

PSE Electric Clean Energy Implementation Plan (CEIP) Review UE-210571					
Category	Statute (RCW)	Rule (WAC)	Subsection	Requirement	CEIP Discussion
Plan and Report Timing	19.405.060			Draft CEIP: file by August 15, 2021. This is a one-time draft for the first round of CEIPs.	Please see the information in the transmittal letter as to the updated filing dates.
		480-100-640	1	CEIP: file by Oct 1, 2021, and every 4 years thereafter, unless otherwise ordered by the commission	Please see the information in the transmittal letter as to the updated filing dates.
		480-100-640	11	Biennial CEIP Update: file on or before November 1st, of each odd-numbered year that a CEIP isn't filed	This is inapplicable for this draft CEIP filing.
Advisory Groups and Public Participation		480-100-640	8	Detail the extent of advisory group (AG) and other public participation in CEIP development (described in WAC 480-100-655) including but not limited to, the summary of advisory group member comments described in WAC 480-100-655 (1)(i)	See generally Chapter Six, Public Participation. Regarding 480-100-655 (1)(a), please see "Table 6-4: EAG Meetings" and "Table 6-5: Other Advisory Group Meetings." Regarding 480-100-655 (1)(b), please see "Table 6-4: EAG Meetings"; Meetings 3, 4, and 5 (vulnerable populations); Meetings 4, 5, and 6 (customer benefit indicators); Meetings 4, 5 and 6 (data support and development); Meeting 8 (recommended approaches). Please see Chapter Six: Public Participation, "Convening the EAG," "Membership priorities for 2021" (the participation of environmental justice and public health advocates, tribes, and representatives from highly impacted communities and vulnerable populations). Please see "Table 6-3: EAG Member and Organization" for a list of organizations represented in the EAG. PSE will provide in its final CEIP a summary of advisory group comments received during the development of its CEIP and PSE's responses, including whether issues raised in the comments were addressed and incorporated into the final CEIP as well as documentation of the reasons for rejecting public input. The summary will be included as an Appendix in the final CEIP.
				1	Demonstrate and document how input was considered from advisory group members in the development of CEIP and biennial CEIP update. Communicate to advisory group members whether and how their input was used in analysis and decision making Include explanations for why any advisory group member's input was not used
		1(a)	Involve all advisory groups in the development of CEIP and biennial CEIP update, including the equity advisory group identified in (b) of this subsection	Please see "Table 6-4: EAG Meetings" for all Equity Advisory Group meeting and Table "Table 6-5: Other Advisory Group Meetings" for all other advisory group meetings.	
		1(b)	Maintain and regularly engage an external equity advisory group to advise the utility on equity issues including, but not limited to: <ul style="list-style-type: none"> vulnerable population designation equity customer benefit indicator development data support and development recommended approaches for the utility's compliance with WAC 480-100-610 (4)(c)(i). Encourage and include the participation of environmental justice and public health advocates, tribes, and representatives from highly impacted communities and vulnerable populations in addition to other relevant groups	Regarding 480-100-655 (1)(b), please see "Table 6-4: EAG Meetings"; Meetings 3, 4, and 5 (vulnerable populations); Meetings 4, 5, and 6 (customer benefit indicators); Meetings 4, 5 and 6 (data support and development); Meeting 8 (recommended approaches). Please see Chapter Six, "Convening the EAG," "Membership priorities for 2021" (the participation of environmental justice and public health advocates, tribes, and representatives from highly impacted communities and vulnerable populations). Please see "Table 6-3: EAG Member and Organization" for a list of organizations represented in the EAG.	
		1(c)	Convene advisory groups, with reasonable advance notice, at regular meetings open to the public during the planning process.	PSE provided advance notice of meetings and posted materials for all public meetings (IRP and EAG) to its publicly available website at: https://cleanenergyplan.pse.com/ PSE also posted recordings of these meetings for the public to view.	
		1(g)	Make available completed presentation materials for each advisory group meeting at least three business days prior to the meeting. The utility may update materials as needed	PSE posted materials at least three business day in advance for all public meetings (IRP and EAG) to its publicly available website at: https://cleanenergyplan.pse.com/ PSE also posted recordings of these meetings for the public to view.	

