

**Exh. HEN-5
Dockets UE-220066, UG-220067,
UG-210918
Witness: Hanna E. Navarro**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-220066, UG-220067,
UG-210918 (consolidated)**

In the Matter of the Petition of

PUGET SOUND ENERGY

**For an Order Authorizing Deferred
Accounting Treatment for Puget Sound
Energy's Share of Costs Associated with
the Tacoma LNG Facility**

EXHIBIT TO TESTIMONY OF

HANNA E. NAVARRO

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE Response to UTC Staff Data Request No. 110

July 28, 2022

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-220066 & UG-220067
Puget Sound Energy
2022 General Rate Case**

WUTC STAFF DATA REQUEST NO. 110:

REQUESTED BY: Hanna Navarro

Re: Capital Planning

On page 27 of Exh. CAK-1T, PSE witness Koch describes the back-casting process and states “Following implementation of a project, PSE performs improvement verification analysis to determine whether the project provided the projected benefit.” Please provide documents explaining how PSE’s “back-casting” process assesses whether benefits are realized differently by different communities including highly impacted communities and vulnerable populations.

Response:

WUTC Staff Data Request No. 110 appears to be an implicit reference to RCW 19.405.040(8). Puget Sound Energy (“PSE”) objects to the interpretation of RCW 19.405.040(8) that appears to underlie WUTC Staff Data Request No. 110, which PSE views as overly broad and inconsistent with the language and intent of the statute. To the extent this data request seeks to impose or imply requirements on PSE pursuant to RCW 19.405.040(8) that go beyond the scope of Chapter 19.405 RCW, PSE objects.

More specifically, to the extent this data request interprets RCW 19.405.040(8) to apply beyond the transition to clean electricity set forth in Chapter 19.405 RCW, PSE objects to the interpretation. To the extent this data request interprets the statute to mandate that all company investment decisions that are not related to compliance with CETA are required to expressly address how all customers will benefit from the transition to clean electricity, PSE objects to the interpretation. To the extent this data request fails to recognize the magnitude and length of the clean energy transformation set forth in the statute, and expects an immediate and wholesale revision of PSE’s policies and procedures at this early date when rules have just recently been adopted, PSE objects.

Without waiving these objections and subject thereto, PSE responds as follows: Chapter 19.405 RCW, which was passed less than three year ago, mandates a transition to 100 percent clean electricity that is to take place over a quarter-century, with interim requirements along the way. Rules to implement the statutory mandates were adopted only recently. Subsection (8) of RCW 19.405.040 requires that “in complying with” the transition to clean electricity, an “electric utility must, consistent with

the requirements of RCW 19.280.030¹ and 19.405.140,² ensure that all customers are benefiting from the transition to clean energy.” Consistent with the statute, PSE is taking action to ensure that all customers are benefiting from the transition to clean energy over the next twenty-three years, and this is reflected in PSE’s Clean Energy Action Plan, Integrated Resource Plan, Clean Energy Implementation Plan, and performance-based metrics, to name a few.

In addition, PSE developed and adopted a Diversity, Equity & Inclusion Playbook (referred to as the “Playbook”) to present the vision for diversity, equity and inclusion (“DEI”) at PSE, including PSE’s roadmap, focus areas, leadership’s role and how PSE plans to advance its current efforts. DEI is a broader effort of PSE; it is not specific to any statutory mandate but reflects PSE’s corporate commitment to equity. Customers are among the focus areas of the Playbook in which PSE strives for them to have “equitable access to clean energy and experience [PSE] in a manner that reflects our values and their communities.” The purpose of the Playbook “is to articulate a shared vision and strategy roadmap to support our decentralized model for managing DEI” and to “help keep us aligned and moving in the same direction.” The Playbook is attached as Attachment A to PSE’s Response to WUTC Staff Data Request No. 062.

With that as a backdrop, back-casting is a process that determines whether the intended benefits defined for a specific project are realized by evaluating system performance, typically three or more years after a project has been implemented, in order to experience the conditions that determined the need for the project. As PSE integrates the consideration of equity and named communities into the planning process, and the inclusion of benefits relative to highly impacted communities and vulnerable populations as described in PSE’s Response to WUTC Staff Data Request No. 074 and 080, PSE will be able to measure the effectiveness of those project benefits. That said, while the unique benefits have yet to be defined, highly impacted communities and vulnerable populations may still benefit from projects that improve or modernize circuits that serve named communities. Please see Appendix A to Exh. CAK-5, which shows how various grid modernization programs are directly benefiting highly impacted communities (sorted by column labeled HC, and vulnerable populations, sorted by column labeled VP). Please also see PSE’s Response to WUTC Staff Data Request No. 112 for current considerations regarding evaluating benefits and burdens for communities and PSE’s Response to WUTC Staff Data Request No. 113 for reliability performance of these named communities, which indicates that reliability is better in these communities than PSE’s system wide reliability.

¹ Addresses development of integrated resource plans and clean energy action plans.

² Requires a cumulative impact analysis to designate the communities highly impacted by fossil fuel pollution and climate change, to be completed by the department of health December 31, 2020, with rules to be adopted by December 31, 2021.