



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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November 30, 2022

NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS
(Due by 5 p.m. Friday, December 30, 2022)

Re: Commission proceeding to develop a policy statement addressing alternatives to traditional cost of service ratemaking (Phase 1 – Performance Metrics),
Docket U-210590

TO ALL INTERESTED PERSONS:

Pursuant to Revised Code of Washington (RCW) 80.28.425, Legislative directive-2021 c 188, the Washington Utilities and Transportation Commission (Commission) is required to “conduct a proceeding to develop a policy statement addressing alternatives to traditional cost of service ratemaking, including performance measures or goals, targets, performance incentives, and penalty mechanisms.”

Phase 1 of this proceeding will establish design principles, regulatory goals, and outcomes related to performance-based regulation, as well as identify performance metrics or measures.¹ The Commission is currently working to identify a set of draft performance metrics for inclusion in the proposed policy statement but first seeks additional feedback on the metrics discussed at the November 7, 2022, workshop. At the end of Phase 1, the Commission anticipates it will issue a policy statement by April 2023 that incorporates feedback from interested persons on these issues.

Subsequent phases (Phases 2-5) are described in the performance-based regulation [workplan](#).²

The Commission is seeking public comments to confirm feedback on the metrics discussed at the November 7, 2022, workshop. The edits below display feedback received on each metric at the November 7, 2022, workshop. In your comments, please verify that the edits accurately reflect the thoughts and perspectives shared at the workshop, and please provide feedback on the best way to incorporate (or not incorporate) these potential revisions.

¹ RCW 80.28.425 uses the term “measure.” The Commission uses the terms “metric” and “measure” interchangeably.

²<https://apiproxy.utc.wa.gov/cases/GetDocument?docID=29&year=2021&docketNumber=210590>.

Draft Metrics (32)

	Metric title	Metric calculation
Goal 1: Resilient, reliable, and customer-focused distribution gridsystem		
Outcome 1: Ensure utility responsiveness to customer outages and restoration times.		
1	Equity in Reliability (SAIDI <u>and CAIDI</u>) for Named Communities and Non-named Communities.	Sum all customer interruption minutes for interruptions greater than 5(?) minutes for one year and divide it by the average annual customer count. Provide this calculation for the service territory as a whole and separately for Named Communities. <u>Not applicable to gas. With and without major event days?</u>
2	Equity in Reliability (SAIFI <u>and CAIFI</u>) for Named Communities and Non-named Communities.	Sum the total number of all customer interruptions for interruptions greater than 5(?) minutes for one year and divide it by the average annual customer count. Provide this calculation for the service territory as a whole and separately for Named Communities. <u>Not applicable to gas. With and without major event days?</u>
3	Equity in Reliability: length of power outages	Average and median length (in minutes) of power outages per year, separately calculating Named and Non-named Communities for comparison. <u>Not applicable to gas. With and without major event days?</u>
4	Historically Worst Performing Circuits	The 10 worst performing circuits in any given year separately by both frequency and duration. In addition, of the 10 worst performing circuits (separately by frequency and duration), the number of years over the past five years that a circuit has appeared on the list. <u>Not applicable to gas.</u>
Outcome 2: Utilities are prepared for and respond to outages and other impacts caused by cyber- attacks, significant events, wildfires, storms, extreme weather events, and other natural disasters.		
5	Wildfire Avoidance	Number of utility-caused wildfires, ignitions (that do not result in wildfires but could have), and risk events (event with probability of ignition – <u>need definition</u>). <u>Not applicable to gas. Maybe worth including input metrics. CA has wildfire mitigation handbook with definitions; WA does not. Maybe worth measuring events that increase wildfire risk.</u>
6	Response Time to Natural Gas System Emergencies	Average and median length (in minutes) from customer call to arrival of field technician in response to natural gas system emergencies. <u>Maybe worth including input metrics (e.g., # employees attending emergency response training). Suggestion to add outage duration.</u>
Outcome 3: Resilient infrastructure and service, including distributed energy resources, to enable customers to maintain essential functions during times of potential outages.		
7	Equity in Resilience Investments	Percent of proposed resilience projects in Named Communities that are completed every year, compared to a proposed projects list that is approved/ <u>communicated (need definition/process)</u> by the Commission. <u>3 numbers—numerator, denominator, and percentage. Suggest to measure % spending in named communities instead of % projects. Focus is impact of projects and spending.</u>
8	Customers Experiencing Multiple Interruptions (CEMI) for Named and Non-named Communities	Average number of outages for customers experiencing multiple interruptions. Total number of customers that experience more than three sustained interruptions divided by the total number of customers served. Provide this calculation for the service territory as a whole and separately for Named Communities. <u>Suggest range of values, similar to</u>

		metric #9.
9	Customers Experiencing Long Duration Outages (CELID) for Named and Non-named Communities	Number of customers experiencing more than X hours of interruptions per year/total number of customers served, providing separate calculations for X = 0 through X = 8. Provide this calculation for the service territory as a whole and separately for Named Communities. Need to define what X should be. Suggest multiple values; consider a “X days” value.

