

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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| WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. PUGET SOUND ENERGY, Respondent. | DOCKETS UE-220066 AND UE-220067 CENSE REPLY TO AWEC AND PSE RESPONSES TO CENSE’S PROPOSED BUDGET IN SUPPORT OF FUND GRANT |
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1. I. INTRODUCTION.

2. PSE’s position on the CENSE funding request is neatly summarized in its Response:

CENSE has already staked out its position on the Energize Eastside project and it would be unfair to provide CENSE any amount of the funds available under the Funding Agreement established under RCW 80.28.430 let alone forty percent of the funds in the Customer Representation Sub-Fund.¹

3. PSE has reviewed the issues “staked out” in CENSE’s budget request and correctly surmises that these issues stand in the way of its effort to include in excess of \$300,000,000 in the customer rate base.

4. AWEC says:

AWEC has serious concerns about whether allocating that level of funding to CENSE,

¹PSE Response at page 7, Paragraph 11.

given its limited participation in this case, represents the “highest and best use of the funds” or otherwise justifies the burdens imposed on ratepayers who ultimately bear the burden of funding the Interim Agreement.²

5. AWEC has also reviewed CENSE’s proposed participation in the case as being contrary to the interests of at least one of its members and thus seeks to assure funds are not available for that effort.

6. For the reasons stated in this Reply, CENSE requests that the Commission deny both the PSE and AWEC objections and approve CENSE’s funding budget of \$81,000.

7. II. DISCUSSION.

8. 2.1 PSE OBJECTIONS TO CENSE BUDGET.

9. While PSE mixes pejorative comments, characterizing CENSE as waging a “‘not-in-my-back-yard’ campaign”³ with contentions that the Energize Eastside project “will be addressed by numerous other parties such as Public Council, Commission Staff and AWEC, . . .⁴, the truth is that CENSE’s involvement places PSE’s multi-million dollar investment in Energize Eastside at risk, in particular whether ratepayers or company owners will foot the bill. But the Commission has made clear that the utilities should not decide on who gets funding:

In workshop comments and other written comments, stakeholders also largely agree that the Commission, not utilities, should retain broad discretion over how the program is built and administered to ensure utilities are not in a position of determining which organizations have access to the program or which organizations receive funding.⁵

²AWEC Response at page 12, Paragraph 27.

³PSE Response at 9, Paragraph 15.

⁴*Id.*

⁵Docket U-210595 Policy Statement on Participatory Funding for Regulatory Proceedings, page 13, Paragraph 44.

10. Indeed, the very filing of opposition to a funding request by the utility creates expense for grant applicants which will cut into funds available for engagement on the merits.
11. PSE also makes various allegations about the “up scale neighborhoods” in which CENSE members live, though without any verification or citation.⁶ However, the benefits of a successful intervention by CENSE could result in the reduction or elimination of \$300,000,000 that might otherwise be included in the rate base; this benefits all customers.
12. PSE does correctly note that “CENSE has been working on the Energize Eastside issue for over seven years and has a predetermined viewpoint on that issue.”⁷ Indeed, CENSE has brought concerns regarding the Energize Eastside to the attention of the Commission during review of PSE’s 2017 IRP, which included specific discussion of issues related to need and alternatives.⁸ However, in a letter to the parties dated May 7, 2018, the Commission warned that it “will review the prudence of the Company’s actions at the time of any future request to recover costs of resources in customer rates.”⁹ Now four years later, issues regarding need, alternatives and prudence, previously raised, are appropriately before the Commission for determination. CENSE is the only intervenor that will explicitly address the Energize Eastside issue. That CENSE has been persistent in its efforts for an extended period, demonstrating the accumulation of

⁶E.g. PSE Response, page 9, Paragraph 14.

⁷*Id.*

⁸See Docket CENSE Reply to Puget Sound Energy’s Response to CENSE’s Petition for Intervention at pages 2-4.

⁹*Id.*

information on the proposal, is actually a reason why the grant request should be granted.¹⁰

13. Again without citation or factual reference, PSE contends that CENSE should fund its own participation in this matter. To date that has been the case, and CENSE's efforts have resulted in the accumulation of useful information, evidence and testimony, but CENSE does not have permanent public interest or large customer funding (like AWEC). The drawn out nature of the Energize Eastside proceeding has impacted private funding. Indeed, as the Policy Statement issued by the Commission confirms:

Our goals in implementing RCW 80.28.430 are twofold: To increase participation of groups of people who historically have not been part of our proceedings, including the statute's named priority communities;. . .¹¹

14. In the present case, CENSE's participation will benefit all consumers, as the Company requests inclusion of Energize Eastside in the rate base for all of its customers, not just the small number that could be benefitted by the new transmission.
15. Moreover, both PSE and AWEC have been persistent in opposing CENSE's participation in these proceedings, first by opposing intervention, then by opposing case certification and now opposing its budget requests. These oppositions, necessitating responses, erode potential funding by requiring procedural responses rather than focusing on the merits of the Energize Eastside matter. In that regard, such opposition, perhaps continuing on, indicates additional funding for CENSE.

¹⁰No other intervenor has indicated a long term interest in the Energize Eastside project.

¹¹Docket U-210595 Policy Statement on Participatory Funding for Regulatory Proceedings, page 4, Paragraph 14. See also page 19, Paragraph 63: "Meanwhile, a key priority of RCW 80.28.430 is expanding representation in regulatory proceeding to groups who have not participated before in Commission processes" citing to Initial Comments of PSE and AWEC among others.

