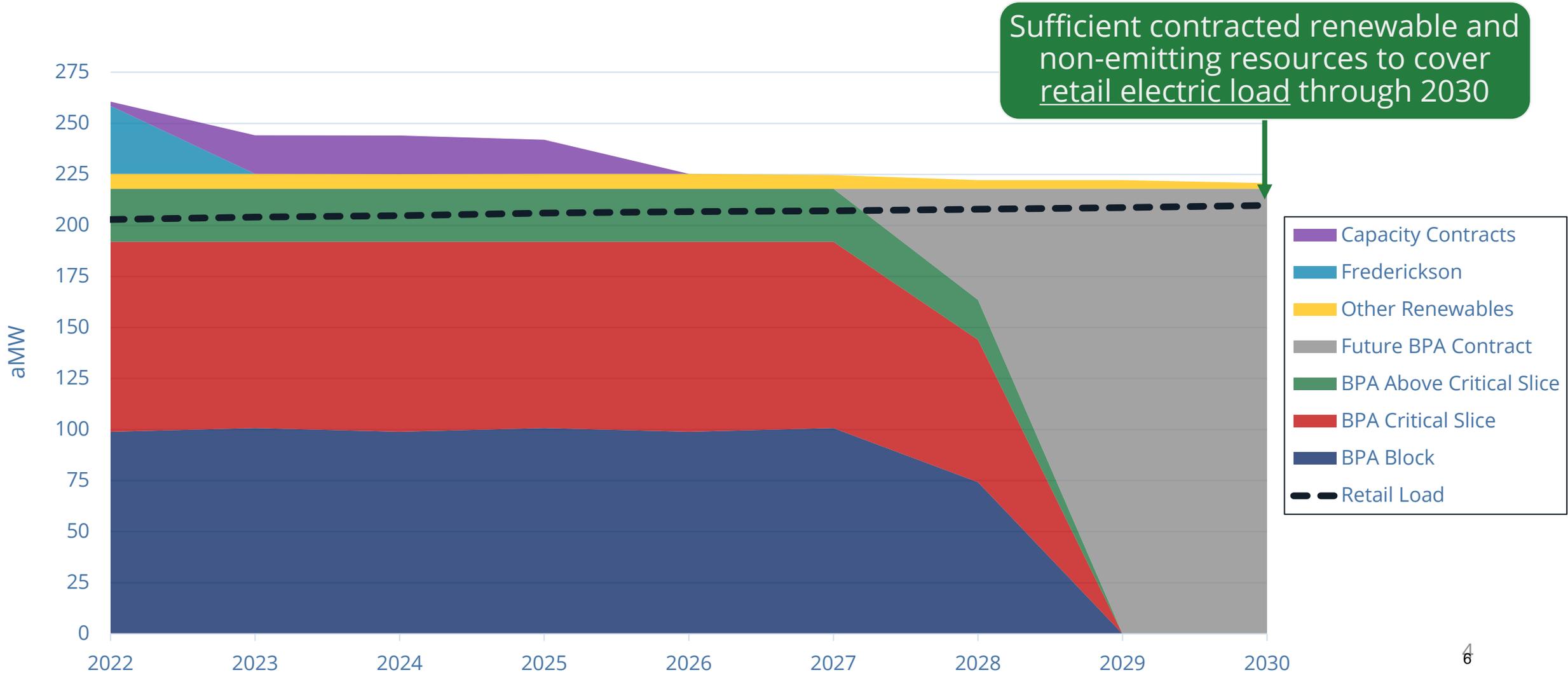
2045

100% of all retail sales of electricity in Washington State must be supplied by renewable or non-emitting electric generation by 2045

Meeting the Standard



Load vs. Resource – Average Water



Clean Energy Implementation Plan (CEIP) Overview

What is a Clean Energy Implementation Plan (CEIP)?

