



UE-210829

## ATTORNEY GENERAL OF WASHINGTON

Public Counsel

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May 6, 2022

### **SENT VIA WUTC WEB PORTAL**

Amanda Maxwell  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

Re: *PacifiCorp d/b/a Pacific Power and Light Company 2021 Clean Energy Implementation Plan (CEIP) pursuant to WAC 480-100-640, Docket UE-210829, Comments of Public Counsel*

Dear Director Maxwell:

The Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel) respectfully submits these comments in response to the December 30, 2021, filing of PacifiCorp d/b/a Pacific Power and Light Company (PacifiCorp or Company) providing PacifiCorp's draft Clean Energy Implementation Plan (CEIP). The CEIP provides an overview of PacifiCorp's plan for progressing towards the 2030 and 2045 clean energy requirements of WAC 480-100-610(2) and (3), and the Clean Energy Transformation Act (CETA).

According to WAC 480-100-655(1)(a), the utility must involve all advisory groups, including the equity advisory group (EAG), in the development of its CEIP and its biennial CEIP update. Public Counsel representatives serve on PacifiCorp's Integrated Resource Planning (IRP), Demand Side Management (DSM), and Low-Income Advisory Committee. Additionally, we take part in PacifiCorp's Equity Advisory Group (EAG). As such, Public Counsel has participated in the entire external process that led to this filing. We provided informal and formal feedback to the Company and the Washington Utilities and Transportation Commission (UTC or Commission) regarding PacifiCorp's Draft CEIP, and respectfully submit this feedback regarding the final version.<sup>1</sup>

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<sup>1</sup> Initial Comments of Public Counsel (filed Sept. 7, 2021).

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***Public Counsel's Recommendation:***

Public Counsel recommends that the UTC approve PacifiCorp's CEIP with the following conditions as detailed in Attachment A to these comments:

- For CBI 1, PacifiCorp must clarify how it will pursue, not just identify, any opportunities that arise to expand outreach regarding energy and conservation programs to customers in named communities.
- For CBIs 2 through 6, PacifiCorp must clarify how the targets stated in the CBI description and associated specific actions target vulnerable populations and not just highly impacted communities.
- For CBIs 4 regarding efficiency of housing stock and small businesses, including low-income housing, and CBI 7 regarding indoor air quality, PacifiCorp must clarify the goal or target to improve these benefit indicators because it is unclear across the description of the CBIs and in the specific actions whether it is aimed at improvements versus just tracking numbers.
- For CBIs 8 related to disconnections and CBI 9 related to outages, PacifiCorp must state a goal and associated specific action in its CEIP to maintain or increase the benefits associated with these CBIs.
- PacifiCorp must explain why it is unfeasible to incorporate into its CBIs Joint Advocates' recommendations as outlined on pages 8-12 of this document.
- When analyzing the specific actions for their expected outcomes on the CBIs, PacifiCorp must analyze each specific action through each of the CBIs and explain how they expect the action will affect each CBI. If a CBI is not applicable, PacifiCorp must explain why. In addition, PacifiCorp must describe how each specific action will mitigate risks to named communities and demonstrate how it is planning to meet the CETA standards at the lowest reasonable cost.
- PacifiCorp must explain why the 13 percent and three percent contingency generation values are appropriate, and whether these values are expected to carry forward into the 2022 all source request for proposals (2022AS RFP).
- PacifiCorp must specify whether it has sold any of the renewable energy credits (RECs) attributable to facilities that PacifiCorp considers to be non-emitting.
- PacifiCorp must clarify to bidders in the 2022AS RFP that the bidders must explain in detail the basis for its self-grading with regard to PacifiCorp's proposed CBIs.
- PacifiCorp must justify how any additional resources allocated to Washington customers through the 2022AS RFP provides benefits and reduces burden for named communities at the lowest reasonable cost.
- PacifiCorp must explain why it is unable to offer a higher incentive for named community residential customers who convert heating from non-electric and non-natural gas to ductless heat pumps versus other customers.
- PacifiCorp must participate in any further discussions and/or workshops regarding incremental cost calculations and incorporate any changes necessary to their methodology.
- PacifiCorp must engage with all of their existing advisory groups in future updates and CEIPs.

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Public Counsel details its concerns below with PacifiCorp's handling of customer benefits, specific actions, incremental costs, cost recovery, and public participation. Public Counsel appreciates the tremendous effort and amount of work and collaboration from the Company and stakeholders involved with this CEIP process to date. We also recognize that many open questions remain about what is necessary for a CEIP to receive Commission approval, especially because this is the first time utilities are filing this type of plan. Public Counsel submits these comments to highlight critical issues that must be addressed prior to Commission approval.

Public Counsel recommends that the Commission approve PacifiCorp's CEIP with conditions as detailed in Attachment A to these comments and discussed in greater detail below. Public Counsel reserves the right to amend or offer additional feedback as the process progresses.

