

**Exh. PK-4
UE-240004/UG-240005/UE-230810
Witness: Paul Koenig**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-240004,
UG-240005 and UE-230810
(Consolidated)**

EXHIBIT TO TESTIMONY OF

PAUL KOENIG

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE Response to Staff Data Request No. 66

August 6, 2024

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

WUTC STAFF DATA REQUEST NO. 066:

REQUESTED BY: Paul Koenig

RE: Demand Response

Witness Archuleta states:

The initial reward threshold will activate at 105 percent of the DR target. The initial reward from the DR PIM will be a percent of DR program costs equal to PSE's approved weighted average cost of capital. The second reward threshold will activate if PSE exceeds 115 percent of the DR target. The reward for this threshold increases to 15 percent of DR program costs. The incentive provided by this DR PIM shall not exceed \$3 million over the course of this multiyear rate plan.

Archuleta, Exh. GA-1T at 20:6-12.

- a. Is PSE requesting the Commission adopt these new PIM parameters?
- b. Are these reward thresholds the same for all Demand Response programs?
- c. Does PSE plan to update the 105 percent and 115 percent thresholds and awards established in the last rate case? If not, please explain why.
- d. What is PSE's rationale for increasing the limit on incentives provided from \$1 million in the last rate case, to \$3 million now?

Response:

- a) Yes. PSE is requesting the Commission adopt these new PIM parameters.
- b) The reward thresholds are for all demand response programs in aggregate.
- c) No. These thresholds were established in the last rate case, and it is reasonable to continue with them.
- d) The PIM incentive amount is related to the overall program cost. As the CEIP MW targets increase, so do the program costs.