



# ATTORNEY GENERAL OF WASHINGTON

Public Counsel

800 Fifth Ave • Suite 2000 • MS TB-14 • Seattle WA 98104-3188 • (206) 464-7744

May 6, 2021

**SENT VIA WUTC WEB PORTAL**

Mark L. Johnson  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P. O. Box 47250  
Olympia, Washington 98504-7250

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COMMISSION

Re: Puget Sound Energy 2021 Final Integrated Resource Plans for Electricity and Natural Gas, Dockets UE-200304 and UG-200305

Dear Mr. Johnson:

The Public Counsel Unit of the Washington State Attorney General's Office ("Public Counsel") respectfully submits these comments in response to the Commission's Notice of Opportunity to File Comments, issued on April 6, 2021. These comments are in response to Puget Sound Energy's (PSE) filing of its Final Integrated Resource Plan (IRP). Public Counsel appreciates the opportunity to comment.

***Public Counsel's Recommendation***

Public Counsel recommends the Commission acknowledge PSE's Final 2021 Integrated Resource Plan.

**A. Public Participation**

Public Counsel believes PSE had a robust public participation process. Despite the challenges posed by the pandemic, we believe PSE significantly improved its public participation process compared to prior IRPs. Over the span of the IRP process, PSE held 13 public webinars, which were recorded and available to the public following the live meeting. PSE retained the services of a consulting firm, EnviroIssues, with the goal of keeping public input meetings transparent and inclusive, while keeping the Company on track with their agenda. PSE scheduled each of these meetings for several hours to allow time for live questions and comments. The Company also chose to use platforms such as GoToMeeting, which allowed for virtual participation, including the ability to make comments and ask questions through the chat function.

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PSE also made significant use of feedback forms. Overall, the Company received and responded to 303 stakeholder feedback forms with 683 stakeholder comments. Public Counsel believes this provided stakeholders with a helpful way to provide feedback, and created transparency because others could view these forms on the website. PSE tended to stick with their timeline for feedback, which was generally:

- One week before each meeting, PSE shared the meeting agenda, presentation, slides, and data attachments on the website. Stakeholders could begin submitting feedback via the feedback forms. All the comments were collected three days in advance of each webinar and were reported and potentially discussed at the webinar. Public Counsel believes that it was helpful for stakeholders to review the information prior to the webinar to prepare comments or questions in advance.
- One day after each meeting, a recording of the webinar and the transcript of the chat was posted to the website. This allowed more stakeholders to be involved if they had conflicts with the meeting time, and was valuable for stakeholders to review at a later time if there were questions surrounding the topic that day.
- One week after each meeting, the feedback forms related to the specific meeting topics were due. Public Counsel believed this provided an opportunity and enough time following the meeting to allow stakeholders to provide their feedback.
- Two weeks after each meeting, a feedback report of all comments collected from the feedback form, along with PSE's responses was shared with the stakeholders via the website.
- Finally, three weeks after each meeting, PSE provided a consultation update where they demonstrated how stakeholder feedback was applied. Public Counsel believes this helped show participants exactly how PSE used stakeholder feedback. In the past, stakeholders have expressed frustration that PSE has not listened, or does not take recommendations of the stakeholders. Public Counsel believes the consultation update has helped show PSE's commitment to consider stakeholder input. Overall, 43 scenarios and portfolio sensitivities were developed in partnership with the IRP stakeholders.

Interested stakeholders could also sign up to receive emails and reminders of the upcoming IRP meetings, which were helpful in keeping people engaged and up-to-date, especially with the virtual space we are in due to COVID-19.

While we commend the Company for their robust public participation process, there is always room for improvement. As Staff mentioned in their comments on PSE's Draft IRP, they received some feedback that PSE at times synopsised their questions and comments and sometimes provided generalized responses to questions, which were not sufficiently detailed or relevant. We also agree that this did occur at times, and believe the Company can work to improve how to respond to questions, whether it be in real time or providing more information in a follow-up. We also strongly encourage PSE file a more complete draft IRP for its next cycle, to give

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stakeholders ample time to review, analyze, and provide feedback on as complete a draft as possible prior to the filing of the final IRP.