## **CUSTOMER BENEFIT INDICATORS**

In accordance with WAC 480-100-610(4)(c), each CEIP must propose customer benefit indicators (CBIs) that ensure that all customers are benefiting from the transition to clean energy through the following:

- The equitable distribution of energy and non-energy benefits and reductions of burdens to vulnerable populations and highly impacted communities;
- Long-term and short-term public health and environmental benefits and reduction of costs and risks; and
- Energy security and resiliency.

CBIs must be developed consistent with the advisory group process and public participation plan described in WAC 480-100-655, which requires regular engagement with an external EAG. Prior to PacifiCorp's CEIP filing, Public Counsel partnered with Northwest Energy Coalition, The Energy Project, and Front & Centered (collectively, Joint Advocates) to propose and file in each utility CEIP and Public Participation Plan docket a comprehensive list of proposed CBIs. This document was filed in this Docket on November 5, 2021.<sup>2</sup>

Table 1 below shows the final nine CBIs that PacifiCorp selected after gathering feedback from members of the public and from the EAG, the associated statutory elements from WAC 480-100-610(4)(c) (the Benefit Categories), and the metrics PacifiCorp chose to evaluate each CBI.<sup>3</sup> It also includes the draft CBIs that were listed in Table 2.5 of PacifiCorp's CEIP to illustrate the changes made between the draft and final versions of CBIs.

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<sup>2</sup> Joint Comments on Customer Benefit Indicators on behalf of The Energy Project, Front and Centered, Northwest Energy Coalition, and Public Counsel (filed Nov. 5, 2021 in Docket UE-210829).

<sup>3</sup> PacifiCorp Clean Energy Implementation Plan at 34–36 (Table 2.3) (filed Dec. 30, 2021).

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**Table 1. PacifiCorp’s Final Customer Benefit Indicators, Benefit Categories (Statutory Elements), and Metrics.<sup>4</sup>**

<b>CBI #</b>	<b>Customer Benefit Indicator (Final and Draft)</b>	<b>Statutory Element/ Benefit Categories</b>	<b>Metrics</b>
<b>1</b>	Culturally and linguistically responsive outreach and program communication	<ul style="list-style-type: none"> <li>• Reduction of burdens</li> <li>• Non-energy benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Outreach in non-English languages</li> <li>• Percentage of responses to surveys in Spanish</li> </ul>
	DRAFT <sup>5</sup> : Improve culturally and linguistically responsive outreach and marketing to increase awareness of energy and conservation programs		
<b>2</b>	Community-focused efforts and investments	<ul style="list-style-type: none"> <li>• Non-energy benefit</li> <li>• Reduction of burden</li> <li>• Public health</li> </ul>	<ul style="list-style-type: none"> <li>• Workshops on energy related programs</li> <li>• Headcount of staff supporting program delivery in Washington who are women, minorities, and/or can show disadvantage (specific to energy efficiency programs, but not low-income weatherization)</li> <li>• Number of public charging stations in named communities</li> </ul>
	DRAFT: Increase participation in community-focused efforts and investments		
<b>3</b>	Participation in company energy and efficiency programs and billing assistance programs	<ul style="list-style-type: none"> <li>• Cost reduction</li> <li>• Reduction of burden</li> </ul>	<ul style="list-style-type: none"> <li>• Number of households/businesses, including named communities, who participated in company energy/efficiency programs</li> <li>• Percentage of households that participate in billing assistance programs</li> </ul>

<sup>4</sup> PacifiCorp Clean Energy Implementation Plan at 34–36, Table 2.3.

<sup>5</sup> The 22 draft CBIs are listed in Table 2.5 of PacifiCorp’s CEIP. See PacifiCorp Clean Energy Implementation Plan at 40, Table 2.5.

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<b>CBI #</b>	<b>Customer Benefit Indicator (Final and Draft)</b>	<b>Statutory Element/ Benefit Categories</b>	<b>Metrics</b>
	DRAFT: Increase participation in company energy and efficiency programs	<ul style="list-style-type: none"> <li>• Non-energy benefit</li> <li>• Energy benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Number of households/businesses who participate/enroll in demand response, load management, and behavioral programs</li> </ul>
4	Efficiency of housing stock and small businesses, including low-income housing  DRAFT: Increase participation in bill assistance, weatherization and energy efficiency programs and grant opportunities	<ul style="list-style-type: none"> <li>• Energy benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Number of households and small businesses that participate in company energy/efficiency programs</li> <li>• Energy efficiency expenditures (including incentive payments, but not administrative or program costs)</li> </ul>
5	Renewable energy resources and emissions  DRAFT: Increase in renewable energy resources [also – Lower greenhouse gas emissions]	<ul style="list-style-type: none"> <li>• Environmental</li> </ul>	<ul style="list-style-type: none"> <li>• Amount of renewables/non-emitting resources serving Washington</li> <li>• Washington allocated greenhouse gas emissions from Washington allocated resources</li> </ul>
6	Households experiencing high energy burden  DRAFT: Reduce number of households experiencing high energy burden	<ul style="list-style-type: none"> <li>• Cost reduction</li> <li>• Reduction of burden</li> </ul>	<ul style="list-style-type: none"> <li>• Number of customers experiencing high energy burden by: highly impacted communities, vulnerable populations, low-income bill assistance, and low-income weatherization participants, and other residential customers</li> </ul>
7	Indoor air quality  DRAFT: Decrease wood use for home heating	<ul style="list-style-type: none"> <li>• Public health</li> <li>• Non-energy benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Number of households using wood as primary or secondary heating</li> <li>• Non-electric to electric conversions for low-income weatherization program</li> </ul>