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Advisory Groups and Public Participation (continued)		480-100-655	1(i)	As part of the filing of the CEIP and biennial update, provide a summary of advisory group comments received during development of its CEIP and biennial update and the utility's responses. Include whether issues raised in the comments were addressed and incorporated into final CEIP, as well as documentation of the reasons for rejecting public input.	See Chapter Six, Public Participation, "Stakeholder Input Themes" for a summary of advisory group comments received during development of its CEIP. Please note that the summary will be included in the final CEIP.		
Customer Benefit Data	19.405.140	480-100-640	4(a)	Identify highly impacted communities using the cumulative impact analysis, combined with census tracts at least partially in Indian country	Please see Chapter Three: Customer benefit indicators, Highly Impacted Communities and Vulnerable Populations, "Highly Impacted Communities and Vulnerable populations."		
	19.405.020(40)		4(b)	Identify vulnerable populations based on adverse socioeconomic factors and sensitivity factors, describing and explaining any changes from the utility's most recently approved CEIP	Please see Chapter Three, Customer benefit indicators, Highly Impacted Communities and Vulnerable Populations, "Vulnerable Populations" section definition; see "Table 3-13: Factors by Sensitive Populations/Socioeconomic" and "Table 3-14: Expanded Factors by Sensitive Populations/Socioeconomic" for expanded factors list. See Chapter Six, "Public Participation," "Equity Advisory Group Meetings," meeting 3, 4, and 5, for EAG's consultations on vulnerable populations.		
			4(c)	Include proposed or updated customer benefit indicators (CBIs) and associated weighting factors related to WAC 480-100-610 (4)(c) including, at a minimum, one or more CBIs associated with: <ul style="list-style-type: none"> • energy benefits • nonenergy benefits • reduction of burdens • public health • environment • reduction in cost • energy security and resiliency 	Please see Chapter Three: Customer benefit indicators, Highly Impacted Communities and Vulnerable Populations "Customer benefit indicators"; Appendix D – DER Suite Selection and Evaluation and Chapter Six: Public Participation, "Equity Advisory Group Meetings," "Other Advisory Groups Meetings," and "Public Participation Outcomes." Please see Chapter Three: Customer benefit indicators, Highly Impacted Communities and Vulnerable Populations "Customer benefit indicators"; Appendix D – DER Suite Selection and Evaluation and Chapter Six: Public Participation, "Equity Advisory Group Meetings," "Other Advisory Groups Meetings," and "Public Participation Outcomes."		
Interim Targets	19.405.060(1)(i) and (2)(i)	480-100-640	2(a)	Must propose a series of interim targets that:	Please see Chapter Two: Interim targets and Specific targets, CEIP Methodology, "Interim Targets".		
			2(a)(i)	Demonstrate how you will make reasonable progress toward meeting the standards identified in WAC 480-100-610 (2) and (3)			
			2(a)(ii)	Are consistent with WAC 480-100-610(4)			
			2(a)(iii)	Are in the form of: the percent of forecasted retail sales of electricity supplied by non-emitting and renewable resources prior to 2030 and from 2030 through 2045			
			2(b)	Must include the percent of retail sales of electricity supplied by nonemitting and renewable resources in 2020 in the first CEIP			
			2(c)	Must be informed by the utility's historic performance under median water conditions			
Specific Targets	19.405.060(1)(i) and (2)(i)	480-100-640	3(a)	Must propose specific targets for Energy efficiency, Demand Response and Renewable Energy	Please see Chapter Two: Interim targets and Specific targets, CEIP Methodology, "Specific Targets."		
			3(a)(i)	Energy Efficiency target must: <ul style="list-style-type: none"> • encompass all other EE and conservation targets and goals • be described in the utility's biennial conservation plan (WAC 480-109) • provide forecasted distribution of energy and nonenergy costs and benefits 		Please see Chapter Three: Customer benefit indicators, Highly Impacted Communities and Vulnerable Populations, "Baseline data development for customer benefit indicators" and Chapter Four: Specific Actions.	
				3(a)(ii)	Demand Response target must provide: <ul style="list-style-type: none"> • proposed program details • program budgets 		Please see Chapter Two: Interim targets and Specific targets, CEIP Methodology, "Specific Targets."

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Specific Targets (continued)	19.405.060(1)(i) and (2)(i)	480-100-640		<ul style="list-style-type: none"> measurement and verification protocols target calculations 	Please see Chapter Seven: Tracking and Reporting, Table 7-2.
