



December 20, 2019

Re: Comments Relating to Integrated Resource Planning, Docket UE-190698

Mark L. Johnson  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
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COMMISSION

Dear Mr. Johnson:

Thank you for the opportunity to participate in the process of rulemaking addressing utility compliance with Clean Energy Transformation Act (CETA) requirements.

Front and Centered is a statewide coalition of organizations and groups rooted in communities of color and people with lower incomes. Our mission is to advocate for and represent these communities in connection with economic and environmental change, because communities of color and people with lower incomes are the first hit by extraction, pollution, and climate change, which exacerbates existing health and economic disparities. Frontline communities are often left out of or the last to be included in the transition to a healthy, resilient, and sustainable future. We appreciate being included in this process.

In carrying out this mission and in response to the Commission's request for comments we are submitting these comments on CETA's Integrated Resource Planning components, specifically on Procedural matters including IRP submission and Equitable Distribution of Benefits in RCW 19.280.030(1)(k) and RCW 19.405.040(8).

We deeply appreciate the work the Commission has done thus far to begin to integrate, in particular, the equitable benefits / benefits for all language into the IRP and look forward to continuing to work with the Commission on the comments that follow to strengthen the draft rule.

## Procedural Questions

### 1.

- a. *Should the Commission only require a full IRP every four years, with a limited IRP progress report every two years? Why or why not?*

Regarding whether the Commission should change the requirement for frequency of IRP submission, Front and Centered recommends that the Commission maintain the rule that utilities file a full IRP every two years. The process of producing and reviewing the IRP is the primary means by which utilities share comprehensive information about their operations and the Commission may assess it. Commission oversight on a biennial basis is preferable to quadrennial to maintain a rigorous pace for properly implementing the requirements of the law. The transparency of the IRP process is an invaluable opportunity for public scrutiny independent of selective customer engagement activities produced by some utilities on curated issues. Utility objectives for resource acquisition and management as pertains to the clean energy transition may be designed for long-term roll-out with the IRPs serving to provide a steady and standard frequency for progress updates and regular assessment, evaluation, and re-visioning of those objectives.

- b. *If the Commission were to require only a progress report every two years, filed two years after the full IRP, which components of an IRP do you think should be updated? Which components do you think only need to be updated every four years?*

Front and Centered recommends that the Commission develop rules to ensure that all IRP assessments, forecasts and plans in RCW 19.280.030(1), including the equity assessment described in RCW 19.280.030(1)(k), consider how all customers may benefit in the clean energy transition. It is our position that among the most critical components of the IRP is that equity assessment of energy, nonenergy, health and environmental benefits, burdens, costs and risks informed by the CIA. Utilities must undertake a biennial assessment of these equity conditions related to the reach of the direct and indirect impacts of their activities. All of the IRP assessments and CEAP action items should be conducted and designed through lens of distribution of benefits to all.

It is our recommendation that the Commission advise that all components of the IRP include an assessment of benefits and burdens to all customers, with an emphasis on benefits and burdens to vulnerable populations and highly impacted communities that may result from the concerned utility decisions. The IRP assessments, forecasts, and related CEAP generate the evidentiary basis utilities will use to drive their implementation of a clean energy transition.

2. *The discussion draft proposes that a utility must file a work plan at least fifteen months prior to the due date of its IRP, and a completed draft IRP four months prior to the due*

***date. Does this proposed schedule allow sufficient time for a thorough IRP with robust public engagement? If not, please provide a preferred timeline.***

The Commission should establish policy statement for multi-stage engagement along the established timeline to support a sustained level of promotion, accessibility, meaningful opportunities for participation, open record-keeping and follow-up.

The Commission should develop guidance on public participation specific to vulnerable populations and highly impacted populations that face greater barriers to participation. The outreach strategies used to encourage participation of these populations should include consultation with community-based organizations and Indian tribes as appropriate, and comprehensive campaigns that are linguistically and culturally appropriate to the customers they serve, aligned with what is required in RCW 19.405.120 (4)(ii) regarding energy assistance enrollment.

The commission should change “consults” to “includes” or a similar more robust form of public engagement that acknowledges the interests of stakeholders external to the utility and meets the standard of “robust.”

**3. *Please describe:***

***b. The relationship between an IRP and a CEIP; and***

The CEIP operates independently of the IRP as a mechanism by which utilities detail how they will comply with requirements of the clean energy transition. The plan must be approved by the Commission, and utilities are held accountable for non-compliance. The IRP requires an equity assessment, and the CEIP should similarly include an evaluation of equity conditions and metrics to guide the plan’s interim targets that utilities will meet.

