

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKETS UE-220066, UG 220067
(consolidated)

In the matter of

PUGET SOUND ENERGY

Clean Energy Implementation Plan Pursuant
to WAC 480-100-640

DOCKET UG-210795

DECLARATION OF JENNIFER
SNYDER

- 1 I, Jennifer Snyder, under penalty of perjury under the laws of the state of Washington,
declare as follows:
- 2 I am over 18 years of age, a citizen of the United States, a resident of the state of
Washington, and competent to be a witness.
- 3 I am employed by the Washington Utilities and Transportation Commission (Commission)
as a Regulatory Analyst. I have been employed in this position for six years.
- 4 Staff Comments on Puget Sound Energy’s Final Clean Energy Implementation Plan, filed
March 2, noted Staff’s concern that there were several issues in the CEIP that overlap
significantly with issues in the rate case and that one possible solution was to consolidate
certain issues from the CEIP into the GRC. After a more thorough review of the GRC, Staff
does not see substantial overlap with the issues in the two dockets.

CEIP Approval

- 5 On page 4 of the CEIP, PSE requests the Commission approve five items.
- 6 Request 1 is to approve the energy efficiency target. This target has already been approved
by the Commission for the first two years (Docket UE-210822) and will be updated for the

second half of the implementation period with the Biennial CEIP update as required by WAC 480-100-640(11). This target is not an issue in the GRC.

- 7 Request 2 is to approve the renewable energy target (which is also the interim target) to provide 63 percent of retail sales by 2025 with clean energy by acquiring approximately 11,404,000 MWh of new renewable energy. PSE has included a request for approval sub-targets of 800 MW of utility-scale renewable and 80 MW of distributed solar resources. The appropriate interim target is an issue brought up by CEIP stakeholders concerned about it being both too high and too low. The actual targets are not issues in the GRC.
- 8 Request 3 is for approval of a demand response target of 23.7 MW by 2025. Stakeholders may choose to contest this target in the CEIP. This target is not an issue in the GRC.
- 9 Request 4 is a request to approve specific actions needed to meet the targets in Request 2 and Request 3. The specific actions are two requests for proposals (RFPs) that have already been approved by the Commission. (UE-210832 & UE-210878). The RFPs are not issues in the GRC.
- 10 Request 5 is a request for approval of the estimated incremental costs to meet the above targets. PSE estimates the need to spend, on average, a two-percent average annual rate increase. Staff does not believe that the incremental cost of compliance should be approved in the CEIP. Rather, the projected incremental cost is useful for all parties to understand the methodology and implications. Incremental cost is an alternative option for compliance the utility can request if it has missed its targets at the end of the four-year implementation period. The Commission will consider the utility's actual costs when making a determination about the use of this alternative compliance option. This is not an issue in the GRC.

Items in both the CEIP and GRC

- 11 Both the CEIP and the GRC contain projected costs to meet the targets identified in requests 1-3. The actual costs will not be known until after the new resources are acquired and in service. In addition, the projections used in both the CEIP and the GRC will be refined once the RFPs are completed. As described in PSE testimony, "costs to meet these targets are included in the GRC multiyear rate plan (MYRP) and subject to refund if the plant is not placed in service or if it is determined not to be prudent (Lines 6-7, page 16, AJR-1T)." The approval of the CEIP is not preapproval of these costs. In the absence of an approved CEIP with specific resources, the Commission can determine prudence as it has historically done. While many of the costs described in the CEIP are the same costs as in the GRC, PSE requests flexibility in the projection of capital expenditures for the proposed MYRP precisely because these costs are not yet known.
- 12 Enabling technology for DR and other DERs described in the CEIP is appropriately included in the GRC. This technology is not listed as a specific action for approval in PSE's CEIP but is described as necessary to meet the requirement (RCW 19.405.040(1)(a)) to pursue all cost-effective demand response. Staff agrees that the utility does have a need for enabling DR

and DER technology, but the need for certain types of enabling technology will depend on the specific actions themselves, which are almost entirely reliant on the outcome of the DER RFP.