				<ul style="list-style-type: none"> forecasted distribution of energy and nonenergy costs and benefits 	Please see Chapter Two: Interim targets and Specific targets, CEIP Methodology, "Specific Targets."
	19.405.060(1)(i) and (2)(i)	480-100-640	3(a)(ii)	<ul style="list-style-type: none"> forecasted distribution of energy and nonenergy costs and benefits 	Please see Chapter Three: Customer benefit indicators, Highly Impacted Communities and Vulnerable Populations, "Baseline data development for customer benefit indicators" and Chapter Four: Specific Actions.
			3(a)(iii)	Renewable Energy target must provide details of:	Please see Chapter Two: Interim targets and Specific targets, CEIP Methodology, "Specific Targets."
				<ul style="list-style-type: none"> renewable energy projects or programs 	Please see Chapter Two: Interim targets and Specific targets, CEIP Methodology, "Specific Targets" and Appendix D (modeling for DER), F-4 (cost report from B&V)
				<ul style="list-style-type: none"> program budgets as applicable 	Please see Appendix E.
			3(b)	<ul style="list-style-type: none"> forecasted distribution of energy and nonenergy costs and benefits 	Please see Chapter Three: Customer benefit indicators, Highly Impacted Communities and Vulnerable Populations, "Baseline data development for customer benefit indicators" and Chapter Four: Specific Actions.
				Provide a description of the following, used to develop the specific targets:	Please see Chapter Two: Interim targets and Specific targets, CEIP Methodology and Chapter Four: Specific Actions.
	<ul style="list-style-type: none"> technologies data collection processes procedures and assumptions 	Please see at Appendices A, D, E, F, and H. (A, E, F contain Excel files; the others provide context.)			
Specific Actions and Narrative	19.405.060(1)(b)(iii)	480-100-640	5	<p>SPECIFIC ACTIONS</p> <p>Include the specific actions the utility will take over the implementation period, Present specific actions in a tabular format, providing the following info for each action:</p>	Please see Chapter Four: Specific Actions.
			5(a)	<ul style="list-style-type: none"> general location (if applicable) proposed timing estimated cost of each specific action or remaining resource need whether resource will be located in highly impacted communities (HICs) whether resource will be governed by, serve, or benefit HICs or vulnerable populations 	Please see Chapter Four: Specific Actions and Appendix L.
	5(b)	<ul style="list-style-type: none"> Metrics related to resource adequacy 			
	5(c)	<ul style="list-style-type: none"> Customer benefit indicator values (or designation as N/A) for every indicator in 480-100-640(4)(c) 	Please see Chapter Three: Customer benefit indicators, Highly Impacted Communities and Vulnerable Populations for weighting factors and Appendix L.		
	480-100-640	6	<p>NARRATIVE DESCRIPTION OF SPECIFIC ACTIONS</p> <p>The CEIP must describe how the specific actions:</p>	Please see Chapter Four: Specific Actions	
		6(a)	Demonstrate progress toward meeting standards identified in WAC 480-100-610(2) and (3)	Please see Chapter Four: Specific Actions, "Specific Actions."	
		6(b)	Demonstrate consistency with standards identified in WAC 480-100-610(4) including, but not limited to:		
		6(b)(i)	An assessment of current benefits and burdens on customers, by location and population		
		Projected impact of specific actions on distribution of benefits and burdens during implementation period			

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Specific Actions and Narrative (continued)		480-100-640	6(b)(ii)	A description of how the specific actions: mitigate risks to highly impacted communities and vulnerable populations are consistent with the longer-term strategies and actions described in most recent IRP and Clean Energy Action Plan	Please see Chapter Four: Specific Actions, "2021 All Resources Request for Proposals ('all-source RFP')" for a discussion of how these are consistent with longer-term strategies and actions.			
			6(c)	Are consistent with the proposed interim and specific targets				
			6(d)	Are consistent with the utility's IRP				
						6(e)	Are consistent with the utility's resource adequacy requirements	Please see Chapter Two: Interim targets and Specific targets, CEIP Methodology.
