

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. PUGET SOUND ENERGY, Respondent.	DOCKET UE-220066 DOCKET UG-220067
In the Matter of PUGET SOUND ENERGY Clean Energy Implementation Plan Pursuant to WAC 480-100-640	DOCKET UE-210795 MOTION TO CONSOLIDATE PROCEEDINGS AND MOTION FOR EXEMPTION FROM WAC 480-100-645(2)

I. INTRODUCTION & RELIEF REQUESTED

I. Puget Sound Energy (“PSE” or “the Company”), respectfully requests that the Washington Utilities and Transportation Commission (“Commission”) exercise its discretion to consolidate PSE’s Clean Energy Implementation Plan (“CEIP”) proceeding, Docket UE-210795, with its general rate case, Dockets UE-220066/UG-220067, pursuant to WAC 480-07-320. The facts and principles of law at issue in these proceedings are related, consolidation of these dockets would support judicial economy, and consolidation would not unduly delay resolution of either proceeding. Furthermore, PSE seeks consolidation as a means of expediting the review process for its CEIP, with the

objective of aligning the CEIP with the general rate case and securing a Commission decision on both by the end of this year. Any delay beyond that jeopardizes PSE's ability to secure the renewable resources necessary to meet the specific and interim targets outlined in its plan. PSE has provided advanced notice of this motion to the primary stakeholders in each proceeding and has discussed several options for the efficient resolution of the overlapping issues in both proceedings, and PSE believes consolidation is in the parties' and the public's best interest.

2. Additionally, pursuant to WAC 480-07-110 and to effectuate PSE's request for consolidation, PSE hereby additionally moves for exemption of WAC 480-100-645(2), which requires the Commission to set a utility's CEIP for open public meeting. While PSE is seeking to waive the open meeting requirement of WAC 480-100-645(2), PSE supports the Commission holding a public comment hearing on the CEIP as part of a consolidated proceeding.

II. STATEMENT OF FACTS

A. PSE's CEIP Proceeding

1. Background

3. Washington's Clean Energy Transformation Act ("CETA"), enacted as Chapter 19.405 RCW, requires investor-owned utilities to develop and submit to the Commission a four-year plan describing how the utility will implement clean energy standards established under CETA to address the impacts of climate change. The clean energy transformation standards requires that all retail sales of electricity to Washington retail electric customers be greenhouse gas neutral by January 1, 2030, and that non-emitting electric generation and electricity from renewable resources supply one hundred percent

of all retail sales of electricity by 2045.¹ A utility’s four-year plan describing how it will implement these ambitious standards is known as the CEIP.²

4. Approving a utility’s CEIP is a new process for the Commission. In its order approving rules that govern the CEIP and implementation of CETA, the Commission recognized that “in the beginning the CEIP will involve a new and significant process and document, one that the utilities have never prepared, and that stakeholders, and this Commission have never reviewed.”³ While the Commission adopted the process for review of a CEIP in WAC 480-100-645, there is no certainty of a timeline in the CEIP review process. Thus, there is no guarantee that PSE’s CEIP will be approved or even considered in time to execute many of the agreements necessary to begin meeting the CEIP’s proposed interim and specific targets.

5. On October 15, 2021, PSE filed its first draft CEIP in Docket UE-210795. PSE’s draft plan represented a thorough and comprehensive proposal to map out the first four years of Washington’s new clean energy vision. The master service list in PSE’s draft CEIP proceeding includes staff of the Washington Utilities and Transportation Commission (“Staff”), the Public Counsel Division of the Washington Attorney General’s Office (“Public Counsel”), and the Alliance of Western Energy Consumers (“AWEC”). In addition to the parties on record, other stakeholders have filed written comments in that proceeding, including the Northwest Energy Coalition, The Energy

¹ RCW 19.405.040, 050; WAC 480-100-610

² RCW 19.405.060; WAC 480-100-640.

³ *In the Matter of Adopting Rules Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act*, Dockets UE-191023 & UE-190698 (Consolidated), General Order 601 ¶ 25 (General Order 601) (Dec. 28, 2020).

Project, Front and Centered, , and the Sierra Club. The Company consulted with customers, stakeholders, and advisory groups, including PSE's Equity Advisory Group, to obtain input on the draft CEIP. PSE also held an online open house from October 18 through November 12, 2021, to gather public input on the draft CEIP.

