

December 18, 2023

**Governor Jay Inslee
PO Box 40002
Olympia, WA 98504-0002**

RE: US Climate Alliance Commitment

Dear Governor Inslee,

Thank you for your leadership as a member of the U.S. Climate Alliance, and congratulations on the [Alliance's Climate Week commitment](#) to quadruple heat pump deployment by the end of the decade. Your commitment to collectively deploy 20 million heat pumps by 2030, with at least 40% of benefits flowing to disadvantaged communities, is a crucial step in addressing the climate crisis and securing clean, affordable energy in Washington. As a coalition of 15 climate, health, and energy justice organizations with tens of thousands of members across the state, we appreciate your work to protect public health, reduce energy burdens, and increase resiliency through building electrification and efficiency.

We agree with [your statement](#) that "Today is one hundred times more important than tomorrow on what we actually need to do to solve this problem." That's why we are writing to offer **concrete recommendations** to ensure that Washington transparently and successfully upholds its part of the Alliance's promise. We also request that you and the agencies tasked with carrying out these commitments open a public dialogue with interested stakeholders. This will allow the public to provide input and support, and will promote transparency regarding Washington's progress on its Climate Alliance commitments. To start this dialogue, we request that your office **publish quarterly updates** on the number of additional heat pumps installed, the percentage of benefits flowing to disadvantaged communities, and the steps being taken to advance each of Washington's [four additional commitments](#), along with a contact with whom the public can share additional questions and input.

Below we offer several recommendations that directly support your commitment to quadruple heat pump deployment by 2030 and Washington's additional commitments from the USCA Climate Week announcement.

1. Zero-emission standards for HVACs and water heating

Washington's fossil fuel-burning HVAC, water heating, and other building equipment [emits](#) over 8,000 tons of health-harming nitrogen oxide (NOx) pollution and nearly 11 million tons of GHGs per year, causing \$1 billion in annual health and climate harms.¹ Statewide [zero-emission standards](#) for newly sold

¹ Emissions data from [EPA 2017 National Emissions Inventory](#) and [U.S. Energy Information Agency](#). Climate and health harms calculated using federal [Interagency Working Group](#) social cost of carbon, [EPA's value of statistical life](#), and median pollution-related mortality estimates from the results of 3 reduced complexity models used in

HVACs and water heaters are a critical tool in reducing these health and climate impacts, and we applaud your commitment to explore these standards. However, it is not clear what steps Washington is currently taking to advance this commitment, and the long lifetimes of polluting fossil fuel equipment mean there is no time to waste. As requested above, quarterly updates will help the public stay abreast of the important steps Washington is taking toward this critical commitment.

Additionally, as a first step, Washington should formally join the Equipment Emission Standards Cohort, which is co-convened by the U.S. Climate Alliance and the Northeast States for Coordinated Air Use Management (NESCAUM). The cohort is developing model rules and compiling research to support zero-emission standards for HVACs and water heaters, and has convened an Environmental Justice Advisory Group to guide its work.

We recommend that Washington adopt zero-emission equipment standards no later than 2026, to go into effect by 2030 – allowing critical years of lead time for market and complementary policy development. As it explores possibilities in this area, Washington has several options for building toward a statewide zero-emission standard, such as a low-NOx standard and commitment to evaluating stronger standards in the future (an approach recently adopted in [Colorado](#)), zero-emission standards for an increasing percentage of equipment sales or range of equipment types (similar to the phased-in [zero-emission vehicle standards](#) that Washington adopted last year), and a [two-way air conditioning requirement](#) that targets the low-hanging fruit of AC to heat pump conversions (which will be increasingly important as climate change causes more Washingtonians to seek access to air conditioning). Washington can also learn from existing zero-emission standards for HVACs and water heaters [adopted in the Bay Area](#) and [under development statewide in California](#), as well as low-NOx standards adopted by jurisdictions ranging from [Texas](#) and [Utah](#) to Washington’s own [Southwest Clean Air Agency](#).

Strategies for equitable design and implementation will be critical as Washington explores emission standards for HVACs and water heaters. Such strategies could include: (1) strong coordination between the air quality officials developing standards and the entities that will play a role in equitably implementing them (other state agencies, utilities, program administrators, etc.); (2) appropriate [lead time and phase-in](#), so that standards send a strong signal to accelerate market transformation and bring down costs before requirements take effect; (3) an implementation schedule that ensures the transition to clean equipment neither leaves low-income residents behind nor adds to existing burdens (e.g., by aligning with the timing of low-income whole-home retrofit initiatives or incorporating limited hardship exemptions); (4) a stakeholder working group tasked with identifying solutions that can overcome any barriers to accessibility and affordability (similar to the approach being pursued by the [Bay Area Air Quality Management District's](#) Implementation Working Group); (5) using penalty funds paid by noncompliant manufacturers or installers to fund low-income retrofits (similar to approaches used by the [South Coast Air Quality Management District](#)); and (6) incorporating strong tenant protection

Jonathan Buonocore et al., [A Decade of The U.S. Energy Mix Transitioning Away from Coal: Historical Reconstruction of the Reductions in the Public Health Burden of Energy](#).

measures, such as those recommended by [Strategic Actions for a Just Economy](#), both in standards themselves where possible and through coordination with partner agencies on complementary policies. The best mix of equity strategies for Washington will depend on our state's unique circumstances, and we look forward to working with you and community stakeholders as you explore their development.