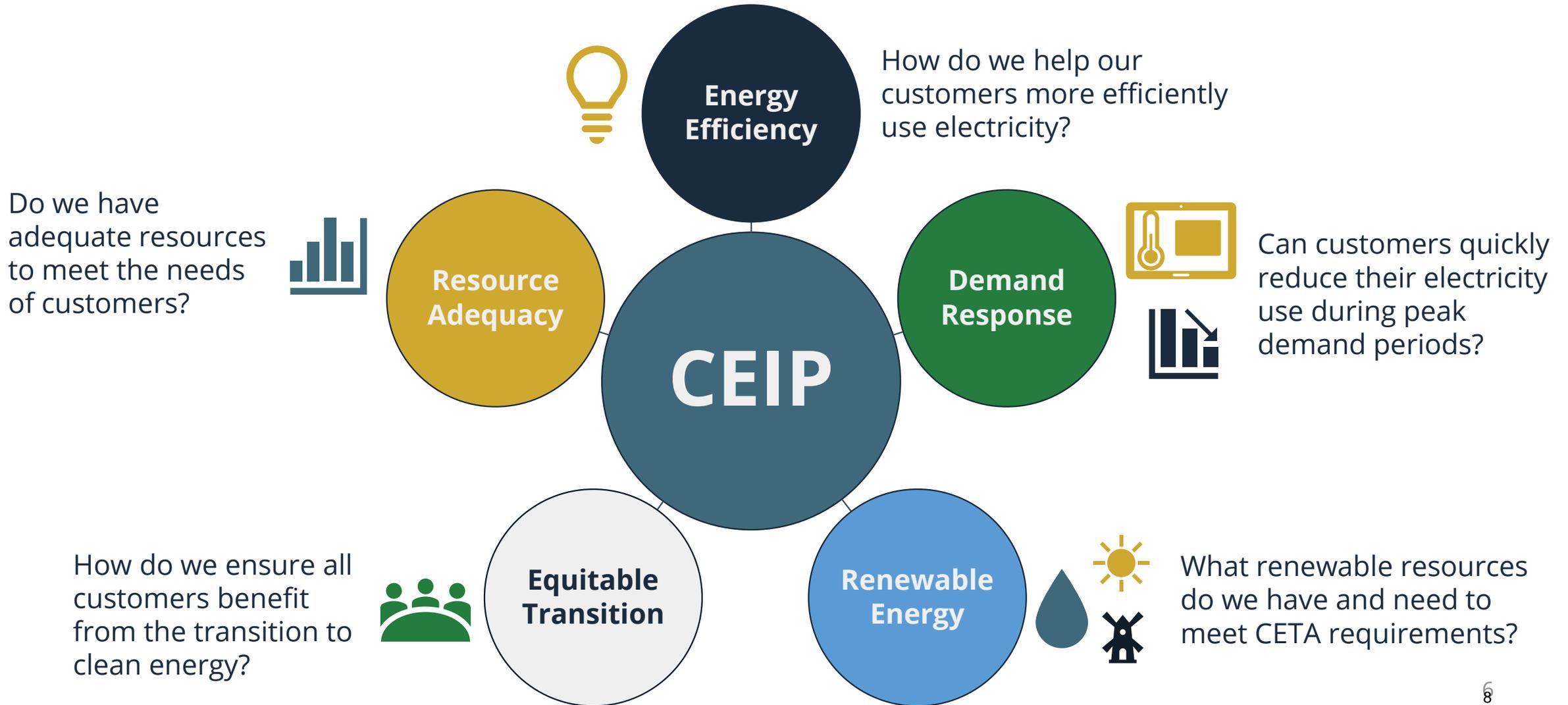
A utility planning document describing near term actions to be taken to make progress toward meeting CETA requirements

When does the CEIP need to be submitted?

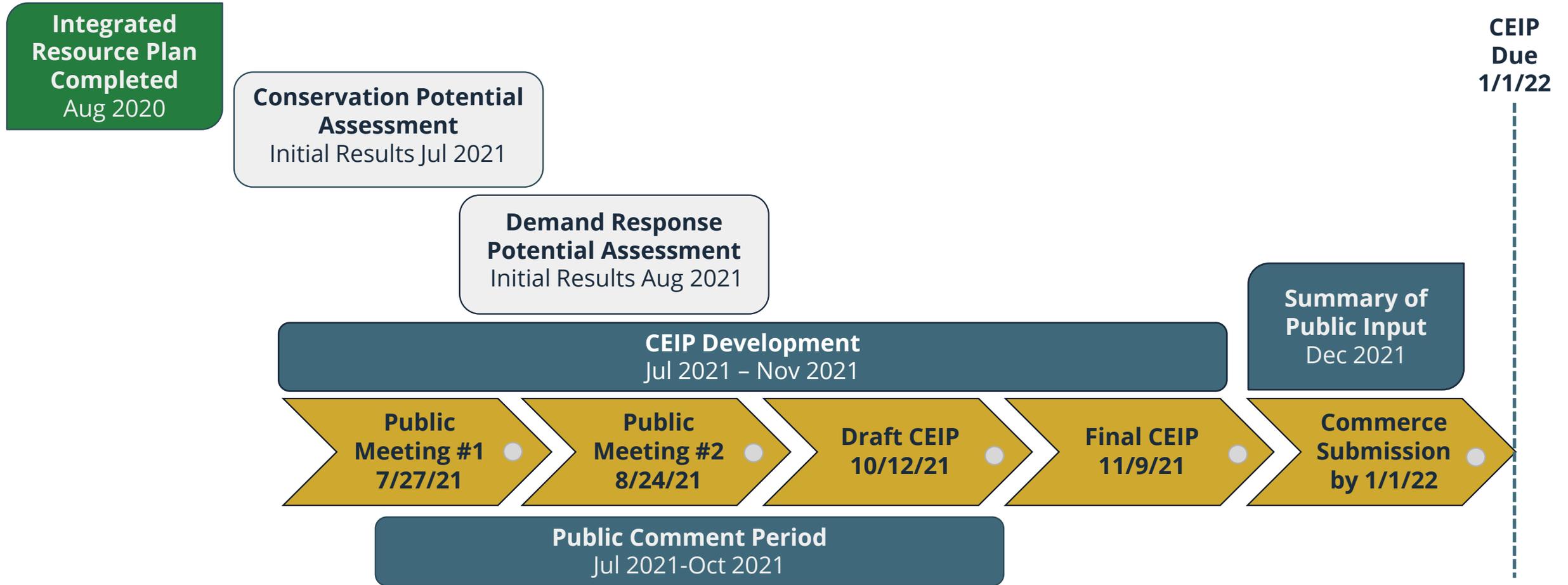
CEIP must be submitted to the Department of Commerce every four years with the first CEIP due by January 1, 2022



What components must the CEIP consider?