						6(f)	Demonstrate how the utility is planning to meet the clean energy transformation standards at the lowest reasonable cost including, but not limited to:	Please see Chapter Four: Specific Actions, "Strategy and Portfolio Planning"
						6(f)(i)	A description of the approach taken to identify the lowest reasonable cost portfolio of specific actions that meet the requirements of (a) through (e) of this subsection	
				19.405.050 (3)(a)		6(f)(ii)	A description of methodology used for selecting the investments and expenses planned to be made over the next four years that directly relate to the utility's compliance with the clean energy transformation standards, consistent with RCW 19.405.050 (3)(a), and A demonstration that planned investments represent a portfolio approach to investment plan optimization	Please see Chapter Three: Customer benefit indicators, Highly Impacted Communities and Vulnerable Populations and Chapter Four: Specific Actions.
						6(f)(iii)	Supporting documentation justifying each specific action identified in the CEIP	Please see all Appendices except for Appendix I.
			Incremental Cost of Compliance		480-100-640	7	Each CEIP must include a projected incremental cost as outlined in 480-100-660(4)	Please see Chapter Five: Cost, "Incremental Cost."
480-100-660	4	File projected incremental costs using the methodology described in subsection (1) of this section and using projected weather-adjusted sales revenue (WASR) in the calculation in subsection (2) of this section. PROJECTED INCREMENTAL COST - provide the following information:			Please see Appendices E, tab 8. 2020 CBR, and F for work papers, models, and associated calculations.			
19.405.040/ 19.405.050		4(a)		Identification of all investments and expenses the utility plans to make during the period in order to comply with RCW 19.405.040 and 19.405.050;	Please see Chapter Five: Cost and Appendix E, tab "7. Incremental Cost."			
		4(b)		Demonstration that these investments and expenses are directly attributable to actions necessary to comply with, or make progress towards, the requirements of RCW 19.405.040 and 19.405.050; and	Please see Chapter Five: Cost, "Directly attributable activities" and Appendices E and F.			
		4(c)		The expected cost of the utility's planned activities and the expected cost of the alternative lowest reasonable cost and reasonably available portfolio.	Please see Chapter Five: Cost, "Directly attributable activities," footnote 37 as well as Appendix E, tab "3. Incremental Resource Cost."			
19.405.040/ 19.405.050	480-100-660	1		METHODOLOGY: Compare lowest reasonable cost portfolio to the alternative lowest reasonable cost and reasonably available portfolio. Demonstrate which investments and expenses are directly attributable costs to meet the requirements of RCW 19.405.040 and 19.405.050.	Please see Chapter Five: Cost; Chapter Two: Interim targets and Specific targets, CEIP Methodology; and Appendix E, tab 3 Incremental Resource Cost (CETA versus no CETA analysis).			
		1(a)		The utility may include in its documentation of both portfolios those investments and expenses not reflected in the portfolio optimization if the utility demonstrates that the investment/expense could not reasonably be reflected in the portfolio optimization model.	Please see Appendix E, tabs 5. "Comm and Education Costs," 6. "Admin," and 7. "Incremental Cost."			
		1(b)		If the portfolios provided are the result of a model: provide a fully linked and electronically functional copy of that model as part of work papers.	Please see Appendices A and E.			
19.405.060(3) and (5)		1(c)		An alternative incremental cost methodology may be proposed	PSE is not going to pursue this option in this filing period.			

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Incremental Cost of Compliance (continued)	19.405.060(3)	480-100-660	2	As a means of compliance, calculate the average annual threshold amount for determining eligibility for reliance on RCW 19.405.060(3). CALCULATION: For a period consisting of four years, the mathematical formula for the annual threshold amount is: $((WASR0 \times 2\% \times 4) + (WASR1 \times 2\% \times 3) + (WASR2 \times 2\% \times 2) + (WASR3 \times 2\%)) / 4$	Please see in Appendix E and Chapter Five: Cost, "Calculation of Annual Threshold Amount." Please see Chapter Five: Cost, "Calculation of Annual Threshold Amount."
	19.405.040/ 19.405.050		480-100-660	3	DIRECTLY ATTRIBUTABLE COSTS: An investment or expense is directly attributable only if all of the following conditions are satisfied:
		3(a)		The investment was made or the expense incurred during the implementation period	
		3(b)		The investment or expense is part of the lowest reasonable cost portfolio that results in compliance with RCW 19.405.040 and 19.405.050	
		3(c)		The investment or expense is additional to the costs that the utility would incur for the alternative lowest reasonable cost and reasonably available portfolio	
	3(d)	The investment or expense is not required to meet any statutory, regulatory, or contractual requirement or any provision of RCW 19.405 other than RCW 19.405.040 or 19.405.050.			