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<b>CBI #</b>	<b>Customer Benefit Indicator (Final and Draft)</b>	<b>Statutory Element/ Benefit Categories</b>	<b>Metrics</b>
<b>8</b>	Frequency and duration of energy outages	<ul style="list-style-type: none"> <li>• Energy resiliency</li> <li>• Risk reduction</li> <li>• Energy benefit</li> </ul>	<ul style="list-style-type: none"> <li>• SAIDI, SAIFI, and CAIDI at area level including and excluding major events</li> </ul>
	DRAFT: Reduce frequency and duration of energy outages		
<b>9</b>	Residential customer disconnections	<ul style="list-style-type: none"> <li>• Energy security</li> </ul>	<ul style="list-style-type: none"> <li>• Number of residential customer disconnections including disconnections within named communities</li> </ul>
	DRAFT: Reduce number of residential customer disconnections		

**A. Public Counsel Recommendations regarding “Directionality”**

Public Counsel is concerned that for certain CBIs, PacifiCorp’s removal of “directionality” removes any goal or target for the CBI in connection with associated statutory benefit categories and specific actions. Public Counsel understands the need to establish an objective baseline for the data collected under the stated metrics. However, for some of the metrics, the CEIP discussion already shows established baseline information. Thus, the absence of a goal or target clarified in the CEIP in connection with a CBI could unnecessarily impede progress for the benefit category over the four-year CEIP period if it is limited to simply tracking and counting.<sup>6</sup> PacifiCorp states that the decision to remove directionality from the “move-forward” draft CBIs and metrics was made “after reviewing peer utilities’ draft CEIPs,” and that it did so to make its proposed CBIs “more objective and easier to interpret.”<sup>7</sup> For the CBIs and metrics, the absence of directionality may clarify what should be tracked regardless of an increase or decrease in the indicator over time in the tracked data. However, removal of directionality stated anywhere in the CEIP in connection with the CBIs and metrics is only appropriate if the CBI goal or target is clear elsewhere in the text of the CEIP discussion of the CBI or specific actions associated with the CBIs.

Table 1 compares the final nine CBIs with earlier draft CBIs that PacifiCorp identified as “move-forward” CBIs in CEIP Table 2.5. PacifiCorp’s draft CBIs used words such as “increase” or “decrease” to specify the target or goal for an indicator to demonstrate whether the utility has ensured that all customers are benefiting from the transition to clean energy as WAC 480-100-

<sup>6</sup> PacifiCorp Clean Energy Implementation Plan at 42.

<sup>7</sup> PacifiCorp Clean Energy Implementation Plan at 42.

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610(4)(c) requires. In contrast, the final nine CBIs merely identify items to track. Public Counsel's specific recommendations relating to goals and directionality for the CBIs are described below.

For CBI 1 regarding "Culturally and linguistically responsive outreach and program communication," PacifiCorp states that the purpose of this CBI is to more appropriately engage with customers to reduce burdens and increase non-energy benefits for Washington customers.<sup>8</sup> PacifiCorp also states that it will "look for opportunities to expand outreach, using different media, different methods, and different languages." Public Counsel's view is that PacifiCorp must clarify that it will actively explore, and not merely identify, these opportunities and their cost effectiveness to expand outreach regarding energy and conservation programs to customers in named communities.

For CBIs 2 through 6, the description of the CBIs and the discussion of associated specific actions in the text of the CEIP and in Appendix C, fail to state how the actions are targeted at improving the benefits of clean energy for vulnerable populations and not just highly impacted communities (the named communities). PacifiCorp provides a detailed chart on page 49 of the CEIP showing the percentage of vulnerable populations who participated in energy efficiency programs in 2020, which indicates that it is possible for PacifiCorp to track data for the vulnerable populations and not just for highly impacted communities. Thus, for CBIs 2 through 6, PacifiCorp must state in the description of CBIs and associated specific actions how its goals or targets are aimed at vulnerable populations, and not just highly impacted communities.