Clean Energy Implementation Plan Timeline



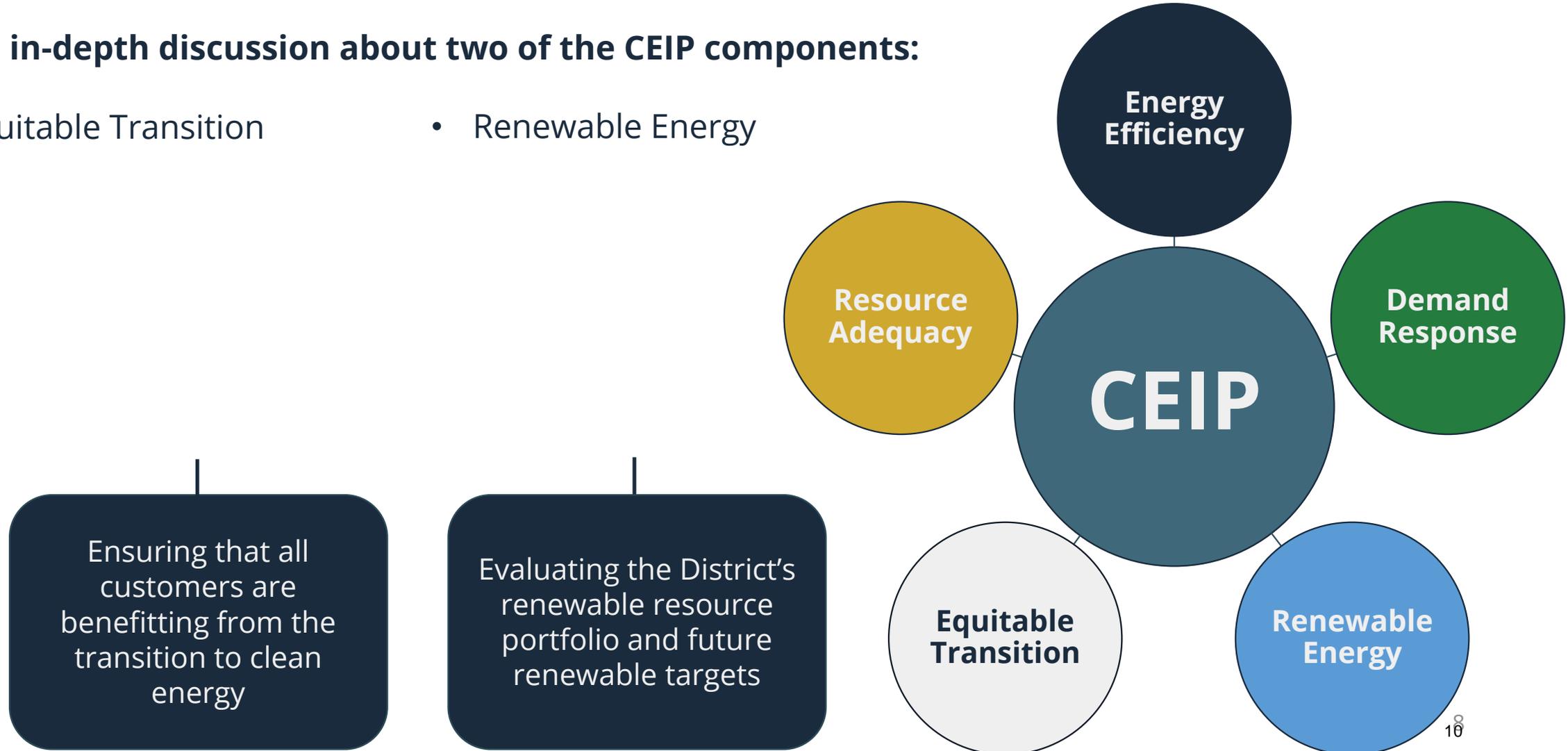
● Completed

● Incomplete

Today's Focus Areas

More in-depth discussion about two of the CEIP components:

- Equitable Transition
- Renewable Energy



Equitable Transition

Equitable Transition

What does Equitable Transition mean under CETA?

Ensure all customers are benefitting from the transition to clean energy by considering benefits and disparities for various populations

What populations need additional consideration under CETA?

- Vulnerable populations (VPs)
- Highly impacted communities (HICs)

How does Benton PUD currently address equity for customers?

- Low-income discount programs
- Payment assistance programs
- Low-income energy efficiency funding
- Cost-of-Service-Analysis (COSA) cost allocations



Equitable Transition

What is a highly impacted community?

Community designated by the Department of Health (DOH) as being impacted by fossil fuel pollution and climate change.

