UTC
Washington Utilities and Transportation Commission

CETA Implementation
Customer Benefit Indicators

April 6, 2021

Workshop docket: UE-210147

Rulemaking dockets: UE-190698 and UE-191023

Agenda

9 a.m. Welcome and introduction

9:10 a.m. Review of UTC rules related to customer benefit indicators + utility updates

9:45 a.m. Presentations:

- Sara Hospador, Natasha Sable, and Aidan Farr; King County Metro; "King County Metro: Value Driven, Data Informed, and Customer Focused"
- Hassan Shaban; Empower Dataworks; "Best Practices in Translating Customer Feedback to Indicators"

10:45 a.m. Break

10:55 – noon Facilitated activities and discussion about customer benefit indicator development using Microsoft Teams breakout rooms.

(potential extension to 12:30 p.m.)

Very short intro to CETA and the UTC

Clean Energy Transformation Act

- Coal free by 2026
- Carbon-neutral by 2030
- Carbon-free by 2045
- Customer benefit and equity mandates

Utilities and Transportation Commission regulates the investor-owned utilities in Washington State:

- Avista
- Puget Sound Energy
- Pacific Power

Workshop Goals, Do's, and Don'ts

Goals:

- Understanding what customer benefit indicators are, how to develop them, and how they will be used.
- Exploratory opportunity for mutual learning. Staff does not anticipate developing a guidance document from this workshop.
- Attendees are encouraged to take their own notes.

Webinar presentation instructions

✓Do try to participate using your computer.

✓ Do mute your mics and turn off your video camera.

✓ Do submit questions via Microsoft Teams chat.

- Don't forget this is a public workshop. The presentation will be recorded, as will the comments in the chat, and posted to the workshop docket UE-210147.

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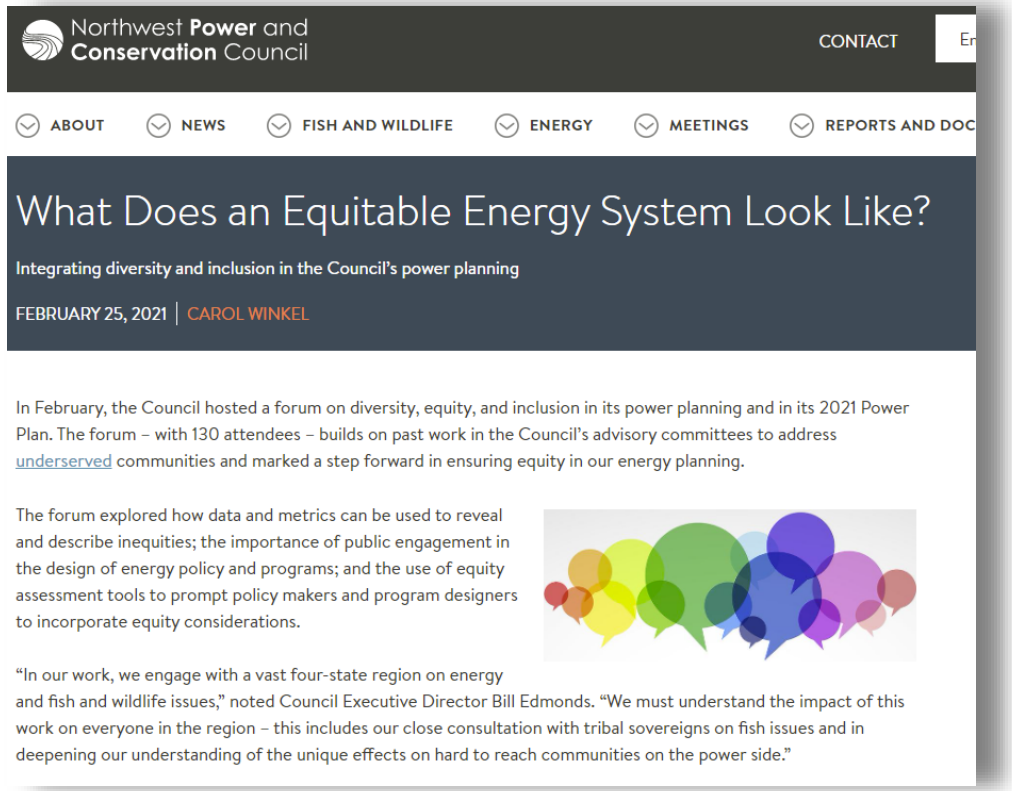
Next steps?

