



August 1, 2022

Dear City of Enumclaw Natural Gas Utility Customer,

Your natural gas rates will be going up an estimated 23% on November 1st, 2022, and here’s why:

In 2021, the Washington Legislature passed the Climate Commitment Act (CCA) with the intent to establish a cap-and-invest program to reduce carbon pollution and achieve greenhouse gas (GHG) limits set in state law. This program requires natural gas distribution companies to offset carbon emissions produced through the sale of natural gas.

In simple terms, a percentage of the total emissions based on gas supplied to the customer requires an offsetting allowance approved by the Department of Ecology and sold through the cap-and-invest program. The cost of these allowances is estimated for 2023 at \$0.2063 per therm and will likely be added to the bill beginning on November 1, 2022. The average residential customer will see an annual increase of approximately \$131.00. The table below provides an estimated yearly cost through 2030 to the average customer based on class, using the economic analysis provided by Ecology.

	<i>Est. Forecasted Annual Compliance Costs Per Year By Customer Class</i>							
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
<i>Residential</i>	\$131	\$161	\$187	\$215	\$244	\$274	\$305	\$338
<i>Low Income Senior</i>	\$135	\$166	\$193	\$221	\$251	\$282	\$315	\$348
<i>Commercial</i>	\$564	\$693	\$806	\$925	\$1,049	\$1,179	\$1,314	\$1,454
<i>Municipal</i>	\$1,055	\$1,297	\$1,508	\$1,731	\$1,964	\$2,208	\$2,461	\$2,722
<i>Schools</i>	\$2,717	\$3,338	\$3,883	\$4,456	\$5,057	\$5,683	\$6,334	\$7,007

The City of Enumclaw Natural Gas Utility is very near the annual 25,000 metric tons of carbon threshold, below which we would be exempted, but above it, we become a covered entity in the program. Therefore, city staff has worked diligently with Ecology in an effort to be exempted for the first compliance period of 2023-2026. This would allow the City to observe this hastily created program over its initial roll-out and better prepare our utility to participate in future compliance periods if our emissions eventually exceed the 25,000 threshold. However, these efforts have so far been unsuccessful, and Ecology has determined the City of Enumclaw Natural Gas Utility will be a covered entity in the program. Therefore, the City of Enumclaw Natural Gas Utility does not have a choice regarding participation in the program, and the increase in rates does not have anything to do with the cost of gas supply or the cost of distribution.

Should you wish to contact any of the sponsors of the CCA, please flip over the page.

For more information on the CCA, please contact the Department of Ecology:
<https://ecology.wa.gov/Air-Climate/Climate-change/Climate-Commitment-Act>

For details on the RCW which established the CCA, please visit the following website:
<https://app.leg.wa.gov/RCW/default.aspx?cite=70A.65>

For information on the City of Enumclaw Natural Gas Utility, please visit our website:
<https://www.cityofenumclaw.net/136/Natural-Gas>

Sponsors of Washington's Climate Commitment Act:

<p>Senator Reuven Carlyle (D) 36th Legislative District</p>	<p>233 John A. Cherberg Building PO Box 40436 Olympia, WA 98504 (360) 786-7670</p>
<p>Senator Rebecca Saldaña (D) Deputy Majority Leader 37th Legislative District</p>	<p>237 John A. Cherberg Building PO Box 40437 Olympia, WA 98504 (360) 786-7688</p>
<p>Senator Steve Conway (D) Vice President Pro Tempore 29th Legislative District</p>	<p>241 John A. Cherberg Building PO Box 40429 Olympia, WA 98504 (360) 786-7656</p>
<p>Senator Mona Das (D) Majority Caucus Vice Chair 47th Legislative District</p>	<p>227 John A. Cherberg Building PO Box 40447 Olympia, WA 98504 (360) 786-7692</p>
<p>Senator David Frockt (D) 46th Legislative District</p>	<p>224 John A. Cherberg Building PO Box 40446 Olympia, WA 98504 (360) 786-7690</p>
<p>Senator Sam Hunt (D) 22nd Legislative District</p>	<p>405 Legislative Building PO Box 40422 Olympia, WA 98504 (360) 786-7642</p>
<p>Senator Marko Lias (D) 21st Legislative District</p>	<p>305 John A. Cherberg Building PO Box 40421 Olympia, WA 98504 (360) 786-7640</p>
<p>Senator Joe Nguyen (D) Assistant Majority Floor Leader 34th Legislative District</p>	<p>235 John A. Cherberg Building PO Box 40434 Olympia, WA 98504 (360) 786-7667</p>
<p>Senator Jamie Pedersen (D) Majority Floor Leader 43rd Legislative District</p>	<p>309 Legislative Building PO Box 40443 Olympia, WA 98504 (360) 786-7628</p>
<p>Senator Jesse Salomon (D) 32nd Legislative District</p>	<p>404 Legislative Building PO Box 40432 Olympia, WA 98504 (360) 786-7662</p>
<p>Senator Derek Stanford (D) 1st Legislative District</p>	<p>402 Legislative Building PO Box 40401 Olympia, WA 98504 (360) 786-7600</p>
<p>Senator Claire Wilson (D) Assistant Majority Whip 30th Legislative District</p>	<p>407 Legislative Building PO Box 40430 Olympia, WA 98504 (360) 786-7658</p>