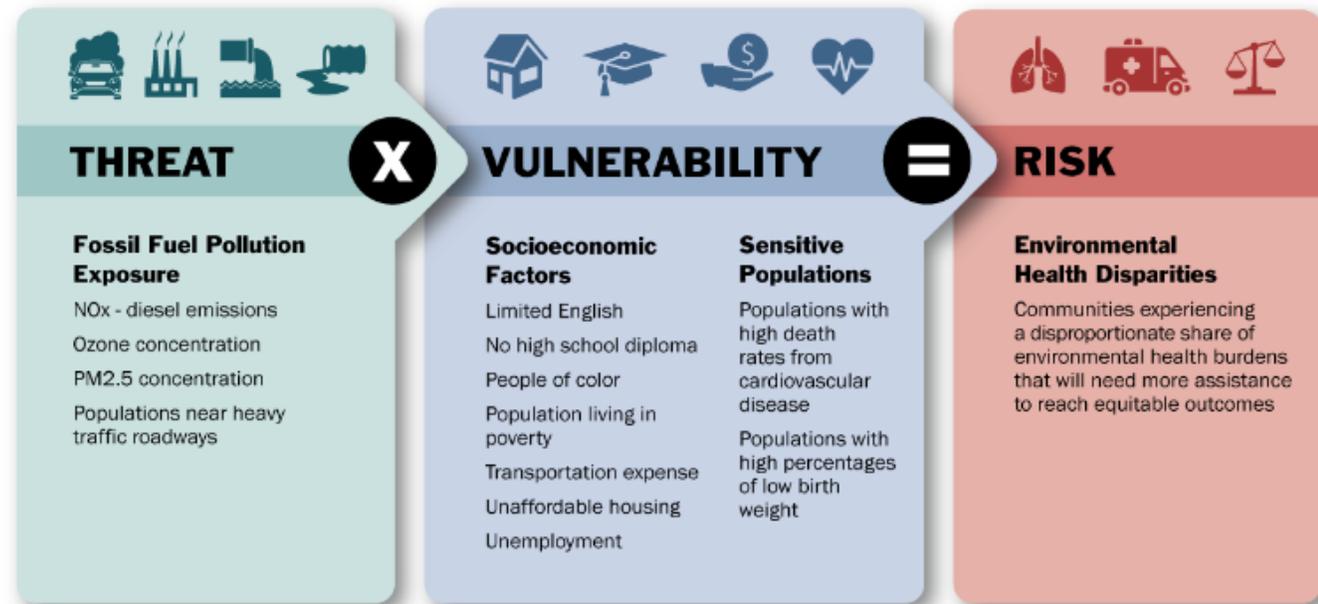
- Listed by Census Tract
- Fully/Partially “Indian Country” (def/ 18 U.S.C Sec 1151)

What is a vulnerable population?

Community facing adverse socioeconomic factors and health sensitivities

Washington Environmental Health Disparities

Threat x Vulnerability = Risk



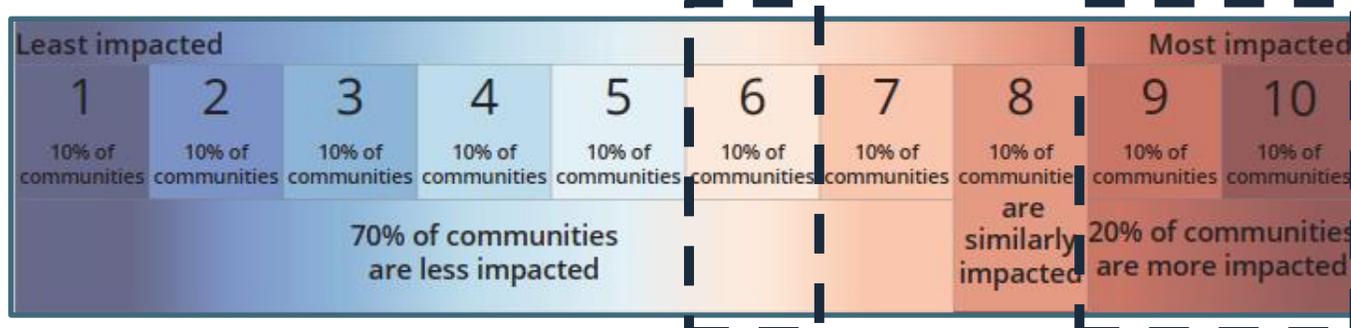
Cumulative Impact Analysis (CIA) – Benton County

What is the Cumulative Impact Analysis?

An analysis performed by Department of Health that designates/highlights the highly impacted communities in WA state that are currently experiencing a disproportionate share of environmental risk factors