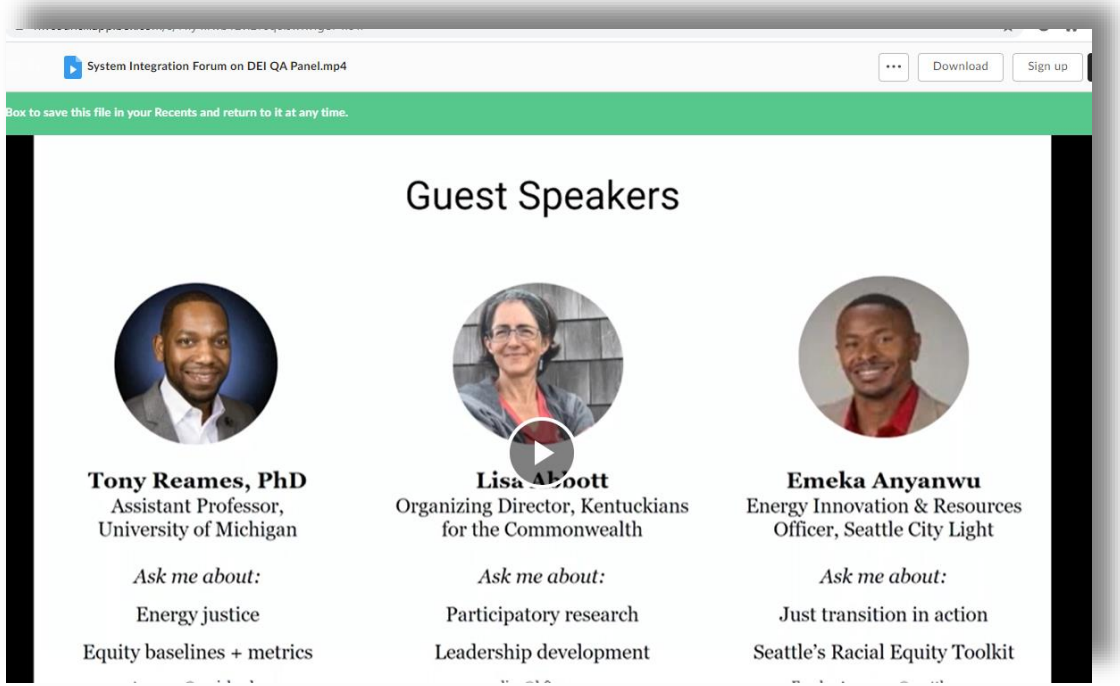
Draft CEIPs are due in August. Final CEIPs are due Oct. 1, 2021.

(see Commission's final order in UE-190698/UE-191023)

Workshop Pre-Learning

- Participants in today's workshop were asked to review the Commission's administrative rules implementing CETA as well as a session from a February training hosted by the Northwest Power and Conservation Council. This Council session provided a high-level discussion of topics very similar to what we'll be discussing today. Participants are encouraged to take their learnings into today's activities.





Brief CBI rule review

Statutory language in RCW 19.405.040(8)

Administrative rules including:

WAC 480-100-605 | WAC 480-100-610(4)(c) | WAC 480-100-640(4) – (6) and (11) | WAC 480-100-650(1) | WAC 480-100-655(1) and (2)

CETA's Statutory Language (RCW 19.405.040(8))

(8) In complying with this section, an electric utility must, consistent with the requirements of RCW 19.280.030 and 19.405.140, ensure that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency.

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- and energy security and resiliency.

CETA Administrative Rule WAC 480-100-610(4)(c)

…Each utility must ensure that all customers are benefiting from the transition to clean energy through:

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- long-term and short-term public health and environmental benefits and reduction of costs and risks;
- and energy security and resiliency.

Which benefits flow where?

Who?	Highly impacted communities and vulnerable populations		
Benefit:	Energy benefits	Nonenergy benefits	Reduction of burdens

Who?	All Customers (including HIC and vulnerable populations)					
Benefit:	Public health benefits	Environmental benefits	Cost reduction	Risk reduction	Energy security benefits	Resiliency benefits

CETA Administrative Rule WAC 480-100-605

Who?	Highly impacted communities and vulnerable populations		
Benefit:	Energy benefits	Nonenergy benefits	Reduction of burdens

"Highly impacted community"

A community designated by the department of health based on the cumulative impact analysis required by RCW 19.405.140 or a community located in census tracts that are fully or partially on "Indian country," as defined in 18 U.S.C. Sec. 1151.