6. After months of discussions and formal comments from these stakeholders, advisory groups, and the public, PSE submitted its Final CEIP on December 17, 2021. The Final CEIP incorporated stakeholder feedback PSE received on the Draft CEIP in a number of areas and made commitments for future work that it would address in its biennial CEIP update filing in 2023. The CEIP identifies the specific and interim targets for renewable and non-emitting energy over the four-year implementation period and the specific actions required to achieve those targets. These actions are necessary for PSE to achieve reasonable progress towards meeting CETA's ambitious clean energy transformation standards. In the cover letter submitted with its final CEIP, PSE signaled urgency in its request for expeditious consideration of its CEIP:

For the purposes of providing predictability and certainty to PSE's ongoing procurement processes and allowing PSE to move forward in implementing this CEIP, PSE seeks a Commission review process that will result in a decision on its CEIP in 2022. Delays beyond this timeframe will jeopardize PSE's ability to achieve the targets in this first CEIP.⁴

7. The comment period for the Company's CEIP remained open through March 2, 2022, and PSE continued to receive additional feedback and comments on its Final CEIP as recently as March 18, 2022.⁵ The number, scope, and breadth of the comments have

⁴ Docket UE-210795, PSE's Cover Letter (12-17-2021).

⁵ See UE-210795, Notice of Opportunity to Provide Written Comments (Dec. 28, 2021) and Comments of Sierra Club (March 18, 2022).

been large, wide-ranging, and sometimes conflicting, but several main issues have emerged that overlap with issues raised in PSE’s general rate case. For example, the incremental cost of implementing the CEIP over its four-year term is an issue raised in PSE’s general rate case,⁶ and customer benefit indicators are an important issue in both the CEIP and PSE’s general rate case.⁷

2. CEIP Approval Procedure

8. Pursuant to WAC 480-100-645(2), the Commission will set a utility’s CEIP filing for an open public meeting. Any person who has a substantial interest in the subject matter of the filing may request adjudication of the CEIP, and in such a case, the Commission is required to “initiate an adjudication, or if appropriate a brief adjudicative proceeding, to consider the filing.”⁸ In its comment letter dated March 2, 2022, Front and Centered requested the Commission initiate an adjudication pursuant to WAC 480-100-645(2).⁹ To date, the Commission has neither set PSE’s CEIP for an open meeting nor initiated an adjudication. Based on discussions with parties, PSE is concerned that it will be difficult to schedule a separate adjudicative proceeding prior to the evidentiary hearing in the general rate case, which is scheduled for October 3, 2022, and October 4, 2022, as discussed in more detail below.

⁶ See Docket UE-210795, Final CEIP, Chapter Five: Cost at 155. See also, Dockets UE-220066/UG-220067, Jacobs, Exh. JJJ-1T at 27-37.

⁷ See Docket UE-210795, Final CEIP, Chapter Three: Customer Benefit Indicators, Highly Impacted Communities and Vulnerable Populations at 35. See also, e.g., Dockets UE-220066/UG-220067, Jacobs, Exh. JJJ-1T at 18-20.

⁸ WAC 480-100-645(2).

⁹ See Docket UE-210795, Front and Centered Comments on PSE’s 2021 Draft CEIP Pursuant to WAC 480-100-640 at 9 (March 2, 2022).

9. Further, the Commission has not issued guidance to utilities and stakeholders regarding the CEIP approval process, as it has done with other new processes.¹⁰ While PSE remains committed to creating a final plan that is the product of a robust public participation process, PSE needs clear direction from the Commission this year to proceed with the investments necessary to meet the State's clean energy goals.

B. PSE's General Rate Case Proceeding

10. On January 31, 2022, PSE filed a general rate case in Dockets UE-220066 and UG-220067. All the CEIP stakeholders and parties referenced above are parties to PSE's general rate case.¹¹ As stated in the prefiled direct testimony of PSE witness Kazi K. Hasan, Exh. KKH-1CT, PSE's general rate case involves several issues related to PSE's efforts to implement CETA.

PSE must acquire a significant amount of clean resources in the coming decades, and must take steps immediately to meet requirements under CETA, including achieving a carbon neutral electricity supply by 2030. Achieving these goals without sacrificing reliability and safety will require significant investment from PSE. These investments are required to maintain existing assets, to acquire CETA-related resources, and to modify PSE's transmission and distribution grids to accommodate new CETA-qualifying resources.¹²

11. As explained in the prefiled direct testimony of Joshua J. Jacobs, Exh. JJJ-1T, the CEIP is PSE's plan for implementing CETA requirements over the next four years. Regarding the CEIP's specific and interim targets for renewable and non-emitting energy,

¹⁰ Compare, for example, the Commission's Policy Statement on Participatory Funding for Regulatory Proceedings issued in Docket U-210595, which provides guidance to utilities and stakeholders regarding funding intervenor participation in regulatory proceedings (Nov. 19, 2021).

¹¹ See Dockets UE-220066/UG-220067, Master Service List (March 10, 2022).

¹² Dockets UE-220066/UG-220067, Hasan, Exh. KKH-1CT at 2:1-8.

Mr. Jacobs states, “These actions are necessary for PSE to achieve reasonable progress towards meeting CETA’s ambitious clean energy transformation standards.”¹³ The CEIP, along with all its appendices, has been filed in PSE’s general rate case as Exh. JJJ-3.