16. 2.2 AWEC OBJECTIONS TO CENSE BUDGET.

17. On its face, the AWEC objection to the CENSE budget seems odd. AWEC's Proposed Budget indicates concerns over a 13 percent rate increase across all customer classes and says that:

"These represent significant rate increases for PSE's industrial and large non-residential customers."¹²

18. One might expect AWEC would whole-heartedly support CENSE efforts to reduce or eliminate \$300,000,000 from that rate base for a project that might be imprudent. However, all AWEC says is that "it will be reviewing the project (Energize Eastside) as part of this case."¹³ Given AWEC's opposition to CENSE's intervention and case certification, it seems questionable that at this stage of the proceedings AWEC has not yet formed a position on the Energize Eastside matter.

19. The AWEC admits it is an industrial trade organization including large electrical and gas users, describing itself as follows:

AWEC is a non-profit primarily in order to ensure that it does not profit from the dues of its members throughout the Northwest, not to leverage a recently developed stakeholder funding agreement in Washington.¹⁴

20. At Footnote 28, on page 7, AWEC's Response provides a link to its website, a screen shot of which is found as Attachment A to this reply. On the front page of its website, AWEC states:

ADVOCACY

AWEC members have an effective voice in rate cases and other regulatory proceedings that directly affect energy costs and profitability. Members of AWEC have the ability to

¹²AWEC Proposed Budget for Fund Grant, pages 5-6, Paragraph 13.

¹³AWEC Response at page 12, Paragraph 26.

¹⁴*Id.* at page 7, Paragraph 17.

help shape policies and outcomes that affect their energy costs. Members set the priorities and principled positions of the association, which results in a bottom-line payback on their investment in AWEC.

(Emphasis supplied). As seen, while perhaps technically a non-profit, AWEC exists to provide a “bottom-line payback” to members.¹⁵ A policy issue is presented to the Commission as to whether organizations of this nature, providing substantial financial benefits to their members, should come within the umbrella of RCW 80.28.430. Though the rules are not clearly stated, it appears to be entirely appropriate for a case-certified intervenor to address the funding requests of other parties, such as whether they are truly non-profit entities as required by the Policy Statement.¹⁶

21. Moreover, AWEC continues to assert its “members” benefitted by AWEC’s participation in these proceedings must remain confidential. As far as CENSE knows, AWEC is the only intervenor that requests confidentiality for its interested members. But Attachment A (a screen shot of AWEC’s website) unabashedly provides a photograph of the manufacturing facility for a large Washington airplane maker (presumably an AWEC member), displaying a 787 aircraft under construction.

22. As described in the CENSE funding request, it appears that the large Washington aircraft manufacturer is an advocate for the Energize Eastside project and AWEC is following its

¹⁵CENSE does not object to AWEC’s participation as an intervenor in these proceedings; the question here is funding amounts.

¹⁶The Policy statement indicates the Commission does not at this stage does “not have all the information and answers before us now to out holistically a truly effective program.” See page 5, Paragraph 16.

commitment that “members set the priorities and principled positions of the Association.”¹⁷

While AWEC is free to take whatever positions it wants, the fact that CENSE will likely be facing two adversaries on the Energize Eastside project, PSE and AWEC, should be taken into account in the funding request.

23. At Paragraph 24, AWEC’s Response says that the required 20 percent discount for expert witness fees in the funding agreement was “an errant holdover from a requirement that was included in Oregon.” Though it is not clear how this “errant holdover” was included in the Interim Agreement given the participation of the utilities, interested parties, staff and their counsel, CENSE joins in the request that the 20 percent reduction for expert witness fees not apply to at least CENSE’s budget and reimbursement requirements.
24. Finally, AWEC does correctly quote from Order 08 in this proceeding that the Commission must “determine the highest and best use of these funds and whether the needs of the intervenors justify the burdens imposed on ratepayers to fund the party’s participation in Commission proceedings.”¹⁸ In the present case, CENSE has been working on the Energize Eastside matter for seven years and has actively raised issues regarding the project before the Commission since 2018. CENSE requests a budget of \$81,000 to continue its participation in the project before the Commission. The “burden imposed on ratepayers” is insignificant compared to the potential reduction or elimination of the requested \$300,000,000 increase to the rate base. The funding

¹⁷AWEC has not disputed many of the facts presented by the CENSE proposed budget. It does not deny that Boeing and other large industrial concerns are AWEC members, nor that Boeing is a member of the pro-Energize Eastside lobbying group “Communities United for Reliable Energy” or “CURE.” CENSE Proposed Budget, pages 12-13, Paragraphs 62-65. Nor does it dispute that its members are Fortune 500 companies. *Id.* at page 13, Paragraph 67. As shown on Attachment B, Boeing acknowledges it is a member of AWEC.

¹⁸AWEC Response at page 11, Paragraph 25.

requested by CENSE represents the “highest and best” use of funding, especially considering the circumstances of AWEC as described herein.

25. III. *CONCLUSION.*
26. CENSE respectfully requests that the Commission reject the oppositions of PSE and AWEC and approve CENSE’s funding request for \$81,000.

Respectfully submitted this 10th day of May, 2022.

/s/ J. Richard Aramburu

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