"Vulnerable populations"

Communities that experience a disproportionate cumulative risk from environmental burdens due to: Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and sensitivity factors, such as low birth weight and higher rates of hospitalization.

And what benefits? Endless possibility…

Who?	Highly impacted communities and vulnerable populations		
Benefit:	Energy benefits	Nonenergy benefits	Reduction of burdens
		- Jobs - Home comfort - Increased economic activity	- Health impacts - Power outages - Ecological diversity

Who?	All Customers (including HIC and vulnerable populations)					
Benefit:	Public health benefits	Environmental benefits	Cost reduction	Risk reduction	Energy security benefits	Resiliency benefits
		- Water - Air - Wildlife impacts (bees, bats, birds, etc.)				

Customer Benefit Indicators (CBIs)

Utilities will show, and the commission will consider, compliance with 19.405.040(8) using, among other things, **customer benefit indicators** that are attributable to utility **resource selections**. (see also Order R-601 para 45)

Customer benefit indicator (WAC -605)

An attribute, either quantitative or qualitative, of resources or related distribution investments associated with customer benefits described in RCW 19.405.040(8).

Resource (WAC -605)

Includes, but is not limited to, generation, conservation, distributed generation, demand response, efficiency, and storage.

Customers choose (see also Order R-601 para 70)

Utilities must develop participation plans that discuss how they will engage with customers to develop customer benefit indicators, including (WAC 480-100-655(2)(a)):

Timing, methods, and language considerations for seeking and considering input from:

Vulnerable populations and highly impacted communities for the creation of or updates to customer benefit indicators and weighting factors for the utility's compliance with WAC 480-100-610 (4)(c)(i); and

Who?	Highly impacted communities and vulnerable populations		
Benefit:	Energy benefits	Nonenergy benefits	Reduction of burdens

All customers, including vulnerable populations and highly impacted communities, for the creation of, or updates to, customer benefit indicators and weighting factors for the utility's compliance with WAC 480-100-610 (4)(c)(ii) and (iii).

Who?	All Customers					
Benefit:	Public health	Environ-mental	Cost reduction	Risk reduction	Energy security	Resiliency

Hypothetical examples of CBIs + Resources

CBI Category	CBI	Specific to HIC or VP?	Best Resources for CBI	Siting or program parameters
Nonenergy benefit	Increase home temperature comfort	Yes	Weatherization	In HIC, LI census tracts
	Provide living wage jobs	Yes		Located in or near HIC; using local contractors
Reduction of burdens	Improve outdoor air quality	Yes		
	Improve local water quality	Yes		
Public health	Improve outdoor air quality	No		
Environment	Provide ecological services (bees)	No	Utility scale or community solar	Siting in locations where bee-keeping is allowed; landscaping with native plants attractive to pollinator species
	Improve local water quality	No		

CEIPs must identify (WAC 480-100-640(4):

“named communities”

Identify highly impacted communities

Identify vulnerable populations based on adverse socioeconomic factors and sensitivity factors developed through the advisory group process and public participation plan described in WAC 480-100-655, describing and explaining any changes from the utility's most recently approved CEIP

customer-directed CBIs + weighting factors

Include proposed or updated **customer benefit indicators and associated weighting factors** related to WAC 480-100-610 (4)(c) including, at a minimum, one or more customer benefit indicators associated with energy benefits, nonenergy benefits, reduction of burdens, public health, environment, reduction in cost, reduction in risk, energy security, and resiliency. **Customer benefit indicators and weighting factors must be developed consistent with the advisory group process and public participation plan described in WAC 480-100-655.**

The utility should describe and explain any changes in customer benefit indicators or weighting factors from its most recently approved CEIP.

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Utility Updates + Presentations

Utility Updates

Today's presentations

King County Metro

"King County Metro: Value Driven, Data Informed, and Customer Focused"

- Here to discuss how King County Metro has worked to incorporate customer preferences into business plans for transportation planning as well as lessons learned.