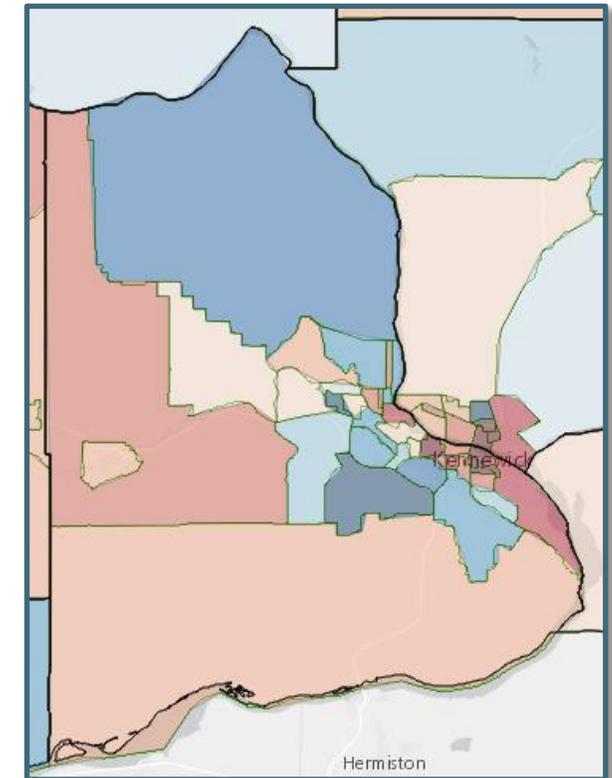
- Provides a literature review of current conditions
- Provides a map to identify communities in a utility's service territory¹

How do you interpret the map?



- 10% of the communities have the same rank within the state
- Rank 6, also means 40% of the communities have a higher risk

DOH designates highly impacted communities as any census tract with a 9 or 10 overall rank

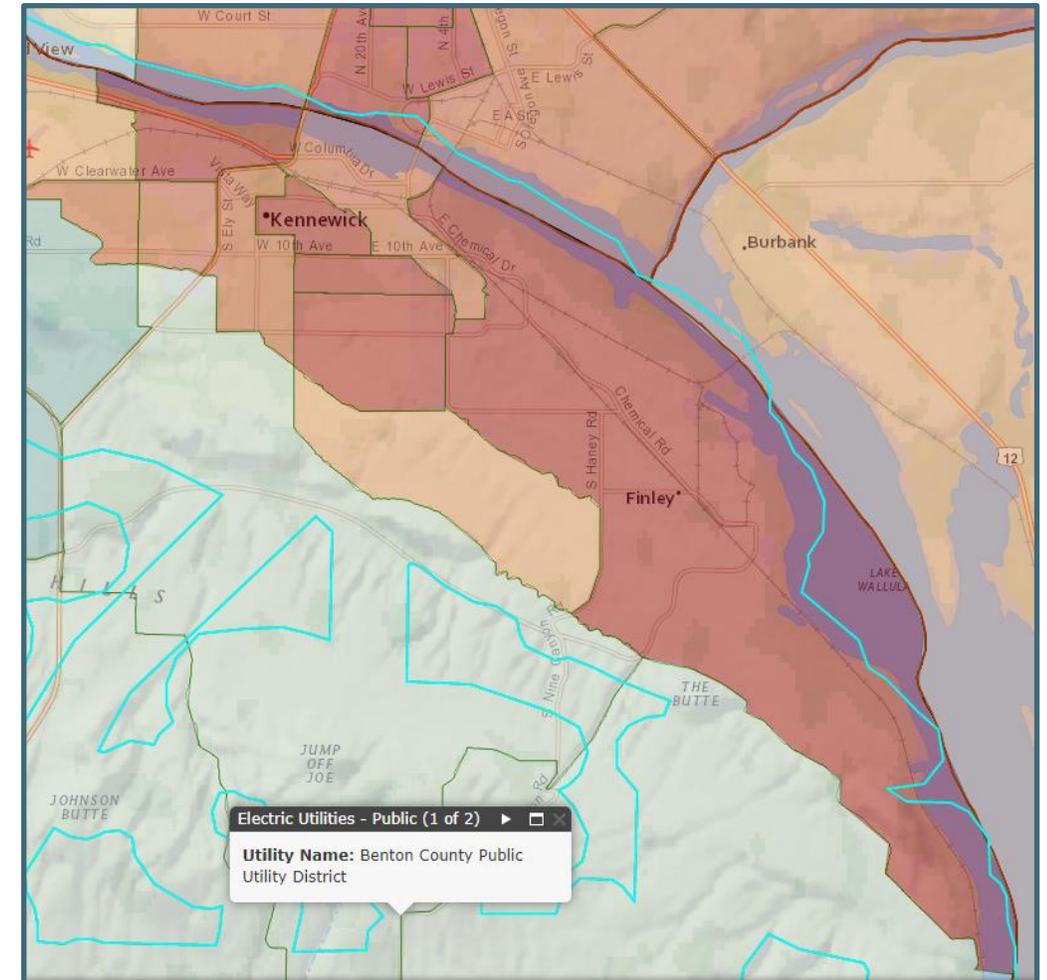


Cumulative Impact Analysis (CIA) – Benton County

Within the District's service territory there are a total of 6 census tracts that rank 9 or 10

There are several significant factors

- Socioeconomic factors - population living at or below 185% of the Federal Poverty Level
- Proximity to Risk Management Facilities
- Limited English speaking / people of color
- No high school diploma
- Unemployed
- Unaffordable housing (>30% of Income)
- Ozone Concentration



Staff Recommendation – Indicators

District staff recommends the following indicator:

- Energy Burden

Factors influencing staff's recommendation:

- Benton PUD has a clean portfolio with no local carbon emitting resources impacting the community
- Limited ability for utilities to directly influence areas identified in cumulative impact analysis
- Customer assistance programs can be enhanced to reduce energy burden of low-income customers



Renewable Energy

Renewable Energy in CETA

What does the CEIP require for renewable energy?