12. On March 3, 2022, the Commission issued Order 03, Prehearing Conference Order and Notice of Hearing in PSE’s general rate case. The evidentiary hearing in PSE’s general rate case is set for October 3-4, 2022, and the statutory suspension date in PSE’s general rate case is December 31, 2022, more than a year after PSE submitted its Final CEIP.¹⁴

C. Consolidation of PSE’s CEIP with its General Rate Case

13. Upon review of comments in its CEIP proceeding, PSE identified several issues that appear to be priority issues for stakeholders. These include 1) whether the CEIP should address topics that are not directly related to resource planning, such as bill assistance, 2) whether PSE should recover the costs of renewable energy acquisition to achieve 63 percent target by the end of the CEIP period, and 3) what approval of the CEIP means for prudence of renewable investments. These issues overlap with issues raised in PSE’s general rate case.¹⁵

14. On or about March 14, 2021, PSE began discussions with stakeholders regarding potentially consolidating PSE’s CEIP with its general rate case. The stakeholders acknowledged the uncertain timing and next steps for the CEIP process, recognizing that

¹³ Dockets UE-220066/UG-220067, Jacobs, Exh. JJJ-1T at 5:15-16.

¹⁴ See Dockets UE-220066/UG-220067, Order 03 at 18-19.

¹⁵ For example, see Dockets UE-220066/UG-220067, Jacobs, Exh. JJJ-1T at page 27-37 for testimony regarding CEIP costs and page 11 regarding prudence of distributed energy resources.

the CEIP has no statutory suspension period like the general rate case. PSE understands stakeholders are concerned that consideration and approval of the Company's CEIP may be rushed to coincide with the general rate case's statutory deadline, and that issues in the CEIP run the risk of not being adequately addressed in the general rate case proceeding. There has been no consensus regarding whether to consolidate the two proceedings, or even whether the Commission should adjudicate PSE's CEIP. However, the parties and stakeholders to the CEIP proceeding do appear to agree that this first CEIP process is likely to be more complex than subsequent proceedings, and the process adopted in this first CEIP approval should not necessarily be the process applied to later CEIP proceedings. If the Commission grants PSE's motion to consolidate, PSE will take steps to expedite the process and mitigate parties' concerns. These actions include filing supplemental testimony and supporting a standalone procedural schedule for CEIP within the general rate case.

III. STATEMENT OF ISSUES

15. Should the Commission consolidate PSE's CEIP proceeding with its general rate case? If the answer is "yes", should the Commission waive WAC 480-107-645(2) to allow adjudication of PSE's CEIP without setting the CEIP for an open public meeting?

IV. DISCUSSION

A. Consolidation of the Proceedings Is Appropriate

16. Parties may request consolidation of matters by motion to the Commission.¹⁶ In determining whether to consolidate two or more matters, the Commission examines the extent to which the factual and legal issues are related and whether consolidation would promote judicial economy and would not unduly delay the resolution of one or all of the proceedings.¹⁷ The Commission should exercise its discretion to consolidate PSE's CEIP proceeding with PSE's general rate case because: (1) there are related issues of fact and law between the two dockets, and (2) there are clear benefits of consolidation to judicial economy.

17. First, the Commission should consolidate PSE's CEIP with its general rate case because facts or principles of law between the two dockets are related. PSE's CEIP is an important part of PSE's general rate case. At least eight PSE witnesses address different aspects of the CEIP in the Company's general rate case, including costs, community outreach, grid modernization, and distributed energy resources.¹⁸ The full CEIP is already an exhibit in the general rate case, and deliberation of PSE's CEIP is inarguably linked to

¹⁶ See WAC 480-07-320.

¹⁷ *In re the Petition of Puget Sound Energy, Inc.*, Dockets UE-130583, UE-130617, & UE-131099 (Consolidated), Order 01/Order 05/Order 01, 7, ¶ 14 (Aug. 8, 2013); see also *Wash. Utils. & Transp. Comm'n v. Puget Sound Energy*, Dockets UE-111048 & UG-111049 (Consolidated) & UG-110723, Order 04 at ¶ 8 (Sept. 7, 2011).

¹⁸ See Dockets UE-220066/UG-220067, Jacobs, Exh. JJJ-1T at Table 1: William Einstein addresses Demand Response costs, Paul Wetherbee addresses Projected Power Costs, including CETA-eligible renewable resources, Catherine Koch addresses costs related to grid modernization, Carol Wallace and Suzanne Tamayo address costs related to DER Enablers. See also Jacobs, Exh. JJJ-1T at 5-27 and Exh. JJJ-3. See also Kensok, Exh. JAK-1T for O&M forecast provided related to CEIP expenses. See also Rodriguez, Exh. AJR-1T, for how PSE's CEIP fits into PSE's clean energy vision.