As PSE states in their Final IRP, public involvement will continue to increase as PSE applies lessons learned from the IRP to development of the CEIP, expands public participation in the delivery system planning process, and establishes an Equity Advisory Group to advise PSE as it works to ensure all PSE customers benefit from the transition to clean energy. Public Counsel looks forward to working with PSE to ensure the public participation process is transparent and inclusive. Public Counsel has heard concerns from stakeholders that they are not getting access to data they are interested in. We encourage the Company to be as transparent as possible and to share data with stakeholders to the extent such data can be shared. If the Company believes that data is confidential, Public Counsel would strongly recommend voicing this concern to stakeholders and determining if a non-disclosure agreement would be appropriate.

## **B. Preferred Portfolio**

Public Counsel believes that PSE's preferred portfolio complies with Clean Energy Transformation Act (CETA), statutory obligations, and PSE's beyond net zero carbon goals. The plan presented reflects changes and goals including:

- Significant investments in renewable resources;
- Accelerated acquisition or energy conservation;
- Increased use of demand response;
- Integration of distributed energy resources like residential solar and battery storage;
- Reduced reliance on short-term market purchases in response to the changing western energy market;
- Inclusion of alternative fuels to operate new generating plants.<sup>1</sup>

The preferred portfolio is a diverse mix of demand and supply side resources that meet the projected capacity, energy and renewable resource needs, and considers customer benefits. We want to highlight our support for PSE's reduced reliance on short-term market purchases as part of their long-term strategy. Public Counsel has been concerned with PSE's use of short-term market purchases in prior IRPs and, given the changing nature of the western energy market and volatility of prices, appreciates PSE's revised approach to market purchases.

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<sup>1</sup> PSE Final 2021 IRP at 1–3.

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### **C. Clean Energy Transformation Act (CETA) Compliance**

Electric utilities must meet the clean energy standards set by CETA at the lowest reasonable cost. The clean energy transformation standards state that:

- On or before December 31, 2025, each utility must eliminate coal-fired resources from its allocation of electricity to Washington retail electric customers;
- By January 1, 2030, each utility must ensure all retail sales of electricity to Washington electric customers are greenhouse gas neutral; and
- By January 1, 2045, each utility must ensure that non-emitting electric generation and electricity from renewable resources supply 100 percent of all retail sales of electricity to Washington electric customers.

Public Counsel believes that PSE has adequately planned to meet these CETA requirements by the statutory deadlines. While CETA contains an incremental cost of compliance mechanism that can be used for compliance purposes, PSE does not rely on the incremental cost of compliance mechanism to comply with CETA in this IRP. All clean energy transformation standards are being met with. Public Counsel acknowledges there are still several rulemakings through different state agencies including the Washington Utilities and Transportation Commission (WUTC), Department of Commerce, Department of Health, and Department of Ecology that are ongoing and implement key provisions of the statute.

### **D. Clean Energy Action Plan (CEAP) and Clean Energy Implementation Plan (CEIP)**

CETA introduced the Clean Energy Action Plan (CEAP) as a new aspect of the IRP designed to identify likely action over the next 10 years to meet the goals of CETA. This is the first IRP to include a CEAP. The CEAP also informs the Clean Energy Implementation Plan (CEIP), which develops specific targets, interim targets, and actions over a four year period. Public Counsel believes that PSE took some significant steps to achieve these new planning standards, but believes that it will evolve over time, and that they will be more robust in future IRPs.

CETA sets out new planning standards that require utility resource plans to ensure that all customers benefit from the transition to clean energy. To achieve this goal, PSE performed an Economic, Health and Environmental Benefits (EHEB) Assessment to provide guidance for development of their CEAP and CEIP. This identified highly impacted communities and vulnerable populations within PSE's service territory, and measured disparate impacts to those communities using specific customer benefit indicators.<sup>2</sup> PSE did solicit stakeholder feedback on the methodology and proposed benefit indicators to be used in the Assessment, but the Company recognizes the importance of developing a process in which all voices are included and heard,

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<sup>2</sup> *Id.* at 2–4.

