

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Carbon Pricing in FERC-Jurisdictional                    )**  
**Organized Regional Wholesale Electric                )**                   **Docket No. AD20-14-000**  
**Energy Markets    )**

**COMMENTS OF THE PUBLIC GENERATING POOL**

The Public Generating Pool (“PGP”) respectfully files these comments regarding the Request for Technical Conference or Workshop (“Request”) submitted April 13, 2020 by Advanced Energy Economy, *et al.* (“Filing Parties”) in the above-captioned proceeding to discuss integrating state, regional, and national carbon pricing in FERC-jurisdictional organized wholesale electric markets.

**I.     PGP BACKGROUND**

PGP is composed of eleven consumer-owned electric utilities, ten in Washington and one in Oregon, that work together on issues of common interest. Collectively, PGP members own approximately 8,000 megawatts of generation, of which 96 percent is carbon free. PGP members also purchase around 45 percent of the requirements power sold by the Bonneville Power Administration. Four of the PGP members also operate Balance Authority Areas.

PGP membership has expertise in all aspects of integrated electric utility operations, and they are active participants in Western wholesale power markets. Many PGP members export electricity into California and are familiar with the import requirements associated with California’s cap-and-trade program. And, several members are, or are in the process of

becoming, participants in the Western Energy Imbalance Market administered by the California Independent System Operator (“CAISO”).

PGP actively engages in discussions related to carbon emissions policy throughout the West. For example, PGP has worked on the development of carbon emissions policy and clean energy standards before the Washington and Oregon Legislatures. In those proceedings, PGP has testified to the efficacy and least-cost nature of a carbon-pricing policy, such as cap-and-trade or a carbon tax. Neither Washington or Oregon legislatures have passed carbon-pricing policies. In 2019, PGP actively participated in the Washington Legislature’s development and passage of the Clean Energy Transformation Act requiring load-serving entities to be greenhouse gas neutral by 2030 and 100 percent carbon-free by 2045. PGP and its Washington members are currently actively engaged in the Washington Carbon and Electricity Markets Stakeholder Workgroup. This Workgroup was formed per state law, and is directed to examine market and policy integration issues associated with the 2019 Clean Energy Transformation Act.

PGP has consistently engaged in carbon-emissions related issues in California markets and state policy processes, including various CAISO stakeholder initiatives and forums, California Public Utilities Commission proceedings and the California legislature.

PGP’s engagement in these discussions is informed by the outcomes of a Northwest decarbonization study it sponsored that investigated various policy approaches to achieving carbon emission reductions in the electric sector.<sup>1</sup> This study work is reflective of PGP’s belief that carbon-emissions and clean energy policy development should be informed by an understanding of which alternatives are least cost and most effective in achieving desired emissions reductions and other environmental goals.

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<sup>1</sup> See Pacific Northwest Low Carbon Scenario Analysis, available at <https://www.publicgeneratingpool.com/e3-carbon-study/>.

## **II. PGP's Suggested Considerations of the Request**

Integration of state policies and market operations are unique in each of the major geographic areas and market footprints in the country. First, challenges arise for the Western states, in part, because the region's balancing areas are under the control of a number of local system operators consisting of both investor-owned and consumer-owned utilities, federal agencies like the Bonneville Power Administration, and the Western Area Power Administration, as well as the CAISO. In total, the Western Interconnection has 38 Balancing Authority Areas, some that operate in multiple jurisdictions. Second, wholesale power trading in the West is also becoming increasingly complex, considering the potential expansion of the organized day-ahead trading footprint, the expansion of the Western Energy Imbalance Market, and the enactment of various state climate policies, such as California's cap-and-trade program and clean energy standards such as Washington's Clean Energy Transformation Act. Third, the states that have passed carbon regulations - California, Oregon, and Washington - have adopted different regulatory approaches, which creates complexity when accounting for greenhouse gas emissions associated with electricity used to serve retail customers.

PGP observes that although the key drivers for the Request, and the issues identified in the proposed agenda, may be specific to issues seen in the East, yet there are also issues associated with Western markets that are also worth discussing. If FERC decides to hold a conference or workshop, PGP advocates for the forum to include a discussion regarding the complexities associated with attribute tracking in the West due to fragmented state policies and the potential expansion of the organized market footprint, as well as the need for accurate and complementary greenhouse gas accounting methods across various state jurisdictions and policies.

### III. CONCLUSION

PGP respectfully files these comments regarding the Request of the Filing Parties for a technical conference or workshop on carbon pricing in the organized electric markets.

Respectfully submitted,



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Executive Director of the  
Public Generating Pool

May 20, 2020

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the *Support for a Technical Conference or Workshop as Requested by Advanced Energy Economy, American Council on Renewable Energy, American Wind Energy Association, Brookfield Renewable, Calpine Corporation, Competitive Power Ventures, Inc., Electric Power Supply Association, Independent Power Producers of New York, Inc., LS Power Associates, L.P., Natural Gas Supply Association, NextEra Energy, Inc., PJM Power Providers Group, R Street Institute, and Vistra Energy Corp.* on all parties of record in proceeding *AD20-14-000* by serving an electronic copy on their email addresses of record and by mailing a properly addressed copy by first-class mail with postage prepaid to each party for whom an email address is not available.



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**SERVICE LIST AD20-14-000**

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