Biennial CEIP Update		480-100-640	11	The CEIP update may be limited to the Biennial Conservation Plan (BCP) requirements (WAC 480-109) <ul style="list-style-type: none"> include an explanation of how the update will modify targets in the CEIP 	Currently, this is inapplicable; this is a requirement for future filings, not the initial draft CEIP filing.
Early Action Coal Credit	19.405.040(11)	480-100-640	10	If proposing to take the early action compliance credit authorized in RCW 19.405.040(11), the utility must satisfy the requirements in that statutory provision and demonstrate that the proposed action constitutes early action by presenting the analysis (480-100-640 (6)) both with and without the proposed early action. The utility must compare both the proposed early action and the alternative against the same proposed interim and specific targets.	PSE is not proposing to take the early action compliance credit authorized in RCW 19.405.040(11).
Alternative Compliance and Determination of Compliance Option	19.405.040 (1)(b)	480-100-640	9	Describe any plans to rely on alternative compliance mechanisms as described in RCW 19.405.040 (1)(b).	PSE is not going to use any alternative compliance during the period covered by this CEIP.
	19.405.060(3)	480-100-660	6(a)	For any implementation period in which the utility relies on RCW 19.405.060(3) as the basis for compliance with the standard under RCW 19.405.040(1) or 19.405.050(1), the utility must request a determination from the commission when filing its clean energy compliance report, per WAC 480-100-650.	
	19.405.040 (1)(b)		6(b)	If the utility relied on alternative compliance options allowed under RCW 19.405.040 (1)(b) during the applicable period, provide evidence that the utility has maximized investments in renewable resources and nonemitting electric generation before relying on these alternative compliance options.	
Data Disclosure and Confidential Information		480-100-655	1(h)	Make all data inputs and files used to develop CEIP available to the commission in native file format and in an easily accessible format. The utility may make confidential information available by providing it to the commission pursuant to WAC 480-07-160.	There is no confidential information in the draft. Please see Appendices A, E, F for native files in an Excel format.

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Category	Statute (RCW)	Rule (WAC)	Subsection	Requirement	CEIP Discussion
	19.280.030(1)(m)			<p>The integrated resource plan, at a minimum, must include an analysis of how the plan accounts for:</p> <ul style="list-style-type: none"> (i) Modeled load forecast scenarios that consider the anticipated levels of zero emissions vehicle use in a utility's service area, including anticipated levels of zero emissions vehicle use in the utility's service area provided in RCW 47.01.520, if feasible; (ii) Analysis, research, findings, recommendations, actions, and any other relevant information found in the electrification of transportation plans submitted under RCW 35.92.450, 54.16.430, and 80.28.365; and (iii) Assumed use case forecasts and the associated energy impacts. Electric utilities may, but are not required to, use the forecasts generated by the mapping and forecasting tool created in RCW 47.01.520. This subsection (1)(m)(iii) applies only to plans due to be filed after September 1, 2023. 	<p>Please see PSE's 2021 IRP filing, Appendix B, which addresses the legal and regulatory requirements for the IRP.</p>
Other Statutory Requirements Passed in 2021	80.28.410			<ul style="list-style-type: none"> (1) An electrical company may account for and defer for later consideration by the commission costs incurred in connection with major projects in the company's clean energy action plan pursuant to RCW 19.280.030(1)(l), or selected in the company's solicitation of bids for delivering electric capacity, energy, capacity and energy, or conservation. (2) The costs that an electrical company may account for and defer for later consideration by the commission pursuant to subsection (1) of this section include all operating and maintenance costs, depreciation, taxes, cost of capital associated with the applicable resource or the execution of a power purchase agreement. Such costs of capital include: <ul style="list-style-type: none"> (a) The electrical company's authorized return on equity for any resource acquired or developed by the electrical company; or (b) For the duration of a power purchase agreement, a rate of return of no less than the authorized cost of debt and no greater than the authorized rate of return of the electrical company, which would be multiplied by the operating expense incurred by the electrical company under the power purchase agreement. 	<p>PSE may elect to defer costs incurred in connection with its CEAP as outlined in RCW 80.28.410.</p>