The target must identify the megawatt hours (MWh) to be used in the interim period (2022-2025) ¹

What renewables are currently in Benton PUD's resource portfolio?

Hydro Resources – assumes median water conditions

- Bonneville Power Administration (BPA) (Expires 2028)
- Packwood (Termination with a 2-year notice)



Wind Resources – assumes average wind

- Nine Canyon (Expires 2030)
- White Creek (Expires 2027)



¹- CETA Rules WAC 194-40-200, <https://apps.leg.wa.gov/wAc/default.aspx?cite=194-40&full=true>

BPA System Resource Mix

BPA makes up the largest portion of Benton PUD's portfolio

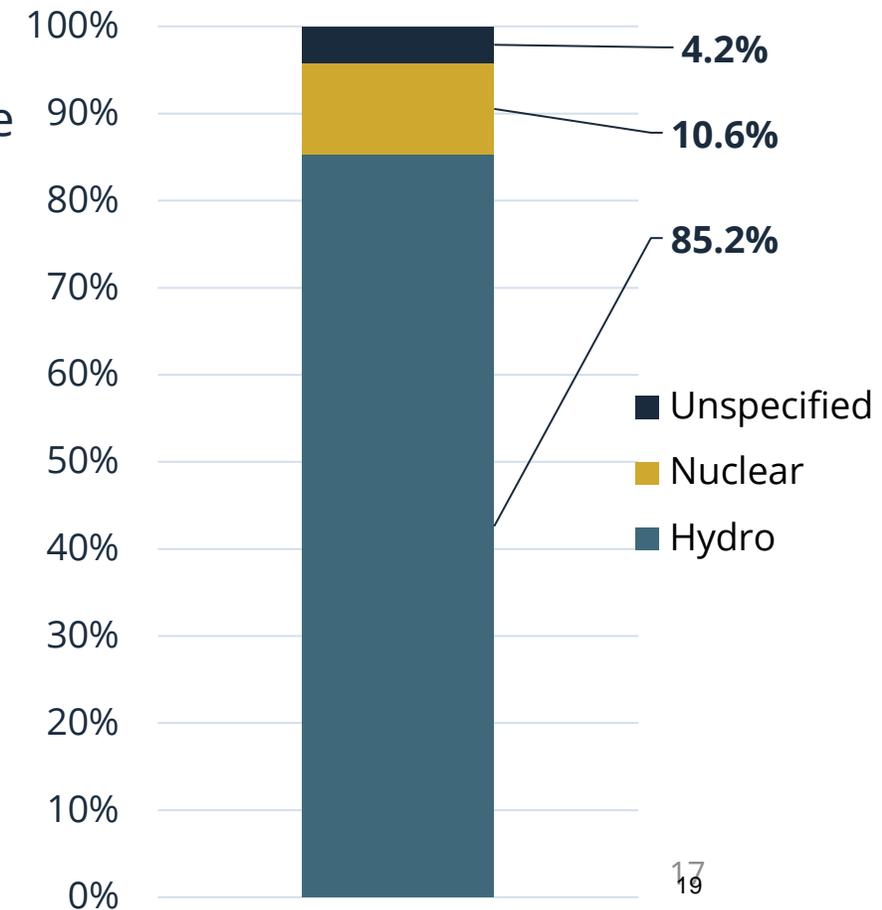
BPA has three primary sources of power:

- Federal Columbia River Power System (FCRPS) – Hydro / Renewable
- **Columbia Generating Station (CGS) – Nuclear / Non-emitting**
- Unspecified Purchases – Market Purchases / Assumed Emitting

Nuclear resources are considered non-emitting and count toward CETA compliance; however, there are not specific target requirements for non-emitting resources