Empower Dataworks

"Translating Customer Feedback to Indicators"

- Here to discuss best practices in translating customer preferences and goals into indicators that can be tracked, monitored, and evaluated.

Welcome, King County Metro!

King County METRO
Moving forward together

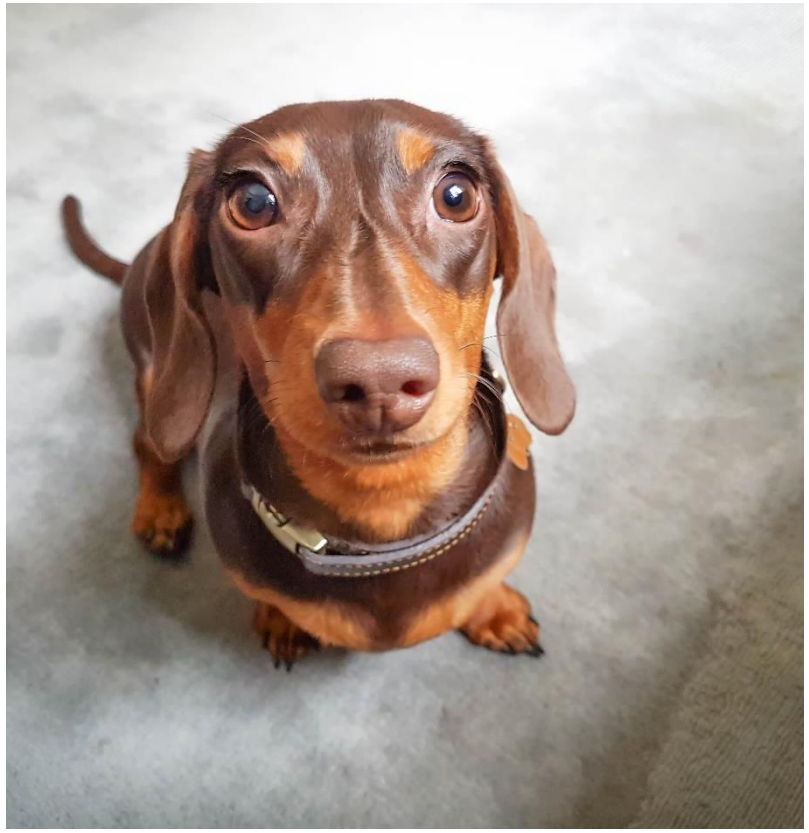
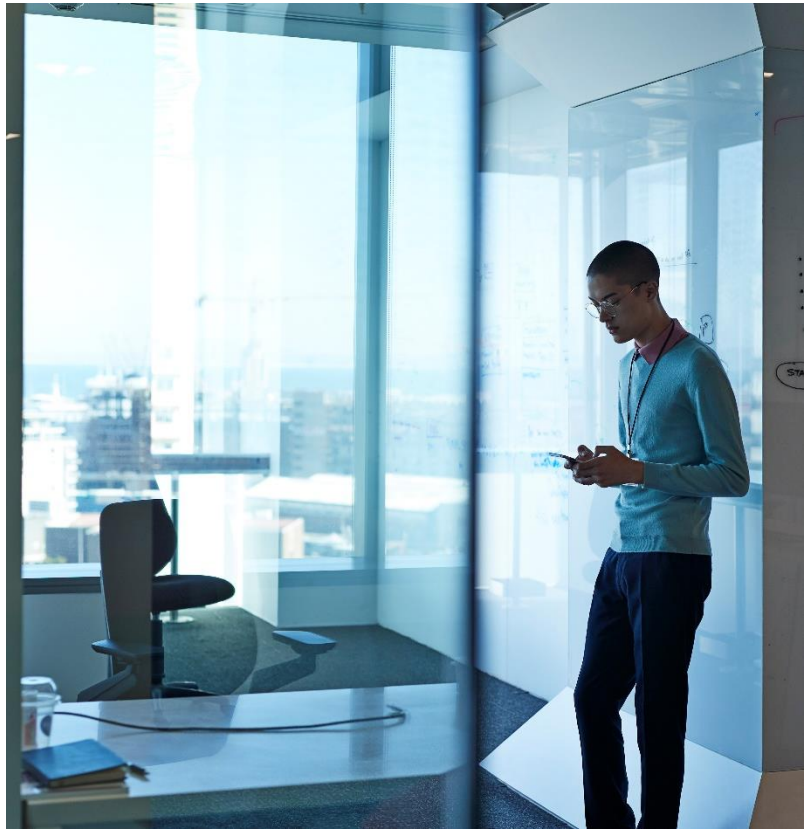
- Sara Hospador, Senior Business Analyst
- Natasha Sable, Business Analyst
- Aidan Farr, Business Analyst

Welcome, Hassan!