For CBI 4 regarding efficiency of housing stock and small businesses, including low-income housing, PacifiCorp provides two specific actions, which are shown in CEIP Appendix C. These specific actions are to increase funds in its low-income weatherization program for repairs from 15 to 30 percent and to "permit installation of electric heat to replace permanently installed electric heat, space heaters or any fuel source except natural gas with adequate combustion air as determined by the Agency."<sup>9</sup> PacifiCorp must clarify that the goal or target is to improve this benefit indicator because it is unclear across the description of the CBI and in the specific actions how improvements might be made in this area versus just tracking numbers.

Similarly, for CBI 7, "Indoor air quality," PacifiCorp commits to tracking households using wood for heating and the number of electric conversions in its low-income weatherization program. PacifiCorp ties only one specific action to this CBI. The action is for the low-income weatherization program to allow the "installation of electric heat to replace permanently installed electric heat, space heaters or any fuel source except natural gas with adequate combustion air as determined by the Agency." The goal for this CBI is unclear across the CEIP. PacifiCorp must explain its goal or target in the description of the CBI and in the specific actions how

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<sup>8</sup> PacifiCorp Clean Energy Implementation Plan at 44.

<sup>9</sup> PacifiCorp Clean Energy Implementation Plan at 76.

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improvements might be made in this area versus just tracking and counting primary and secondary use of wood heating that residential customers report in surveys.

For CBIs 8 and 9 related to disconnections and outages, respectively, there are no associated specific actions shown in Appendix C, and the CEIP fails to clarify how PacifiCorp will maintain the benefits in these areas for named communities. Public Counsel's view is that PacifiCorp must state a goal and associated specific action in its CEIP to maintain or increase the benefits associated with these CBIs.

In sum, PacifiCorp should revise its CEIP to clarify goals in its CBIs, CBI discussion, or specific action statements so that the CBIs are clearly aimed toward actual progress on these indicators and benefit categories discussed above and not just numerical characterization.

## **B. Recommendations Relating to Incorporation of Joint Advocates' CBIs**

PacifiCorp explains that it "developed and refined the list of CBIs through an iterative process leveraging voices, perspectives, expertise, and creativity of internal subject matter experts and external stakeholders."<sup>10</sup> PacifiCorp points to a number of sources of input in its CBI development process, including its advisory groups, peer utilities, the public, the Washington Utilities and Transportation Commission Staff, Public Counsel, and its IRP Stakeholders Group.<sup>11</sup> PacifiCorp appears to focus its discussion of the CBI development process on input that it received primarily from the EAG with some input from public surveys and from the Joint Advocates.<sup>12</sup>

The Joint Advocates filed a comprehensive list of proposed CBIs in this docket on November 5, 2021.<sup>13</sup> PacifiCorp states in its CEIP that it "completed a comprehensive review" of the Joint Advocates' CBIs, which it used to refine the draft CBIs it was considering.<sup>14</sup> PacifiCorp then used benefit category rankings and EAG input on its 22 draft CBIs to create a numerical basis for eliminating some of the original 22 draft CBIs from the final nine CBIs listed in the CEIP.

Table 2 below compares PacifiCorp's nine final CBIs with the Joint Advocates' CBIs. While PacifiCorp's final nine CBIs incorporate some of the Joint Advocates' recommended CBIs, it is unclear in the CEIP why it is not feasible for PacifiCorp to incorporate all of the Joint Advocates' CBI recommendations in some form. A relatively lower score does not explain why it is not reasonable for PacifiCorp to pursue opportunities to ensure CETA benefits. Thus, as outlined below, PacifiCorp must state in its CEIP why it is not feasible for it to include parts of the Joint Advocates' CBIs that PacifiCorp chose not to incorporate into its CEIP. Aspects of the

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<sup>10</sup> PacifiCorp Clean Energy Implementation Plan at 36.

<sup>11</sup> PacifiCorp Clean Energy Implementation Plan at 36.

<sup>12</sup> PacifiCorp Clean Energy Implementation Plan at 37-41.

<sup>13</sup> Joint Comments on Customer Benefit Indicators on behalf of The Energy Project, Front and Centered, NW Energy Coalition, and Public Counsel (filed Nov. 5, 2021 in Docket UE-210829).

<sup>14</sup> PacifiCorp Clean Energy Implementation Plan at 42.



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Joint Advocates’ CBI recommendations that PacifiCorp should address in its CEIP are shown in gray shading in Table 2.