***c. How the CEAP in the IRP will inform the CEIP.***

Our recommendation is that the Commission maintain separation between the IRP and the CEIP so that they are functionally independent.

**4.**

***a. Should the Commission move the IRP public hearing to a date between the utility’s submission of its draft IRP and the final IRP? Is there any other point in time that public comment hearings are most beneficial to public engagement?***

A public hearing on the IRP draft should take place within a reasonable time period following submission of the IRP draft. That time period should allow for solicitation and submission by the public of comments in advance of the hearing to be consolidated, and to the extent possible, addressed by or shortly after the hearing. We recommend that an additional public hearing be

held following submission of the final draft to invite additional review of the changes incorporated following the previous participation opportunity.

***b. Given the integration of the IRP, the CEAP, and the CEIP, is there any other point in time that public comment hearings are most beneficial to public engagement?***

Public comment hearings are most beneficial when they allow adequate time for plans to be reviewed and comments shaped and engaged with to influence further development and shaping of a final product. Comment opportunity may run concurrently with the hearing process, so that the public may develop and submit comments in advance or share them at the hearing, and receive acknowledgement and direct responses to issues of concern leaving sufficient time for further comment and changes to the final IRP.

***6. Historically, the Commission has used an acknowledgment letter with comments to affirm that the utility has met the legal and regulatory requirements for filing an IRP. Given the advent of the CEIP, which is informed by the IRP and approved by the Commission, should the Commission consider a different type of response to an IRP, including but not necessarily limited to a compliance letter, an acknowledgment letter with comments, or Commission approval? Please explain your reasoning.***

We recommend that the Commission respond to IRP submissions with a comment letter highlighting key action areas where the utility may strengthen their planning record to reflect a path toward compliance. The Commission should predicate their response on the correct preparation and submission process as well as complete components in the IRP.

### **Equitable Distribution of Benefits**

***7. Should the requirements for assessments in RCW 19.280.030(1)(k) and the requirements to ensure all customers benefit in RCW 19.405.030(1)(k) be connected in Commission rules? If so, how might this integration work?***

Front and Centered recommends that the requirements for assessments in RCW 19.280.030(1)(k) and the requirements to ensure all customers benefit in RCW 19.405.030(1)(k) should not be connected in Commission rules.

The legally binding force of the CEIP will allow the Commission ensure compliance with RCW 19.405.030(1)(k) that all customers benefit, equitably, whereas the RCW 19.280.030(1)(k) does not provide a venue to ensure compliance under current acknowledgement practices. The equity posture of the utility, which may be described in the IRP assessment, should be detailed separately from a CEIP equity plan and reporting. The CEIP should ensure equity baselines, targets, and measurable progress. Compliance and enabling RCW 19.405.030(1)(k) should happen through the CEIP.

The Commission should direct rules for the CEIP so that it reflects how utilities understand what they need to do and recognize the impact of their planned actions across places and population groups.

Guidance from the Commission on how utilities conduct a CEIP to comply with RCW 19.405.030(1)(k) should include requirements for utility planning and decision-making practices and metrics. The framework should define a process for linking, step-by-step, how utilities:

- (1) identify clean energy transition needs quantitatively and qualitatively,
- (2) determine their action options to meet those needs,
- (3) evaluate the impacts (health, resiliency, security, economy, and environment) associated with each option, drawing from assessments on the geographic and demographic reach of the utility's sphere of influence,
- (4) identify who is most impacted and how, including historical conditions related to disparate distribution of benefits and harms, and
- (5) elect actions that:
  - (a) direct impacts to create benefits to and reduce burdens on vulnerable populations and highly impacted communities,
  - (b) have the lowest risk profile for causing harm to the public broadly and vulnerable populations in particular.

**8. *What types of information should a utility provide in its IRP to document that the utility is ensuring all customers are benefitting from the transition to clean energy?***

The Commission should direct utilities to establish a clear and complete record showing how their equity assessment ties into their strategy development, decision-making process and the resulting implementation. The full IRP and IRP progress reports should include qualitative and quantitative elements. The qualitative elements should include discussion of how the utility selected and populated the components of the assessment, collected and analyzed relevant data, and established a clear baseline for setting compliance objectives. Utilities should break down exactly how their culture and practices demonstrate alignment with the principles behind equitable distribution of benefits. The quantitative assessment should include clear targets and metrics.