Hassan Shaban, PhD
Principal, Empower Dataworks
(Wenatchee, WA)

Hassan is a mechanical engineer, data scientist and consultant who works with utilities on program design and planning to meet clean energy and energy equity goals.

hassan@empowerdataworks.com


10-minute stretch break!

Welcome back!

We are back and moving out of presentation mode.

Hypothetical examples of CBIs

CBI Category	CBI	Specific to HIC or VP?	Best Resources for CBI	Siting or program parameters
Nonenergy benefit	Increase home temperature comfort	Yes	Weatherization	In HIC, LI census tracts
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Reduction of burdens	Improve outdoor air quality	Yes		
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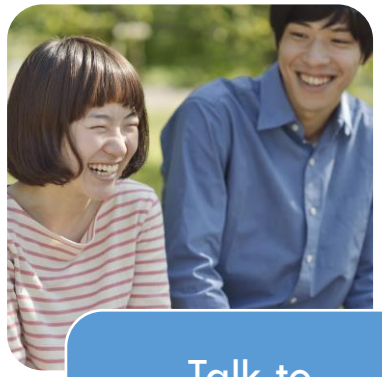
Public health	Improve outdoor air quality	No		
Environment	Provide ecological services (bees)	No	Utility scale or community solar	Siting in locations where bee-keeping is allowed; landscaping with native plants attractive to pollinator species
	Improve local water quality	No		

Hypothetical examples of CBIs, expanding

CBI Category	CBI	Specific to HIC or VP?	Best Resources for CBI	Siting or program parameters
Nonenergy benefit	Increase home temperature comfort	Yes	Weatherization	In HIC, LI census tracts
	Provide living wage jobs	Yes		Located in or near HIC; using local contractors
Reduction of burdens	Improve outdoor air quality	Yes		
	Improve local water quality	Yes		
	Reduction in urban heat islands	Yes		
	Reduction in brownfield spaces	Yes		

High-level process flow



Talk to customers to learn about interests and weighting preferences

Ensure the focus of a CBI is an attribute of a resource

Develop data and information that can be used to understand CBIs

Monitor whether investments are meeting customers' stated preferences

Breakout Room Activity 1: Customer Focus Group

Scenario 1: ACME Utility

Service territory includes the entire Olympic Peninsula

Task: In breakout room, develop 3 (each) CBIs for

- Energy benefits
- Public health benefits
- Environmental benefits

Scenario 2: ABC Electric Utility

Service territory includes Whatcom, Okanogan, Ferry, and Stevens counties

Task: In breakout room, develop 3 (each) CBIs for

- Nonenergy benefits
- Cost reduction
- Risk reduction

Scenario 3: Electric Service 'R'Us

Service territory includes Pierce, Kittitas, and Yakima counties

Task: In breakout room, develop 3 (each) CBIs for

- Reduction of burdens
- Energy security benefits
- Resiliency benefits

Breakout Room Activity 1: Customer Focus Group

ACME Utility

CBI Category	CBI
Energy benefit	
Public health	
Environment	

ABC Electric Utility

CBI Category	CBI
Nonenergy benefit	
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Risk reduction	

Electric Service 'R'Us

CBI Category	CBI
Reduction of burdens	
Energy security	
Resiliency	

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Report out 1

How well did groups do in developing customer benefit indicators from customer information? Are your indicators attributable to resources? Are they outcomes? Are they measurable?

Hypothetical utilities?

- What are your proposed CBIs?
- What information was important to narrowing customer priorities into something attributable to resources?

Hypothetical customers?

- How well do these proposed CBIs capture your priorities?
- What questions should the hypothetical utilities have asked?

Breakout Room Activity 2: Most Likely Suspects

Return to your breakout rooms. You are no longer customer + utility. You are all one team.

Using the CBIs created in your first breakout room, develop a list of resources that are most likely to help you attain your CBIs. And remember, resources can also be programs. Also remember that the benefits of CBIs for named communities must flow to those communities.

