



September 17, 2021

State Building Code Council
Washington State Department of Enterprise Services
1500 Jefferson St SE
Olympia, WA 98501

RE: State Building Code Council consideration of state energy code proposals 103, 136, and 137

Members of the Washington State Building Code Council (SBCC):

Thank you for the opportunity to provide comment on the consideration of proposals 21-GP1-103, 21-GP1-136, and 21-GP1-179. The Association of Washington Business (AWB) and our members appreciate this opportunity to provide comments to the council as they consider these three proposals. We are opposed to these three proposals which will increase the cost our members pay for energy and undermine the reliable grid that all Washingtonians count on. While the costs for the businesses community will likely be very high, the benefits of this policy amount to a small fraction of the statewide emissions. We do not believe that these small emission reductions are worth the considerable capital and continued operating expense, let alone the risk to the grid these policies represent.

AWB is the state's oldest and largest business trade association with over 7,000 businesses representing all sectors of our state economy. The majority of our members are small and medium sized businesses who employ 50 employees or less and are most exposed to the costs of these proposals and are among the least able to adjust their business to pay for them. Buil

AWB and our members recognize the need to work towards reducing our emissions in this state. Our members are proud of the millions of dollars of investments they have made to reduce all parts of their environmental impacts, not just carbon related and continue to innovate and invest in business practices which provides both environmental and economic benefits to the people of this state. The use of natural gas is seen by our members as an integral tool towards further carbon reductions.

It is the belief of AWB that efforts to reduce emissions should be achievable, realistic, and cost effective. These efforts should not come at the cost of an unstable grid or power adequacy issues. The Legislature agrees with this position and made natural gas usage a key element of the Clean Energy Transformation Act (CETA) and created a compliance pathway for continued natural gas use in the Climate Commitment Act (CCA). The CCA also is designed to meet the state's RCW 70a greenhouse gas reduction goals, which create a path towards net zero by 2050 and covers the emissions from natural gas in the program. Several bills similar to the proposals being considered by this council have consistently failed to pass the legislature due to their impacts on power adequacy and grid reliability.

Grid reliability and power adequacy are an extremely important issues for the business community and AWB has consistently gone on the record with legislators and state agency officials to express our concern at policies which would destabilize the grid or make the price of energy too expensive. Our state needs baseload energy and currently that role is played by natural gas. Natural gas also helps stabilize the grid by providing space and water heating efficiently and cheaply. Policies like GP1-103 and GP1-136 which ban the use of natural gas not only raise costs for businesses in buildings covered by this proposal, they also put enormous strain on the state's energy grid and increase the risk of blackouts for everyone.

These issues were raised at the TAG meeting in mid-2021; by AWB and other utility and policy experts who are responsible for maintaining the grid. At that meeting, a considerable amount of testimony was provided that these policies represent a major risk for the grid and several members asked for an economic impact analysis of these policies.

It is extremely likely that the policies considered will result in higher costs for building owners who will be required to purchase expensive equipment from limited suppliers and also in ongoing costs for higher energy bills. These costs will be passed on in the form of higher rents to the small and medium sized business tenants who will occupy and use those buildings. In the TAG meeting, both proponents and opponents of these policies agreed there would be costs for businesses. An economic impact study would have allowed these costs to be more clearly quantified and presented the council with a clear examination of the trade offs with this policy. We are very concerned that the TAG did not allow this study to move forward and provide some very relevant cost information for the council and public.

AWB also believes decisions about the continued role of natural gas should be discussed at the legislative level and not with this council. The future of energy in this state is a critically important issue and debates around fuel choice are already being had at that level and continue to be ongoing, without resolution. In the last session, the legislature directed the UTC to undertake a study which examines the role of natural gas in the energy system. That work is meant to further inform legislative discussions about fuel switching and allow the legislature to develop policies. This council should hold off any decision on these policies until this work by the UTC is complete. As we have stated earlier in our letter, these policies will result in the shift of a great deal of energy onto the electric grid and we believe there needs to be much more study of how that move might effect our state.

Thank you for the opportunity to provide comment. AWB will also be providing live testimony in the council meeting as well. We urge the council to vote no on these three proposals.

Thank you,



Peter Godlewski



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