PSE's multiyear rate plan in Dockets UE-220066/UG-220067 – so much so that PSE planned its multiyear rate plan to coincide with PSE's first four-year CEIP:

Consistent with the statutory intent and direction of RCW 80.28.425(9), through its proposal for a three-year rate plan, PSE is attempting to align the timing of the approval of its multi-year rate plan with its CEIP filed pursuant to RCW 19.405.060. By proposing a three-year period for this multi-year rate plan, the CEIP and rate plan would end at the same time on December 31, 2025. The intent behind this three-year proposal is to align the subsequent rate plan with the same four-year period as PSE's next CEIP, which would run from 2026 to 2030.¹⁹

18. Approval of a CEIP, with clear direction from the Commission regarding PSE's interim and specific target timelines, is necessarily connected to the issue of cost recovery of the investments needed to meet those targets as addressed in PSE's general rate case.
19. Second, the Commission should consolidate PSE's CEIP with its general rate case because doing so would support judicial economy. It would allow for a more efficient resolution of the CEIP without undue delay in the general rate case. Consolidation would not delay the general rate case because the parties are largely the same in both cases, it is still early in the rate proceeding, and the discovery process in the general rate case is already organized in a way that parties may easily engage in, or disregard, CEIP issues.²⁰ Further, as stated above, PSE is willing to take extra steps to simplify and streamline consideration of the CEIP in the consolidated proceeding. For example, PSE is willing to

¹⁹ Dockets UE-220066/UG-220067, Piliaris, Exh. JAP-1T at 8:9-16.

²⁰ See Dockets UE-220066/UG220067, Order 03 at ¶¶ 34-36 (“First, the Parties agree to identify each data request by subject (1) above each data request, (2) in the cover letter, and (3) in the distribution email. Data requests propounded in a single set will be grouped by subject in the cover letter and distribution email. The parties will cooperate to develop a uniform list of subjects to facilitate discovery tracking.”).

establish a separate but parallel procedural schedule that is congruent with, not cumulative to, the existing procedural schedule. Additionally, PSE is prepared to submit additional testimony in the consolidated proceeding to distill the broad comments and identify the paramount issues that have already been raised regarding the CEIP.

20. Consolidation will not unduly delay PSE's general rate case and it will expedite administration of PSE's CEIP. Despite a direct request for adjudication from a stakeholder in the CEIP proceeding, the Commission has not set PSE's CEIP for adjudication, nor has it set it for approval at an open meeting, as required by WAC 480-100-645(2). With no certainty surrounding a CEIP approval timeline, PSE is exposed to undue risk in securing resources to meet its planned clean energy targets by the end of the CEIP period. As it is, if a timely decision is reached by the end of this year, PSE only has three years left to achieve its ambitious clean energy targets. If PSE cannot secure the resources necessary to meet its targets, the entire CEIP process may fail before it truly begins. Consolidation is the most efficient way to allow the Commission to timely consider PSE's CEIP without undue delay in PSE's general rate case.

B. The Commission Should Waive the Requirement to Consider the CEIP at an Open Meeting In light of the Request for Adjudication

21. The Commission has discretion to grant an exemption from commission rules in response to a request or on its own initiative.²¹ In determining whether to grant an exemption from a rule, the Commission applies the public interest standard and may

²¹ See WAC 480-07-110(1).

consider whether the effect of applying the rule to the utility would be contrary to the underlying purposes of the rule and the public interest.²²

22. Here, a person who has a substantial interest in the subject matter of PSE's CEIP filing has requested the Commission initiate an adjudication pursuant to WAC 480-100-645(2). Accordingly, setting the CEIP for a public open meeting at this point would be contrary to the underlying purpose of the approval process established in WAC 480-100-645. Waiving the open meeting requirement is in the public interest because it would expedite consideration of PSE's CEIP in the context of consolidation and allow for the more deliberative process of an adjudication. While PSE is seeking to waive the open meeting requirement of WAC 480-100-645(2), PSE supports the Commission holding a public comment hearing on the CEIP as part of the consolidated proceeding.


V. CONCLUSION

23. For the foregoing reasons, PSE respectfully requests that the Commission (1) consolidate PSE's CEIP proceeding, Docket UE-210795, with its general rate case, Dockets UE-220066/UG-220067, and (2) waive the open meeting requirement in WAC 480-100-645(2) to effectuate consolidation.

²² See WAC 480-07-110(2)(c).

RESPECTFULLY SUBMITTED this 30th day of March, 2022.

PERKINS COIE LLP

By 
Donna L. Barnett, WSBA #36794
Sheree Strom Carson, WSBA #25349
Pamela J. Anderson, WSBA #37272
David S. Steele, WSBA #45640
Byron C. Starkey, WSBA #55545
Attorneys for Puget Sound Energy