Would these resources require certain siting or design parameters? If so, what or which?

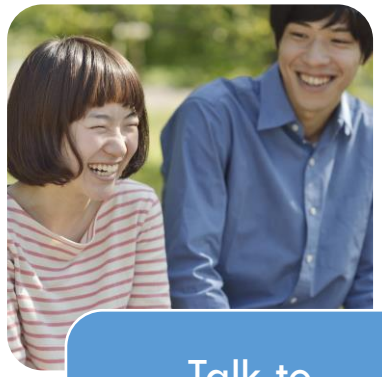
Bonus question: How can we start looking at optimizing/maximizing resources for CBIs?

Report out 2

What resources did you come up with? How would you optimize resource choices? What resource siting or design considerations are there?

Bonus question: How does modeling fit in? Do we have any resource acquisition/procurement experts here who can speak to additional benefits in practice?

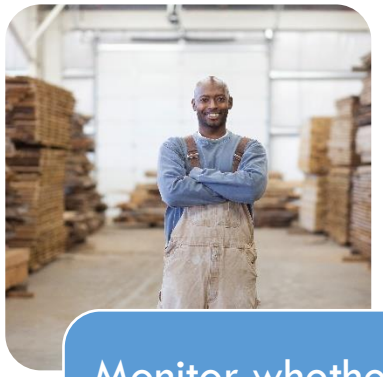
High-level process flow



Talk to customers to learn about interests and weighting preferences

Ensure the focus of a CBI is an attribute of a resource

Develop data and information that can be used to understand CBIs



Monitor whether investments are meeting customers' stated preferences

Clean Energy Compliance Report (-650(1))

Unless otherwise ordered by the commission, each electric utility must file a clean energy compliance report with the commission by July 1, 2026, and at least every four years thereafter. The report must demonstrate whether and how:

(d) The specific actions the utility took are consistent with the requirements in WAC 480-100-610 (4)(c) including, but not limited to:

(i) Providing updated customer benefit indicator values;

(ii) An analysis that the distribution of benefits and reductions of burdens have accrued or will reasonably accrue to intended customers, including highly impacted communities and vulnerable populations.

(e) Provide a description of the utility's equity advisory group process, customer engagement and outcomes, and how the utility's efforts are consistent with the requirements in WAC 480-100-655 for the development or update of customer benefit indicators related to WAC 480-100-610 (4)(c);

Breakout Room Activity 3: Tracking Success

What data will help you evaluate the success of your chosen indicators?

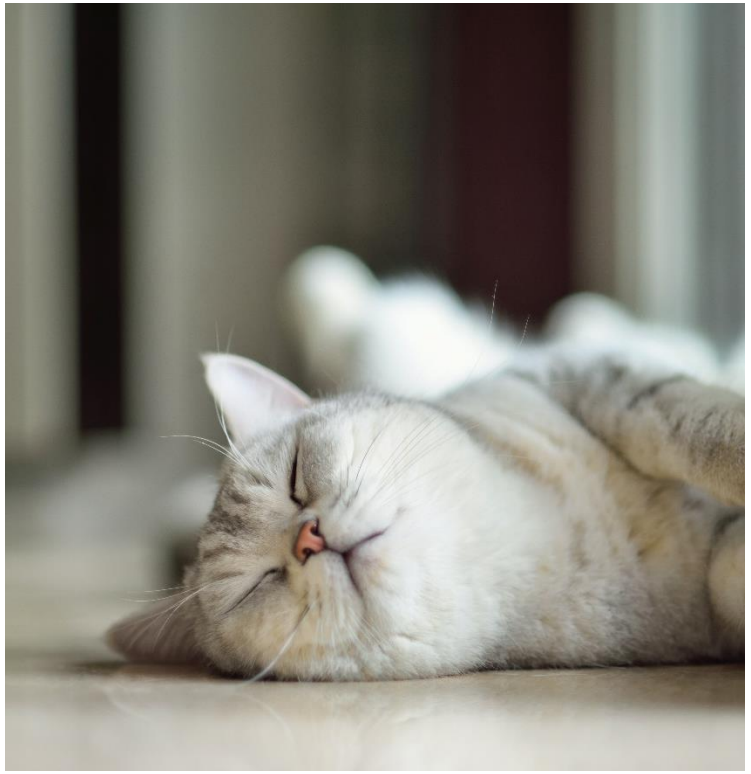
- Using the CBIs created in your breakout room, develop a list of data sets/types that will help utilities evaluate their work around each CBI.