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Other Statutory Requirements Passed in 2021 (continued)	80.28.300			<p>Electrical companies are highly encouraged to provide information to their customers regarding landscaping that includes tree planting for energy conservation.</p> <p>(2)(a) Electrical companies may request voluntary donations from their customers for the purposes of urban forestry. The request may be in the form of a check-off on the billing statement or other form of a request for a voluntary donation.</p> <p>(b) Voluntary donations collected by electrical companies under this section may be used by the companies to:</p> <p>(i) Support the development and implementation of urban forestry ordinances, as that term is defined in RCW 76.15.010, for cities, towns, or counties within their service areas;</p> <p>(ii) Complete projects consistent with the urban forestry management plans and ordinances developed under RCW 76.15.090; or</p> <p>(iii) Fund a tree planting program for energy conservation that accomplishes the goals established under RCW 80.28.260(2) (a) through (k).</p> <p>(c) Donations received under this section do not contribute to the gross income of a light and power business or gas distribution business under chapter 82.16 RCW.</p>	PSE appreciates the legislative encouragement to pursue tree planting as a means of conservation. PSE will seek input from stakeholders on this topic during the CEIP implementation period.
	80.28.260			<p>(1) The commission shall adopt a policy allowing an incentive rate of return on investment for programs that improve the efficiency of energy end use if priority is given to senior citizens and low-income citizens in the course of carrying out such programs.</p> <p>(2) The commission shall consider and may adopt a policy allowing an incentive rate of return on investment in additional programs to improve the efficiency of energy end use including, but not limited to, tree planting and cool roof programs, or other incentive policies to encourage utility investment in such programs. Any tree planting program where energy reduction is a goal for which an electrical company seeks an incentive rate of return on investment under this subsection (2) should accomplish the following:</p>	PSE awaits policy guidance from the Commission on these items.
				(a) Reduce the peak-load demand for electricity in residential and commercial business areas during the summer months through direct shading of buildings provided by strategically planted trees;	
				(b) Reduce wintertime demand for energy in residential areas by blocking cold winds from reaching homes, which lowers interior temperatures and drives heating demand;	
				(c) Protect public health by removing harmful pollution from the air and prioritize in communities with environmental health disparities;	
				(d) Utilize the natural photosynthetic and transpiration process of trees to lower ambient temperatures and absorb carbon dioxide;	
				(e) Lower electric bills for residential and commercial business ratepayers by limiting electricity consumption without reducing benefits;	
				(f) Relieve financial and demand pressure on the utility that stems from large peak-load electricity demand;	
				(g) Protect water quality and public health by reducing and cooling storm water runoff and keeping harmful pollutants from entering waterways, with special attention given to waterways vital for the preservation of threatened and endangered salmon;	

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Other Statutory Requirements Passed in 2021 (continued)	80.28.260			(h) Ensure that trees are planted in locations that limit the amount of public funding needed to maintain public and electric infrastructure;	PSE awaits policy guidance from the Commission on these items.	
				(i) Measure program performance in terms of the estimated present value benefit per tree planted and equitable and accessible community engagement consistent with the department of health's environmental health disparities map recommendations 12 and 13, and with the community engagement plan guidance appendix C of the final report of the environmental justice task force established under chapter 415, Laws of 2019;		
				(j) Give special consideration to achieving environmental justice in goals and policies, avoid creating or worsening environmental health disparities, and make use of the department of health's environmental health disparities map to help guide engagement and actions; and		
	19.280.100				(2) It is the policy of the state of Washington that any distributed energy resources planning process engaged in by an electric utility in the state should accomplish the following:	As indicated in the 2021 IRP, Appendix B, PSE is implementing many of the steps outlined in RCW 19.280.100. Further work may be done through the DER RFP and subsequent procurement processes.