**Table 2. Statutory Elements, Joint Advocates’ Customer Benefit Indicators & Related PacifiCorp CBIs<sup>15</sup>**

Statutory Element	Joint Advocates’ Customer Benefit Indicators*	Related PacifiCorp CBI **
<u>Energy Benefits</u>	<ul style="list-style-type: none"> <li>Improved efficiency of housing stock in utility service territory, including low-income housing (increased funding, program participation, bill reductions, rental EE)</li> <li>Low-income and vulnerable communities have access to an increasing number of renewable or non-emitting distributed generation resources (increased low-income renewable projects, community-owned projects, increased percent of DG)</li> </ul>	<p>Participation in company energy and efficiency programs and billing assistance programs</p> <p>Efficiency of housing stock and small businesses, including low-income housing</p> <p>Frequency and duration of energy outages</p>
<u>Non-Energy Benefits</u>	<ul style="list-style-type: none"> <li>Increase community employment opportunities (apprenticeships and training, living wage jobs, contractor representation)</li> <li>Improved Health and Community wellbeing (work and school absences, weatherization, home comfort w/HVAC, heat pumps, EVs, include non-energy benefits in cost-effectiveness)</li> </ul>	<p>Culturally and linguistically responsive outreach and program communication</p> <p>Community-focused efforts and investments</p> <p>Participation in company energy and efficiency programs and billing assistance programs</p> <p>Indoor air quality</p>

<sup>15</sup> This table was drafted by The Energy Project staff, in consultation with Front & Centered, NWECC, and Public Counsel. The PacifiCorp CBIs are from Table 2.3 on pages 34-36 of PacifiCorp’s Clean Energy Implementation Plan.

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<b>Statutory Element</b>	<b>Joint Advocates' Customer Benefit Indicators*</b>	<b>Related PacifiCorp CBI **</b>
<u>Reduction of Burdens</u>	<ul style="list-style-type: none"> <li>Reduction in Number of Energy Burdened Households in target groups (highly impacted communities, vulnerable population, bill assistance, known low-income)</li> <li>Reduced barriers for program participation (increased participation, translation services, EV charging cost equity)</li> </ul>	<p>Culturally and linguistically responsive outreach and program communication</p> <p>Community-focused efforts and investments</p> <p>Participation in company energy and efficiency programs and billing assistance programs</p> <p>Households experiencing high energy burden</p>
<u>Public Health</u>	<ul style="list-style-type: none"> <li>Improved Health Outcomes (hospital admissions, decreased wood burning, indoor and outdoor air quality, reduced health care costs)</li> </ul>	<p>Community-focused efforts and investments</p> <p>Indoor air quality</p>
<u>Environment</u>	<ul style="list-style-type: none"> <li>Reduction of Greenhouse Gas Emissions (increased electrification)</li> <li>Reduced Pollution Burden and Pollution Exposure (metrics detailed)</li> </ul>	<p>Renewable energy resources and emissions</p>
<u>Reduction in Cost</u>	<ul style="list-style-type: none"> <li>Expand Bill Assistance Programs (participation rates, penetration rates, program budgets)</li> <li>Reductions in Number and Amount of Arrearages (90+ days, zip code analysis)</li> </ul>	<p>Participation in company energy and efficiency programs and billing assistance programs</p> <p>Households experiencing high energy burden</p>

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<b>Statutory Element</b>	<b>Joint Advocates' Customer Benefit Indicators*</b>	<b>Related PacifiCorp CBI **</b>
<u>Reduction in Risk</u>	<ul style="list-style-type: none"> <li>Fewer customers with low utility credit code scores &amp; fewer customers sent to collections</li> <li>Increased Neighborhood Safety (frequency and duration of outages, increased local disaster response capacity)</li> </ul>	Frequency and duration of energy outages
<u>Energy Security</u>	<ul style="list-style-type: none"> <li>Reduced Residential Disconnections (demographic analysis by zip code, AMP and PIPP participation)</li> <li>Improved Access to Reliable Clean Energy (local storage/back up, increased local DG, improved distribution system planning)</li> </ul>	Residential customer disconnections
<u>Resilience</u>	<ul style="list-style-type: none"> <li>Reduction in Outage Frequency (SAIFI) and Duration (SAIDI) in Target Communities</li> <li>Reduction in Energy and Capacity Need (demand response participation, increased EE savings, water savings)</li> </ul>	Frequency and duration of energy outages

\* The Joint Advocates' comments filed July 30, 2021, provide further detail regarding specific components of proposed customer benefit indicators (CBIs). This Table is for summary purposes.

\*\* Some CBIs in the PacifiCorp CEIP are listed multiple times if they pertain to more than one of the Joint Advocates' CBIs.

For the benefit category of energy benefits, PacifiCorp provides CBIs 3, 4, and 8. However, these CBIs and the balance of PacifiCorp's CEIP fail to address the Joint Advocates' recommendation to increase access to distributed generation resources in low-income and vulnerable communities. For the benefit category of non-energy benefits, PacifiCorp's CBIs 1, 2, 3, and 7 do not address community employment opportunities. Opportunities may be available for PacifiCorp to partner with local technical schools or other community organizations to develop training programs or apprenticeships. PacifiCorp CBIs 1, 2, 3, and 6 address the reduction of burdens category, but these CBIs do not specifically aim to reduce burden in named communities.