This should take the form of a specific assessment, WAC480-100-610(9), *and* integrated into all contents of the IRP. This includes equitable distribution as it applies to WAC480-100-610: (1) Load forecasting – how does load forecast create downstream differential impacts (2) Demand-side resources (3) Distributed energy resources (4) Supply side resources (5) Regional generation and transmission, (6) Resource evaluation, (7) / (8) Resource adequacy – how do resource assumptions, metrics, or determinations create differential choices, and (10) the cases, scenarios, and sensitivities selected and how they meet compliance requirements.

Type of information that utilities can provide in their IRPs to demonstrate equitable distribution of benefits requires further discussion, and may include: social responsibility business standard

certification;<sup>1</sup> targeted outreach and community engagement metrics; diversity, equity and inclusion protocols, privacy-conscious customer profiles for vulnerable populations; change in energy burden over time; status of resiliency including rate and number of distributed energy sources with battery backup, outages, and customer shutoffs; health data; economic opportunities and outcomes including jobs, contracts, beneficial infrastructure development; and environmental conditions including changes in emissions, pollutants, natural resources health. Each of these impacts must be measured against specific populations and highly impacted census tracts as relevant to the impact. As the Commission develops guidance on the critical metrics by which equitable distribution of benefits may be measured and tracked, utilities will reference them and include additional criteria for impacts and progress towards equitable distribution of benefits. The Commission may look to the example of the California Energy Commission which supports a platform for Energy Equity metrics that tracks the position and equity performance of energy projects through indicators of the impacts and flow of benefits to disadvantaged communities.<sup>2</sup>

“Equitable Distribution” should be defined in the draft rule to mean the distribution of energy and non-energy benefits and reduction of burdens to vulnerable populations and highly impacted communities, this will help avoid any lack of clarity on equity as a focus on historically and persistently marginalized groups rather than universal applied standard.

"Lowest reasonable cost" should consider the equitable distribution and the long-term and short-term public health and environmental benefits, costs, and risks; and energy security risk requirements.

**9. *What level of guidance do utilities need from the Commission to implement the equitable distribution of benefits in the IRPs?***

***a. How should the Commission guide the type of information included in the utility’s assessment (e.g. rule, policy statement, or some other method)?***

The Commission should create rules that ensure overall compliance with the information required and detailed policy statements breaking down specific issue areas and prioritizing critical metrics for evaluating baseline and setting qualitative and quantitative objectives. This should evolve into a rules as processes and information matures.

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<sup>1</sup> See the International Organization for Standardization’s ISO 260000: Social Responsibility for a framework on adopting and implementing an ethical business model, <https://www.iso.org/iso-26000-social-responsibility.html>; See also the Global Reporting Initiative’s Economic and Research standards.

<sup>2</sup> See the California Energy Commission filing, *California Clean Energy Equity Framework and Indicators: An Approach for Tracking Progress of Energy Efficiency and Renewables for Low-Income Customers and Small Business Contracting Opportunities in Disadvantaged Communities*. May 15, 2017. <https://efiling.energy.ca.gov/getdocument.aspx?tn=217611>

***b. How should the Commission guide how utilities incorporate the assessment into the IRP (e.g., rule, policy statement, or some other method)?***

The Commission should create rules that ensure overall compliance with these requirements and guidance in the form of policy statements setting performance standards for integration into the IRP. How utility performance is evaluated may more assessed through a standardized framework in a policy statement that becomes a rule as it matures and with experience. Utilities may use the framework to demonstrate how their actions - from governance-level integration of equity into strategic planning and institutional culture to large scale implementation activities to targeted projects for addressing distributional issues - support benefits for all customers.

***10. RCW 19.280.030(9) prohibits using IRPs as a basis to bring legal action against electric utilities. That is, an IRP cannot be adjudicated before the Commission. Considering this statutory prohibition, where and when should a utility report compliance ensuring all customers are benefitting from the transitions to clean energy?***

Front and Centered recommends that the Commission make rules requiring utilities to set CEIP targets, actions, reporting for equitable benefits to ensure compliance.

In closing, we emphasize that we believe this pre-rulemaking process is deeply important and we thank the Commission for the opportunity to comment on guidance for rule-making on the amended IRP process. We look forward to working in partnership with the Commission to continue to develop meaningful mechanisms for compliance with CETA requirements for the clean energy transition.

Sincerely,

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