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and acknowledges that the IRP public participation process is only the first step in seeking feedback on the Assessment, as many populations and communities are not represented in the IRP public participation process.<sup>3</sup> Public Counsel agrees that more public participation and input from underrepresented communities are needed, and anticipates PSE reaching more voices in future IRP cycles. PSE has taken several preliminary actions to ensure that all customers benefit from the transition to clean energy, including:

- Establishing the equity advisory group;
- Developing a public participation plan for the CEIP to obtain input on equitable distribution of benefits and burdens;
- Refining customer benefit indicators and metrics with the EAG and the CEIP public participation process;
- Updating the Customer Benefits Analysis to incorporate the customer benefit indicators and related metrics in the CEIP and future IRPs.<sup>4</sup>

Public Counsel believes PSE made a positive step in the direction of establishing these customer benefit indicators, but understands and expects them to change through further public participation and input from PSE's Equity Advisory Group.

#### **E. Public Counsel's Concerns**

Though Public Counsel is satisfied overall with PSE's IRP, we have a few concerns we wish to highlight. First, PSE identifies that critical peak pricing programs will be part of their demand response programs, but they do not describe the way these programs might be deployed.<sup>5</sup> Public Counsel is aware of PSE's efforts to pursue time-of-use pricing pilots, but it is not clear if critical peak pricing programs will be included in this pilot as well or if PSE has an understanding of how these type of programs will perform in its service territory and contribute to its demand response program.

Second, Public Counsel is also concerned about the in-service date of the Tacoma LNG facility. The IRP states that the Tacoma LNG facility has a planned in-service date of March 1, 2021,<sup>6</sup> and that it will be available for the winter of 2021–2022.<sup>7</sup> News reports indicate that the facility is not yet operating,<sup>8</sup> but PSE is relying on its operation. PSE's IRP does not clearly indicate how its analysis is impacted if the facility is not operating for the winter of 2021–2022. In the 2017

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<sup>3</sup> *Id.*

<sup>4</sup> *Id.* 2–5.

<sup>5</sup> *Id.* 3–17.

<sup>6</sup> *Id.* 9–24.

<sup>7</sup> *Id.* 9–5.

<sup>8</sup> Alexis Krell, *The Fight over Tacoma's Liquefied-Natural Gas Plan Continues. Will Permits be Upheld?* THE NEWS TRIBUNE, Apr. 13, 2021, 5:00 AM, <https://www.thenewstribune.com/news/local/article250617169.html>.

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acknowledgement letter, the Commission noted that PSE's "next IRP must address what the Company will do in the event the LNG plant or pipeline upgrades are significantly delayed or cancelled."<sup>9</sup> PSE's current IRP does not adequately address this concern, and we encourage the Commission to require PSE to address this issue.

Public Counsel appreciates the opportunity to submit these comments. If you have any questions about this filing, please contact Sarah Laycock at (206) 496-9989 or via e-mail at [Sarah.Laycock@atg.wa.gov](mailto:Sarah.Laycock@atg.wa.gov), or Stephanie Chase at 206-521-3212 or via e-mail at [Stephanie.Chase@atg.wa.gov](mailto:Stephanie.Chase@atg.wa.gov).

Sincerely,

*Lisa W. Gafken*  
/s/  
LISA W. GAFKEN, WSBA No. 31549  
Assistant Attorney General  
Public Counsel Unit Chief  
Lisa.Gafken@ATG.WA.GOV  
(206) 464-6595

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<sup>9</sup> Puget Sound Energy 2017 Electric and Natural Gas Integrated Resource Plan, Dockets UE-160918 & UG-160919, WUTC Revised Acknowledgment Letter Attachment at 15 (June 19, 2018).