For the benefit category of environment, PacifiCorp's CBIs 2 and 5 and associated metrics include tracking of public electric vehicle (EV) charging stations, but fail to address ways to increase electrification of transit services. Opportunities may be available to provide funds for

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school buses or other transit within the service territory by expanding PacifiCorp's EV grant program.<sup>16</sup>

In the benefit category of reduction in cost, PacifiCorp CBIs 3 and 6 do not address reduction of arrearages. While PacifiCorp does include CBI 9, "Residential customer disconnections," plans to track disconnections over time, and explains that "a program could be established to decrease residential customer disconnections," no specific actions are provided in Appendix C that relate to reducing disconnections or to arrearages.

For energy security, PacifiCorp provides CBI 9, but neither this CBI nor the balance of the CEIP addresses access to reliable clean energy through local storage, back up, local distributed generation (DG) resources, or distribution system planning. For resilience, PacifiCorp provides CBI 8, "frequency and duration of energy outages," and proposes to track outages. While PacifiCorp discusses how it will track outages, there are no specific actions or goals included in the CEIP that aim to reduce outages or maintain improvements in this area.

Other than the extensive ranking, weighing, and scoring discussion, PacifiCorp does not explain why it is unable to incorporate these aspects of the Joint Advocates' CBI recommendations into its final CBI set. PacifiCorp must incorporate CBIs related to Joint Advocates' recommendations discussed above, or explain why it is unfeasible to do so.

## **SPECIFIC ACTIONS**

In Appendix C, PacifiCorp lists its specific actions in a table alongside associated CETA benefit areas and "impacted CBIs." While the table provides a helpful visual aid, PacifiCorp should analyze the specific actions through each of its CBIs and explain how they expect the action will affect each CBI.<sup>17</sup> If a CBI is not applicable to a specific action, PacifiCorp should explain the why. In addition, PacifiCorp must describe how each specific action will mitigate risks to named communities and demonstrate how it is planning to meet the CETA standards at the lowest reasonable cost.<sup>18</sup>

A large number of PacifiCorp's specific actions are "supply-side" resource actions devoted to procurement of renewable resources. In connection with these procurements, PacifiCorp states that its 2021 IRP "established a 13 percent hourly capacity reserve margin requirement for each topology location containing load in the LT model" and that the "13 percent capacity reserve margin (CRM) includes operating reserve requirements for contingency reserves, which are

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<sup>16</sup> PacifiCorp Clean Energy Implementation Plan at 92.

<sup>17</sup> WAC 480-100-640(5)(c).

<sup>18</sup> WAC 480-100-640(6)(a)-(f).

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calculated as 3 percent of load plus 3 percent of generation.”<sup>19</sup> However, PacifiCorp should explain in the text of its CEIP, why the 13 percent and three percent reserve and contingency values are appropriate, and whether these values are expected to carry forward into the 2022AS RFP.

In addition, PacifiCorp should specify whether it has sold any of the RECs attributable to the resources listed in the CEIP. Also, PacifiCorp should clarify to bidders in the 2022AS RFP that they must explain in detail the basis for how they grade themselves with regard to PacifiCorp's proposed CBIs.

PacifiCorp also states that, in consultation with the independent evaluator, it “may add or replace resources allocated to Washington customers in order to meet CETA goals with the understanding that the incremental cost associated with those resources would later be assigned to Washington customers.”<sup>20</sup> PacifiCorp should justify how any additional resources allocated to Washington customers through the 2022AS RFP provides benefits and reduces burden for named communities at the lowest reasonable cost.

As one of the “energy efficiency” actions, PacifiCorp states that it will offer the same incentive rate to named community residential customers who use non-electric and non-natural gas fuel sources in their primary heating systems to decommission those systems and install ductless heat pumps. PacifiCorp should explain why it is unable to offer a higher incentive for named community residential customers in this program versus other customers.

Also, as discussed above, merely tracking participation in energy efficiency or billing assistance programs does not in itself help to move forward or make progress with regard to the CBIs related to energy efficiency related actions. If the goal is to increase participation, PacifiCorp should explain what additional actions it will take to ensure that the tracking shows progress with regard to the energy efficiency related CBIs.<sup>21</sup>

## **INCREMENTAL COST**

In the order adopting the rules for CEIPs and CETA compliance, the Commission determined that a utility is required to include the social cost of greenhouse gases (SCGHG) in the baseline portfolio.<sup>22</sup> RCW 19.405.060(3) requires the average incremental cost of compliance to include

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<sup>19</sup> PacifiCorp Clean Energy Implementation Plan at 66.

<sup>20</sup> PacifiCorp Clean Energy Implementation Plan at 73.

<sup>21</sup> PacifiCorp Clean Energy Implementation Plan at 79–81.

<sup>22</sup> *In re: Adopting Rules Relating to Clean Energy Implementation Plans and Compliance with Clean Energy Transformation Act*, Dockets UE-191023 and UE-190698 (*Consol.*), General Order 601, ¶ 129 (Dec. 28, 2020).