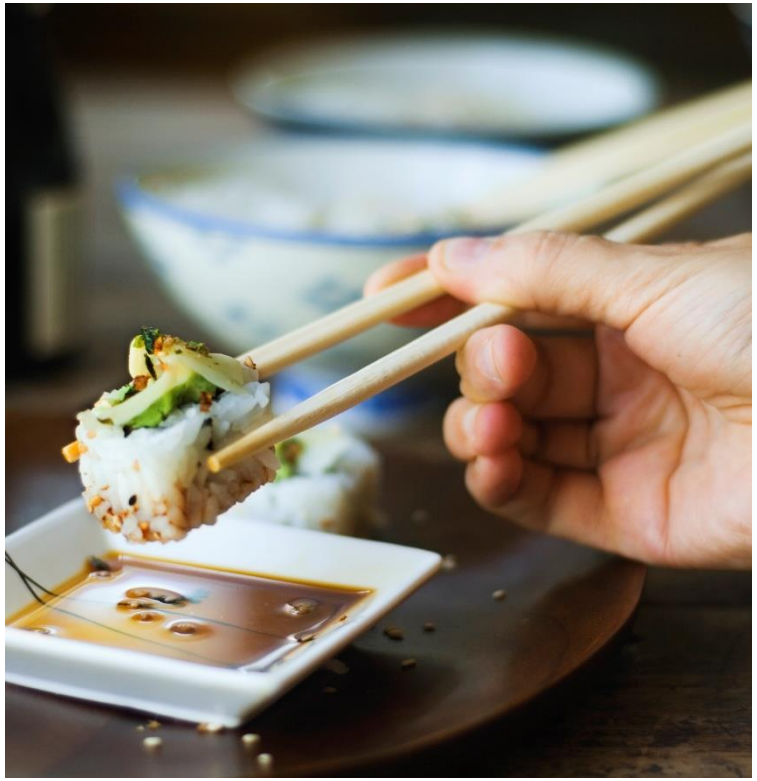
What other data points are needed for measuring success?

- CBIs are an outcome or goal. What other data will be required to track success with any (or all) customer benefits indicators or to understand the current conditions from which we can measure success?

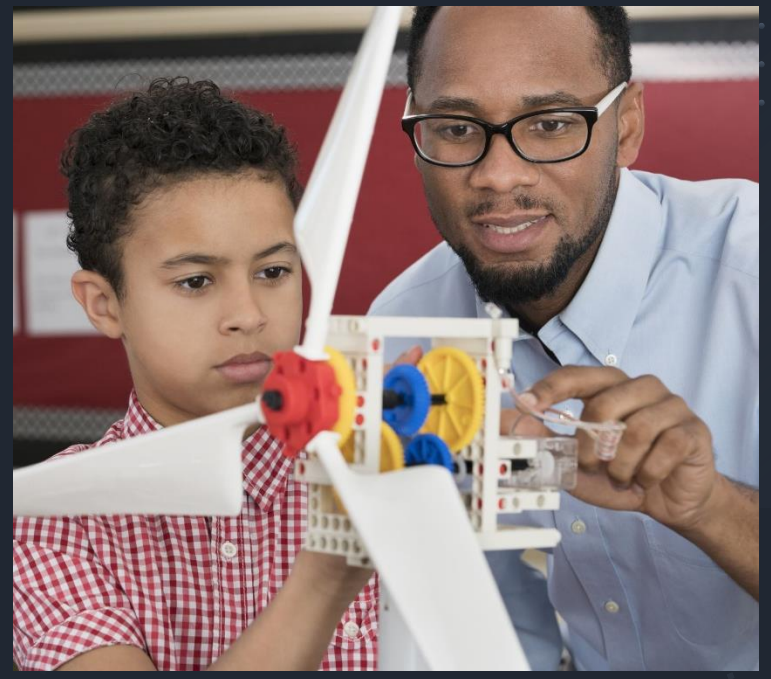
Report out 3

What data and metrics did you come up with? Are these available to utilities now? Are they public information? Will tracking for these data sets need to be developed?





Time for lunch!



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