					(a) Identify the data gaps that impede a robust planning process as well as any upgrades, such as but not limited to advanced metering and grid monitoring equipment, enhanced planning simulation tools, and potential cooperative efforts with other utilities in developing tools needed to obtain data that would allow the electric utility to quantify the locational and temporal value of resources on the distribution system;	
					(b) Propose monitoring, control, and metering upgrades that are supported by a business case identifying how those upgrades will be leveraged to provide net benefits for customers;	
					(c) Identify potential programs that are cost-effective and tariffs to fairly compensate customers for the actual monetizable value of their distributed energy resources, including benefits and any related implementation and integration costs of distributed energy resources, and enable their optimal usage while also ensuring reliability of electricity service, such as programs benefiting low-income customers;	
					(d) Forecast, using probabilistic models if available, the growth of distributed energy resources on the utility's distribution system;	
					(e) Provide, at a minimum, a ten-year plan for distribution system investments and an analysis of nonwires alternatives for major transmission and distribution investments as deemed necessary by the governing body, in the case of a consumer-owned utility, or the commission, in the case of an investor-owned utility. This plan should include a process whereby near-term assumptions, any pilots or procurements initiated in accordance with subsection (3) of this section or data gathered via current market research into a similar type of utility or other cost/benefit studies, regularly inform and adjust the long-term projections of the plan. The goal of the plan should be to provide the most affordable investments for all customers and avoid reactive expenditures to accommodate unanticipated growth in distributed energy resources. An analysis that fairly considers wire-based and nonwires alternatives on equal terms is foundational to achieving this goal. The electric utility should be financially indifferent to the technology that is used to meet a particular resource need. The distribution system investment planning process should utilize a transparent approach that involves opportunities for stakeholder input and feedback. The electric utility must identify in the plan the sources of information it relied upon, including peer-reviewed science. Any cost-benefit analysis conducted as part of the plan must also include at least one pessimistic scenario constructed from reasonable assumptions and modeling choices that would produce comparatively high probable costs and comparatively low probable benefits, and at least one optimistic scenario constructed from reasonable assumptions and modeling choices that would produce comparatively low probable costs and comparatively high probable benefits;	

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Other Statutory Requirements Passed in 2021 (continued)	19.280.100			(f) Include the distributed energy resources identified in the plan in the electric utility's integrated resource plan developed under this chapter. Distribution system plans should be used as inputs to the integrated resource planning process. Distributed energy resources may be used to meet system needs when they are not needed to meet a local distribution need. Including select distributed energy resources in the integrated resource planning process allows those resources to displace or delay system resources in the integrated resource plan;	As indicated in the 2021 IRP, Appendix B, PSE is implementing many of the steps outlined in RCW 19.280.100. Further work may be done through the DER RFP and subsequent procurement processes.
				(g) Include a high level discussion of how the electric utility is adapting cybersecurity and data privacy practices to the changing distribution system and the internet of things, including an assessment of the costs associated with ensuring customer privacy; and	
				(h) Include a discussion of lessons learned from the planning cycle and identify process and data improvements planned for the next cycle.	
	19.285.040(1)(g)			In addition to the requirements of RCW 19.280.030(3), in assessing the cost-effective conservation required under this section, a qualifying utility is encouraged to promote the adoption of air conditioning, as defined in RCW 70A.60.010, with refrigerants not exceeding a global warming potential of 750 and the replacement of stationary refrigeration systems that contain ozone-depleting substances or hydrofluorocarbon refrigerants with a high global warming potential.	PSE will consider this statutory guidance as it develops its work plan for its next conservation potential assessment.
	19.285.060(2)			(2) A qualifying utility that does not meet an annual renewable energy target established in RCW 19.285.040(2) or biennial acquisition target for cost-effective conservation in RCW 19.285.040(1) is exempt from the administrative penalty in subsection (1) of this section for that year if the commission for investor-owned utilities or the auditor for all other qualifying utilities determines that the utility complied with RCW 19.285.040 (1)(e) or (2) (d) or (i) or 19.285.050(1).	PSE intends to meet its electric renewable energy and energy efficiency targets for the 2020-2021 biennium, avoiding any administrative penalties under the Energy Independence Act (EIA). To meet its energy efficiency target for this biennium, PSE is using excess savings from the last two biennia. However, it is possible that PSE may fall short of meeting its energy efficiency target when all of the achieved savings are finalized. If it does, PSE may avail itself of this statutory provision for the 2020-2021 biennium. PSE plans to build its subsequent Biennial Conservation Plans for 2022-2023 and 2024-2025 (biennia covered in this CEIP period) without reliance on this statutory provision.