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Via UTC Web Portal

Jeff Killip
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Sq. Loop SE
P. O. Box 47250
Lacey, Washington 98503

Re: Integrated System Plan Rulemaking, Docket U-240281

Dear Jeff Killip:

The Energy Project (TEP) submits these comments in response to the Commission's January 17, 2025 draft rules and Notice of Opportunity to File Written Comments (Notice). TEP suggests that the Commission modify the draft rules to include an additional consumer protection for the low-income electrification program and the use of standard form protective orders to govern the exchange of confidential data.

I. The rules should codify consumer protections in Puget Sound Energy's existing low-income electrification program.

TEP thanks the Commission for retaining the low-income electrification requirements from ESHB 1589 in its draft rules. Washington law requires the Integrated System Plan (ISP) to include low-income electrification programs, and as TEP explained in other proceedings, there is no reason for the Commission or Puget Sound Energy (PSE) to abruptly stop or slow low-income electrification programs.¹

¹ Weatherization agencies have spent the last eighteen months ramping up their staffing and capacity to deliver heat pumps to low-income households in anticipation of stable funding for low-income electrification. *Wash. Utils. and Transp. Commn. v. Puget Sound Energy*, Dkts. UE-UG-240004-05, Post-Hearing Brief of The Energy Project, at 10-13 (Dec. 4, 2024); *Id.*, The Energy Project's Response to the Petitions for Reconsideration of Puget Sound Energy & Joint Environmental Advocates, at 5-7 (Feb. 13,

TEP and PSE carefully designed the low-income electrification pilot to include consumer protections. Some of the consumer protections that TEP and PSE implemented in the low-income electrification pilot are included in the draft rules, while others are not. Proposed WAC 480-95-060(5)(b)(ii) requires that the program provide a demonstrated material benefit to the participants and subsection (iii) requires enrolling customers in energy assistance programs, which are key consumer protections that TEP fully supports.

TEP's primary concern with the low-income electrification pilot is that it has the potential to increase a participant's energy burden, and a customer may not understand or fully appreciate that potential outcome until they see higher bills. Thankfully, early results show a small 3% average reduction in heating costs for customers who installed a heat pump,² but such an average masks that some individuals do see electric bills go up more than gas bills go down. Successful electrification requires robust education and informed engagement. To address this PSE and TEP agreed that each low-income participant would receive an individualized energy assessment.³ If the energy assessment shows an expected increase in energy burden for that household, PSE and TEP agreed that the program would obtain explicit customer consent that the installation will increase energy burden using a simple form with easy reading comprehension.⁴ TEP considers this element of the program design a best practice, and accordingly recommends that the Commission incorporate it into the ISP rules. One way to accomplish that goal is to add a subsection with lower case roman numerals to WAC 480-95-060(5)(b) that says:

2025); *Wash. Utils. and Transp. Commn. v. Puget Sound Energy*, Dkts. UE-UG-220066-67, Settlement Targeted Electrification Pilot Summary Report, at 27 (Jan. 31, 2025) (hereinafter STEP Summary Report) ("This effort required significant investment in program development, enabling the CAAs to allocate additional internal resources to support this initiative while continuing to serve their existing Home Weatherization Assistance (HWA) program.").

² PSE's financial impact analysis shows an average heating cost decrease of \$72 or 3.2% per year. The analysis only included heating costs, so the financial impact of adding air conditioning was not quantified. STEP Summary Report, at 33 (footnote 30 cautions that "annual estimates do not factor in unique impacts from the summer cooling period due to the timing of the heat pump projects and the evaluation schedule.").

³ STEP Summary Report at 17 ("PSE then provided the CCA partner documentation for the customers including . . . Participation agreement with an estimate of: (1) the customer's current heating cost, (2) their heating cost if they switched to a heat pump and weatherized their home, and (3) their heating cost if they switched to a heat pump and weatherized their home and enrolled in PSE's Bill Discount Rate.").

⁴ Puget Sound Energy, Low-Income Upgrade Track Deep Dive Session #2 Presentation, at 9 (June 27, 2023).

Evaluate if participation will increase the household's energy burden, and if so, obtain explicit customer consent on a simple form with easy reading comprehension.

II. The exchange of confidential information should be governed by the Commission's standard form protective order.

In response to the Notice's request for feedback on the data disclosure provisions in proposed WAC 480-95-080(3), TEP suggests that the rules incorporate the use of the Commission's standard form protective order. The Commission has a standard format protective order used to govern the disclosure and use of confidential information per WAC 480-07-420. TEP appreciates that the Commission uses a standard format protective order because it prevents what could otherwise be numerous conflicts about the terms of each utility's nondisclosure agreement. For example, in other states nonprofit intervenors spend a significant amount of time reviewing each utility's non-disclosure agreement, evaluating if the requirements and transfer of liability is reasonable, and deciding if the intervenor is willing to accept the liability imposed on them by the nondisclosure agreement, or if they should go without the confidential information. Often intervenors select to go without the confidential information because the requirements are too onerous. By contrast, the contents of the Commission's standard format protective order are known by intervenors to be reasonable and do not require a case-by-case or utility-by-utility review. TEP is also unaware of a recent case where a utility requested a deviation from the standard format protective order. Accordingly, TEP suggests modifying the proposed rules to require use of the Commission's standard form protective order unless a party demonstrates that the standard form is insufficient. The Commission could accomplish this by modifying proposed WAC 480-95-080(3) to read:

(a) The large combination utility must file its modeling data inputs with the commission in native format per RCW 19.280.030 (10)(a) and (b) and in an easily accessible format as soon as they are reasonably available during the integrated system plan developing process. If the Commission has not issued a protective order in the proceeding, the filing must request that the Commission issue a protective order pursuant to WAC 480-07-420. The Commission will use its standard form protective order unless the large combination utility demonstrates a compelling need to use a different agreement.

...

(c) The large combination utility must provide any confidential inputs, outputs, and any associated modeling files in native format and in an easily accessible format to commission staff and interested parties who have signed the protective order and are authorized to access confidential information under its terms ~~a confidentiality agreement or nondisclosure agreement.~~

Very truly yours,

/s/ Yochanan Zakai

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