BPA System Resource Mix

Median Water Conditions



Other Renewable Contracts

Benton PUD also has several other renewable contracts in its portfolio

Packwood Hydro

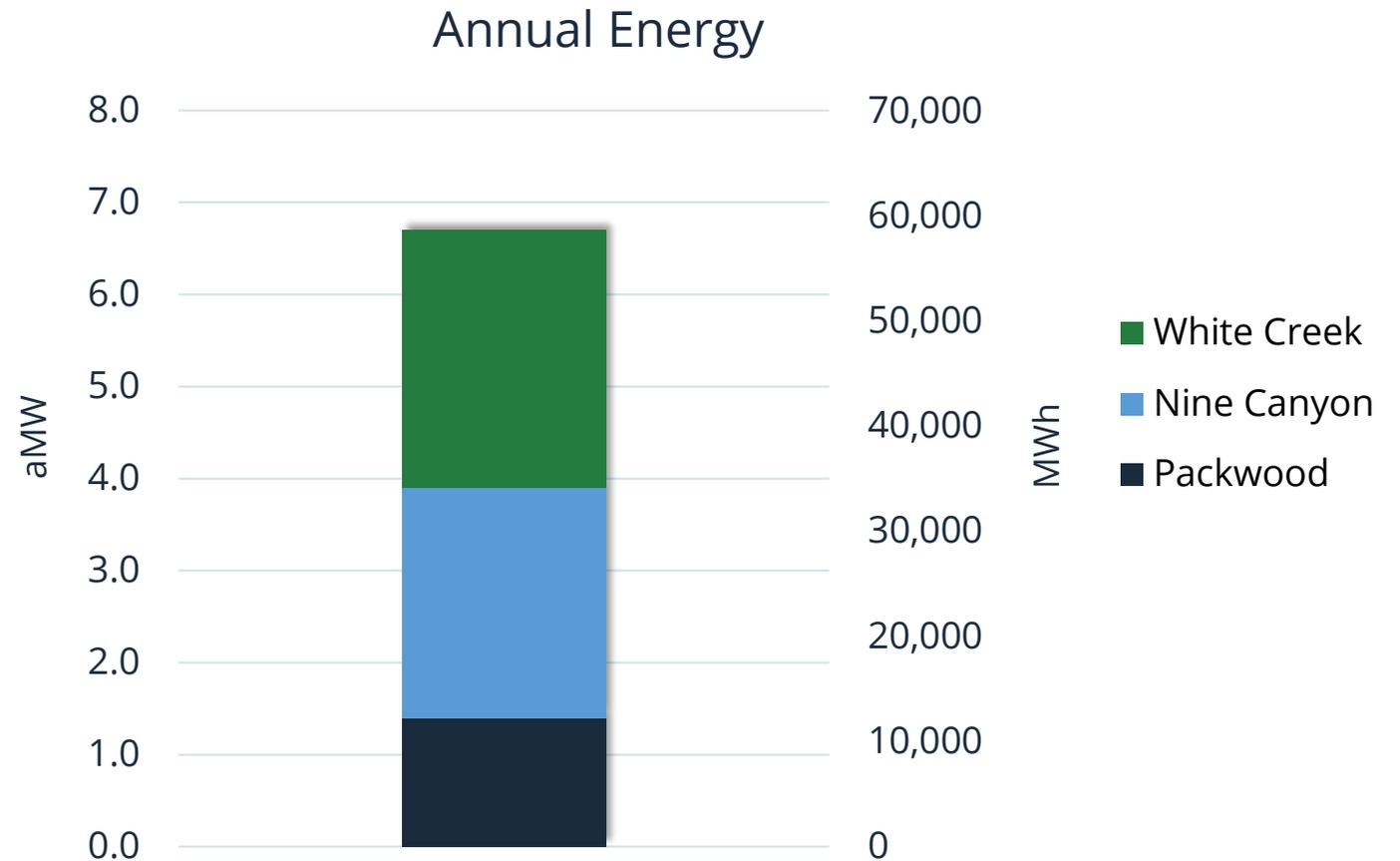
- Provides 1.4 aMW of energy output

Nine Canyon Wind

- Provides 2.5 aMW of energy output

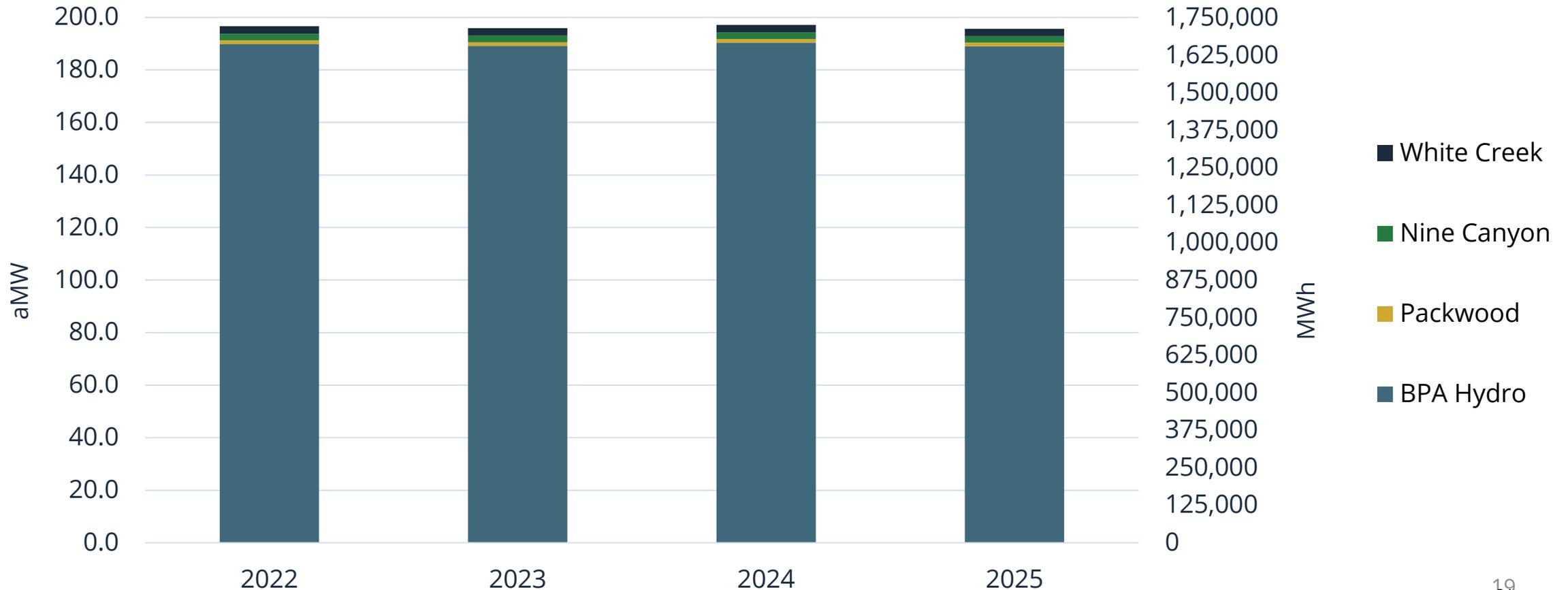
White Creek Wind

- Provides 2.8 aMW of energy output



Renewable Energy

Expected Annual Renewable Energy = 196.3 aMW or 1,719,299 MWh



Staff Recommendation – Renewable Targets

District staff recommends the following target:

- **6,877,196 MWh** of renewable energy over the four-year interim period

Factors influencing staff's recommendation:

- Hydro resources reflect median water conditions
- Wind resources reflect average generation
- Benton PUD's existing contracts will continue over the four-year interim period

Summary and Next Steps

Review

What topics were covered today?

- Introduction to Clean Energy Transformation Act (CETA)
- Overview of Clean Energy Implementation Plan (CEIP)