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all costs necessary to meet the requirements of RCWs 19.405.040 and .050. PacifiCorp presents both a preferred portfolio that incorporates SCGHG as required by WAC 480-100-605 and RCW 19.280.030(3)(a) and an alternative lowest reasonable cost portfolio, as required by the Commission in Order 01.<sup>23</sup> PacifiCorp forecasts their average annual costs to be approximately \$4.7 million per year, or a 1.4 percent increase in customer rates.<sup>24</sup> This is below the threshold for alternative compliance set out in RCW 19.405.060(3).

As a general matter, Public Counsel believes additional guidance is needed regarding incremental cost calculations for each of the utilities. PacifiCorp faces particular challenges in the calculation of incremental costs because the Company is a multi-jurisdictional utility. The Company notes that the "incremental cost calculation is reasonably accurate *for Washington*, but does not demonstrate what actual system costs would be for the entire PacifiCorp system."<sup>25</sup> It is critical that the incremental cost accurately capture costs that otherwise would not have been incurred, if not for CETA. Our concern is that specific actions that a utility would have taken regardless of CETA are improperly attributed to CETA implementation. This possibility will become more critical as utilities get closer to the cost cap. We continue to recommend the Commission commence further discussion regarding these calculations, and provide further guidance. Public Counsel recommends that PacifiCorp participate in any further discussions and/or workshops regarding incremental cost calculations and incorporate any changes necessary to their methodology.

## **PUBLIC PARTICIPATION**

WAC 480-100-655 sets out the requirements for public participation in the development of a CEIP. Utilities are required to demonstrate and provide documentation as to how they considered input from advisory groups, including an EAG, and the general public. PacifiCorp focuses on four "pillars" of participation in their CEIP:

- (1) Engaging members of the public by selecting outreach, methods, timing, and language considerations that address barriers to participation, (2) making data accessible and available to members of the public and CEIP stakeholders, (3) building upon learnings from existing advisory groups and stakeholders interested in the CEIP development process, and (4) building upon learnings from the EAG.<sup>26</sup>

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<sup>23</sup> *In re: the Petition of PacifiCorp Seeking Exemption from the Provisions of WAC 480-100-605*, Docket UE-210829, Order 01, Denying Petition for Exemption, ¶ 11 (Dec. 13, 2021).

<sup>24</sup> PacifiCorp Clean Energy Implementation Plan at 95.

<sup>25</sup> PacifiCorp Clean Energy Implementation Plan at 96.

<sup>26</sup> PacifiCorp Clean Energy Implementation Plan at 103.

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PacifiCorp began their outreach efforts for the CEIP in the spring of 2021 and hired RMI to assist the Company with the development of the EAG. In May 2021, the Company provided the opportunity for members of the Company's EAGs to provide feedback on the CEIP public participation plan. In July 2021, the Company distributed a survey to Washington customers. The CEIP details the advisory group and public meeting schedule in Table 5.2.<sup>27</sup>

As noted earlier in these comments, Public Counsel participates as a member of the Company's DSM, Low-Income, and IRP advisory groups and attended all of the EAG meetings leading up to the CEIP filing. Public Counsel believes that the design and recruitment process for the EAG was thoughtful and resulted in a diverse group of participants. EAG members appeared engaged throughout the development of the CEIP and offered a variety of feedback to the Company.

Public Counsel believes that the Company should have done more to engage their other standing advisory groups, particularly the Low-Income Advisory Committee (LIAC) in the development of the CEIP. Table 5.2 lists three meetings of the LIAC in May, June, and July 2021, but no meetings later in the year as the CEIP was beginning to take more shape. We are aware that a number of members of the EAG also participate on the LIAC, but not all LIAC members also sit on the EAG. The CEIP notes that the LIAC "informed the CBIs and metrics developed,"<sup>28</sup> but the discussion of *how* that input was considered is not described in detail.

We encourage the Company to more fully engage with all of their existing advisory groups in future updates and CEIPs. The Company should do this by providing regular updates to all advisory groups either at regularly scheduled meetings or special meetings to address the CEIP or CEIP updates. These groups should also be more involved in the development of CBIs and be able to participate in how the final CBIs are selected. The Company may also want to survey the non-EAG advisory groups about the best way to engage them on this topic.

Regarding the Company's engagement with the general public, Public Counsel appreciated PacifiCorp's willingness to take suggestions and make modifications to their initial outreach efforts to the general public. The Company began running radio advertisements in Spanish to promote participation in public meetings and also offered live Spanish translation of the public meetings. However, as recommended by the EAG, more engagement with the public should be done through "trusted community partners."<sup>29</sup> The Company must work to develop and expand their relationships with those community partners to bring in more engagement from the general public. Public Counsel believes that the Company should include a more robust plan for development of these partnerships in future updates and CEIPs.

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<sup>27</sup> PacifiCorp Clean Energy Implementation Plan at 108.

