



Puget Sound Energy
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Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

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COMMISSION

Re: Docket UE-190652: Comments of Puget Sound Energy in Response to Second Notice of Proposed Rulemaking (CR-102) in the Energy Independence Act Rulemaking

Dear Mr. Johnson:

Puget Sound Energy (“PSE”) appreciates the opportunity to respond to the Commission’s Second Notice of Opportunity to Comment and Notice of Adoption Hearing (“Notice”) issued on June 5, 2020. PSE is very supportive of the modification to the definition of “low-income” to include the second available metric of area median income set at the statutory maximum of 80 percent, which is reflected in the revised rule language provided with this Notice. PSE appreciates the Commission’s willingness to file a revised Notice in this proceeding in order to make this important adjustment to the rule language in light of stakeholder feedback received after the first Notice of Proposed Rulemaking was issued on March 27. PSE looks forward to further conversation with the Commission at a later date on important issues related to the application of this definition, including program design, prioritization of benefits, and benefit calculation.

At this stage in the rulemaking process, PSE only has a few remaining comments to make on the proposed rules contained in the Commission’s Notice.

1. Proposed WAC 480-109-100(10(a))

PSE appreciates the revisions made to this provision and finds this revised language acceptable.

2. Proposed WAC 480-109-100(10(b))

PSE remains concerned about how to implement this requirement to prioritize energy assistance to low-income households with a higher energy burden, to the extent practicable. Utilities do not

have access to individual household level customer income data, unless the customer is a participant in either low-income weatherization or bill assistance programs. As PSE indicated in its prior comments filed on May 1, 2020, PSE is not involved in the prioritization of low-income conservation projects because that prioritization occurs through the partnering social service agencies and housing authorities that implement those programs. If utilities were to become involved in every weatherization application, this would be a very difficult and time consuming endeavor. Thus, as our low-income assistance programs are structured today, it is not practical or realistic for PSE to comply with this prioritization requirement. Likewise, for bill assistance programs like PSE HELP, community action agencies provide assistance to income eligible customers on a first-come, first-served basis, and it is unclear how these agencies would adapt their programs to prioritize customers with higher energy burden.

What PSE can do in this area, though, is work with its advisory groups to support low-income agencies in the implementation of prioritization criteria for these programs, to the extent practicable, as well as conduct customer segmentation work to target census blocks with high energy burden for Low-to-Moderate-Income programs. To reflect this approach, PSE suggests the following revisions to this subsection:

(b) The utility's biennial conservation plan must include low-income conservation programs and mechanisms identified pursuant to RCW 19.405.120 with advice and review provided by its advisory group. To the extent practicable, a utility must include a description of how the plan prioritizes energy assistance to low-income households with a higher energy burden, in conjunction with low-income agencies, and describe future actions under consideration by the utility to improve this prioritization.

3. Proposed WAC 480-100-100(c)

PSE remains unsure of the Commission's objective for the calculation and aggregation of the cost and benefit accrual for low-income conservation, and how that information would be applied to the Low Income Weatherization program or other PSE low-income services. As PSE indicated in its previous comments, the concept of determining non-energy impacts is highly subjective, and one that has not yet been clearly defined. PSE reiterates its desire to work with its Advisory Group and Commission Staff to develop a clear set of metrics for non-energy impacts that are practicable and quantifiable. This is reflected in the following suggested revisions to subsection (c):

(c) A utility (~~may~~) must exclude low-income conservation from portfolio-level cost-effectiveness calculations. A utility must, in consultation with its Advisory Group, develop metrics to account for the costs and benefits, including quantifiable non-energy impacts, which accrue over the life of each conservation measure to the extent practicable.

PSE appreciates the opportunity to provide comments in response to this Notice. Please contact Kara Durbin at (425) 456-2377 for additional information about these comments. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

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