- Equitable Transition / Indicator Recommendation
- Renewable Energy Target Recommendation

Participation/Outreach

Benton PUD is looking for comments and participation from the public

- Any comments on staff's recommendations?
- Any suggestions for other indicators to consider?

Go to <https://www.bentonpud.org/About/Planning-Performance/Integrated-Resources-Plan> to provide additional feedback throughout the CEIP development process



Next Steps and Next Meeting

Second CEIP public meeting will be held on **August 24th at 8:15am** and cover the following topics:

Energy Efficiency

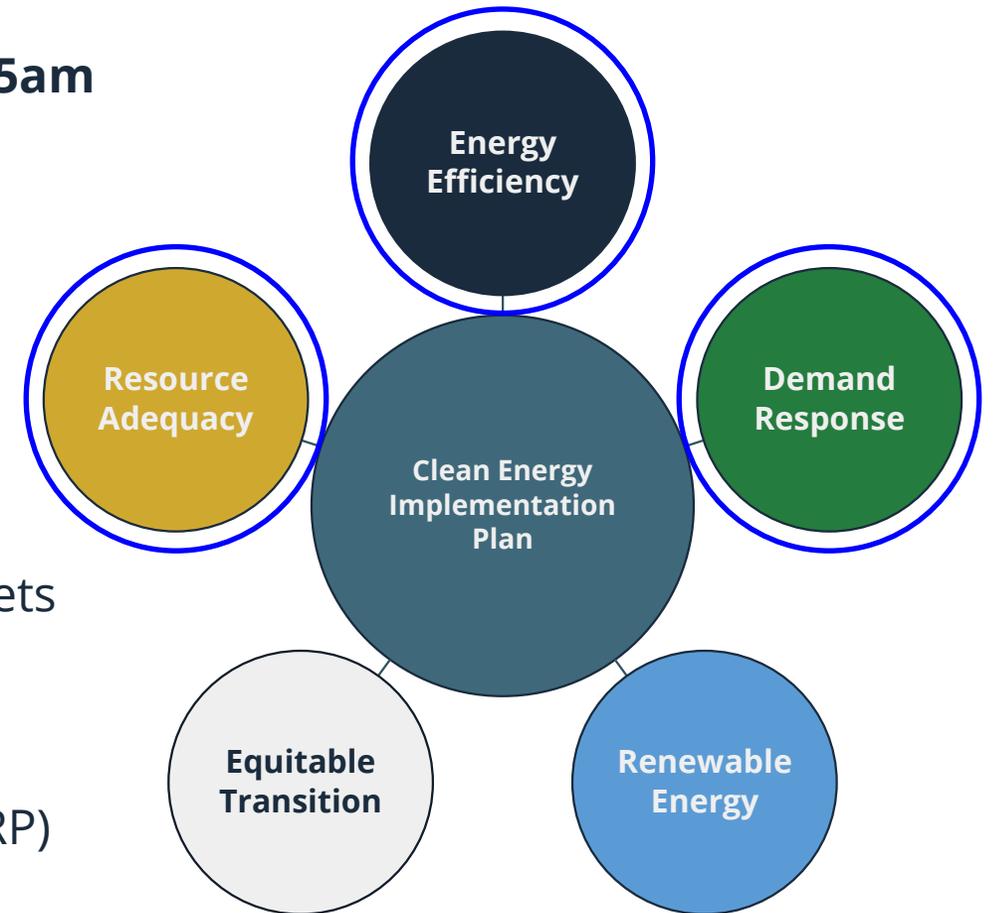
- Conservation Potential Assessment (CPA) / draft targets

Demand Response

- Demand Response Potential Assessment (DRPA) / draft targets

Resource Adequacy

- Review metrics aligned with the Integrated Resource Plan (IRP)



Questions or Comments?

Visit

<https://www.bentonpud.org/About/Planning-Performance/Integrated-Resources-Plan>
for more information.