<sup>28</sup> PacifiCorp Clean Energy Implementation Plan at 113.

<sup>29</sup> PacifiCorp Clean Energy Implementation Plan at 107.

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## **GENERAL COMMENTS AND CONCLUSIONS**

Public Counsel appreciates the efforts of all stakeholders in developing this first round of CEIPs and looks forward to continued collaboration in the future regarding CEIPs and related rulemakings. We reiterate our prior recommendation in other CEIP dockets that the Commission provide additional guidance on the best way to present these documents in the future and the process going forward. We also reiterate our prior recommendation in separate dockets that a response period following CEIP comments filings for stakeholder responses to the comments filed. This could help clarify remaining questions, resolve disputes, and determine whether additional process is needed.

We also understand that a set of conditions may be presented in this process, and so Public Counsel has provided, in Attachment A, a preliminary list of conditions based on the recommendations made in these comments, with reference to where those conditions are discussed in this comment letter. We look forward to reviewing the proposals and feedback from Staff and other stakeholders, and may add to or modify these conditions as necessary. As additional engagement, information, and process occurs, Public Counsel reserves the right to amend and supplement these comments. Additionally, each CEIP may have different characteristics, so Public Counsel cautions against the assumption that each CEIP will be identical.

Public Counsel appreciates the opportunity to submit these comments. We look forward to continued collaboration with PacifiCorp, members of the Company's advisory groups, other stakeholders, and the general public. If you have any questions about this filing, please contact Stephanie Chase at (206) 521-3212 or via e-mail at [Stephanie.Chase@ATG.WA.GOV](mailto:Stephanie.Chase@ATG.WA.GOV).

Sincerely,

/s/ *Ann Paisner*

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ANHP/SC  
Enclosures



## Attachment A

### Public Counsel List of Conditions\*

	Condition	Page Location
1.	For CBI 1, PacifiCorp must clarify how it will pursue, not just identify, any opportunities that arise to expand outreach regarding energy and conservation programs to customers in named communities.	Page 7
2.	For CBIs 2 through 6, PacifiCorp must clarify how the targets stated in the CBI description and associated specific actions target vulnerable populations and not just highly impacted communities.	Page 7
3.	For CBIs 4 regarding efficiency of housing stock and small businesses, including low-income housing, and CBI 7 regarding indoor air quality, PacifiCorp must clarify the goal or target to improve these benefit indicators because it is unclear across the description of the CBIs and in the specific actions whether it is aimed at improvements versus just tracking numbers.	Pages 7–8
4.	For CBIs 8 related to disconnections and CBI 9 related to outages, PacifiCorp must state a goal and associated specific action in its CEIP to maintain or increase the benefits associated with these CBIs.	Page 8
5.	PacifiCorp must explain why it is unfeasible to incorporate into its CBIs Joint Advocates' recommendations related to: 1) distributed generation resources in named communities; 2) community employment opportunities; 3) targeting reductions in energy burden in named communities; 4) increasing transit electrification; 5) reduction of arrearages; 6) decreasing disconnections; and 7) reducing or maintaining reductions in outages.	Pages 8–12
6.	When analyzing the specific actions for their expected outcomes on the CBIs, PacifiCorp must analyze each specific action through each of the CBIs and explain how they expect the action will affect each CBI. If a CBI is not applicable, PacifiCorp must explain why. In addition, PacifiCorp must describe how each specific action will mitigate risks to named communities and demonstrate how it is planning to meet the CETA standards at the lowest reasonable cost.	Page 12
7.	PacifiCorp must explain why the 13 percent and three percent contingency generation values are appropriate, and whether these values are expected to carry forward into the 2022 all-source request for proposal (2022AS RFP).	Pages 12–13
8.	PacifiCorp must specify whether it has sold any of the renewable energy credits (RECs) attributable to facilities that PacifiCorp considers to be non-emitting.	Page 13
9.	PacifiCorp must clarify to bidders in the 2022AS RFP that the bidders must explain in detail the basis for its self-grading with regard to PacifiCorp's proposed CBIs.	Page 13
10.	PacifiCorp must justify how any additional resources allocated to Washington customers through the 2022AS RFP provides benefits and reduces burden for named communities at the lowest reasonable cost.	Page 13
11.	PacifiCorp must explain why it is unable to offer a higher incentive for named community residential customers in this program versus other customers.	Page 13
12.	PacifiCorp will participate in any further discussions and/or workshops regarding incremental cost calculations and incorporate any changes necessary to their methodology.	Page 14
13.	PacifiCorp must engage with all of their existing advisory groups in future updates and CEIPs.	Pages 14–16

\*As mentioned in our comments, this is a preliminary list of conditions. We look forward to reviewing feedback from other stakeholders and may add or modify any conditions necessary.

\*\*Public Counsel would be willing to help facilitate this conversation at a future EAG meeting, and hope to work collaboratively with PacifiCorp to provide the proposed CBI information to its EAG.