2. Phasing out fossil fuel heating and cooling in new construction by 2027

Washington enacted the nation's most climate-protective statewide building codes for both [commercial](#) and [residential](#) buildings in 2022. The State Building Code Council recently finalized amendments that will insulate the codes from legal risk while maintaining their strong support for pollution-free construction using efficient technologies like heat pumps. These amendments, along with the state's [success](#) in defending the codes against a legal challenge that has now been [withdrawn](#), show that Washington's progress toward clean buildings [will not be stalled](#) by threats of baseless litigation. We urge Washington to maintain and build on this critical success in future code cycles.

3. Developing advanced energy-efficient building codes

As Washington enters future building code amendment cycles, we encourage the Council to build on the strong codes it enacted in 2022 and continue moving toward Washington's statutory targets of a [70% reduction](#) in new buildings' energy use and [zero fossil fuel emissions](#) by 2031. Building increasingly efficient and well-insulated buildings will facilitate electrification and maximize the use of Washington's ever-cleaner electric generation mix. We also recommend pursuing solar and EV readiness in future code amendments, as described in the USCA announcement.

4. Aligning building sector utility resource planning with state climate goals

Washington's shift to clean buildings will require its utilities to undertake a major transition away from gas infrastructure and combustion. It is critical to start planning for that transition now, to ensure it can be carried out effectively, equitably, and in line with state climate targets. Unfortunately, utilities' initial efforts have failed to align their planning with state policies like the Climate Commitment Act (CCA). Strong direction from the state government is needed.

Washington's gas utilities recently filed their first set of integrated resource plans after the passage of the CCA. The CCA sets declining economy-wide emission caps in line with [statutory decarbonization targets](#), which culminate in a 95% emission reduction by 2050. Instead of outlining plans to decrease reliance on gas by supporting building electrification—which Washington's [State Energy Strategy](#) has found to be the best path to decarbonizing—the utilities generally proposed to continue business as usual and rely on emission allowances to comply with the CCA. This flies in the face of the CCA's purpose and emissions cap, and it relies on deeply flawed reasoning, from ignoring state and local decarbonization policies and IRA support for electrification, to failing to account for the stranded asset risk that additional gas system investment forces on utility customers, to falsely assuming that a limitless supply of CCA allowances will be available.

The Utilities and Transportation Commission (UTC) should decline to acknowledge the utilities' plans, and give clear direction that future plans must fully incorporate decarbonization strategies and address the fundamental changes to gas utility business models that will be required. This may include geographically targeted electrification in combination with decommissioning pipelines as a strategy for mitigating stranded assets and preventing unintentional harm for vulnerable populations.

The UTC has also been [working on a report](#) to the state legislature that examines pathways for utilities to contribute their share to state decarbonization targets, as directed by [SB 5092 § 143\(4\)](#). While the final report is not yet available, we are concerned that it will miss a key opportunity to explore strategies for implementing building electrification and the regulatory and business-model changes that will be needed to deploy these strategies. Instead, the Commission has suggested it will give false decarbonization solutions like burning biogas (or RNG) and hydrogen in buildings the same degree of consideration as electrification, even though the [State Energy Strategy](#) and [independent analyses](#) have already concluded that electrification is the best path forward. Indeed, preliminary results from the UTC's examination suggest that electrification is the primary driver of building decarbonization in every scenario analyzed. While alternative fuels may play a role in hard-to-decarbonize sectors like heavy industry and aviation, they don't belong in our homes and buildings due to their [high cost](#), [limited availability](#), significant [health](#) and [safety](#) risks, and the ready availability of electrification as a [superior option](#).

Going forward, the UTC's and utilities' planning must move beyond false solutions, and focus on the strategies needed to electrify at scale to promote an equitable, affordable transition away from reliance on methane gas. The Massachusetts Department of Public Utilities' recent [order](#) in its Future of Gas investigation is a prime example of what this work should look like. The order finds that "as the Commonwealth strives to achieve its 2050 climate targets," the gas system "generally will be limited to strategic circumstances" where electrification is infeasible. It directs utilities to take several key steps to reverse gas system expansion and transition their business models to align with an electrified future. And it recognizes that "RNG and hydrogen blending are new, unproven, and uncertain technologies" that utility customers should not have to pay for. These are the realities that the UTC must recognize and the regulatory planning questions that it needs to grapple with.

Thank you for considering these recommendations. Our organizations are ready to provide further input and support for policies that improve Washingtonians' health, increase energy affordability, and make our state more resilient with efficient, all-electric buildings.

Sincerely,

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