- 13 PSE's motion cites customer benefit indicators (CBIs) as an example of an important issue in both the CEIP and the GRC. While CBIs are undoubtedly an important and contested issue in the CEIP, Staff fails to see where PSE has focused on them in the GRC in any meaningful way. PSE proposes three performance metrics that overlap with the eleven CBIs developed in the CEIP: affordability, energy efficiency, and demand response/peak load reduction. Notably, these performance metrics are all also requirements under the law.

Other CEIP Issues not in the GRC

- 14 Stakeholders had numerous issues with the CEIP, mostly around accelerating the clean energy transition, that are not addressed in the GRC.
- 15 Equity and CBIs are new, intricate, technical, and emotionally charged topics. The issue of CBIs is one with many subtopics such as adequate baseline data, defining vulnerable populations, applying indicators to program design, appropriate weighting, and many others identified by stakeholders. While equity is broadly an issue in the GRC, CBIs are appropriately discussed in the CEIP.
- 16 There were significant questions raised about the projected incremental cost methodology and purpose. Stakeholders voiced concern that the two percent cost cap in CETA is not meant to be a planning constraint, nor is it meant to be a target. How the cost cap is acknowledged and used in planning is a difficult question that is best addressed in the approval of the CEIP rather than the GRC.
- 17 Some of the issues in a CEIP adjudication may revolve around what a CEIP is supposed to be. Staff was not the only stakeholder to raise concerns about the lack of specific actions in PSE's CEIP. There were concerns about the CEIP containing requests for prudence and cost recovery. These types of questions may be better handled with technical workshops among parties than in the adversarial process of the GRC.

Incomplete CEIP

- 18 Staff recognizes that achieving the ideal CEIP is an iterative process. However, Staff believes PSE does not need to wait to vastly improve on the current iteration. Once the RFPs are completed PSE should file a full CEIP instead of a Biennial CEIP update. This would allow the Company to request modified targets based on better data and include specific actions with the necessary degree of detail. In addition, while CBI improvement may take several iterations, improved information and metrics should inform the updated specific actions.

Staff's position on consolidation of the CEIP and GRC

- 19 Before addressing the specifics of this motion, Staff finds it important to clarify its current general opinion on the ideal relationship between CEIPs and GRCs now that proposed multiyear rate plans are required. Although the plain language of RCW 80.28.425(9) clearly intends coordination between the CEIP and MYRP decision making processes, Staff does not read the requirement to “align” the timing of approval of a CEIP and MYRP to mean that they must be decided simultaneously. The Commission has not had the opportunity to provide guidance or set policy on the nature or form that the “alignment” under RCW 80.28.425(9) should take. In the absence of such guidance, it appears to Staff that in ideal circumstances, CEIPs would be approved first, and then MYRP proposals within GRC filings would have an already commission-approved basis for comparison. In fact, once this first cycle of CEIPs is completed, it should typically be the case that a commission-approved CEIP will exist as a starting point for evaluating future MYRP proposals. Because (absent a settlement) Staff believes that the conclusion to PSE’s current CEIP docket is unlikely to occur prior to the conclusion of the GRC docket, Staff sees the Commission’s available choices as suboptimal, and atypical of what will likely occur in the future proceedings.
- 20 This is all to highlight that Staff’s opposition to this motion to consolidate is specific to the current facts and circumstances of these dockets, and does not represent a general opposition to the concept of consolidating GRCs and CEIPs in the future. Indeed, as Staff comments filed in the CEIP docket highlighted, Staff did consider whether consolidation of these dockets would be appropriate. Staff ultimately concluded that it was not appropriate, for the reasons outlined in our response to the motion.

DATED at Lacey, Washington, and effective this 6th day of April, 2022.

/s/ Jennifer Snyder

JENNIFER SNYDER