Goal 2: Customer Affordability		
Outcome 1: Reduce energy burden for customers experiencing high energy burden, especially those in Highly Impacted Communities, Vulnerable Populations, and low-income customers.		
10	Arrearages by Month (reported quarterly)	Arrearages by month, by class, measured by zip code - to include 30+, 60+, and 90+ days arrears for total company, and electric and natural gas stated separately for dual fuel utilities. Suggest census tracts rather than zip codes.
11	Percent of Customers in Arrears with Arrearage Management Plans	Number of residential customers, by zip code, in arrears with arrearage management plans (AMPs)/Total customers in arrears 60+ (90+, 30+?) days. Suggest census tracts rather than zip codes.
12	Customer Disconnections and Reconnections	Number and percentage (need both?) of (1) disconnect notices, (2) residential disconnections for nonpayment, and (3) reconnection, each broken out by month and zip code, for known low-income households, Highly Impacted Communities, and Vulnerable Populations, for total company, and electric and natural gas service stated separately (challenge to do this) for dual fuel utilities. Suggest census tracts rather than zip codes.
13	Average Energy Burden	Annual residential bill/average area median income by zip code for all customers, comparing outcomes in Non-named Communities with Named Communities, with electric and natural gas service stated separately for dual fuel utilities. Suggest also % or # customers experiencing high energy burden. Suggest measuring excess burden. Consider burden as total of all fuel sources (electric and gas) for dual-fuel; but suggest separate reporting by fuel is still needed. Suggest census tracts rather than zip codes.
Outcome 2: Maximize utilization of cost-effective distributed energy resources and grid-enhancing technologies.		
14	Net Benefits of DERs and GETs	Net present value of benefits (need definition of benefits) and cost-effectiveness ratio of distributed energy resources and grid-enhancing technologies (need definitions) , as measured through a Commission approved cost-benefit analysis (<i>e.g.</i> , docket 210804).
15	DER Utilization	Count of MWh and MW provided by each cost-effective DER programs, and Percentage of MWh and MW provided by each cost-effective DER program as a total of MW demand. Suggest there may be reasons to deploy DER other than cost-effectiveness. Clarify enrollment vs utilization (suggest we need both). Revised: Energy and capacity of all applicable DERs and percentage

		<u>of that energy and capacity utilized annually</u>
Outcome 3: Maximize the benefit and efficiency of the energy assistance process so that support can be provided to customers based on the program resources available.		
16	Percent of Utility Assistance Funds Dispersed	Utility rate-based <u>customer-funded</u> assistance funds spent/Annual budget for utility rate-based <u>customer-funded</u> assistance. <u>May need to be presented with context; may be good reasons for a decrease year-over-year.</u>
Outcome 4: Lowest reasonable cost compliance with public policy goals and environmental requirements.		
17	Incremental Cost	For electric, as calculated and reported in utility filed CEIP. For natural gas, lowest reasonable cost of compliance with CCA. <u>Suggest metric on geographic distribution of costs. May need to incorporate equity at some point.</u>
Outcome 5: Increase awareness of and equitable access to utility services, assistance, education, and benefits for all customers, with a focus on Highly Impacted Communities, Vulnerable Populations, and low-income customers.		
18	Availability of Materials in Multiple Languages	Percentage of utility engagements <u>(needs more definition/too broad)</u> — including workshops, mailers, and community meetings — offered in multiple languages or with translation services. <u>Suggestion to measure quality/meaningfulness of engagement.</u>
19	Customer Awareness of Services/Assistance	Percent of customers in Named Communities stating that they are “somewhat aware of” or “very aware of” utility specific utility services and assistance programs. <u>Would need new survey/tool—comes at a cost; suggest it should be recoverable.</u>
20	Customers Who Participate in One or More Bill Assistance Programs	Unique number of low-income customers who participate in at least one bill assistance program/vetted <u>(definition?)</u> estimate of total number of low- income customers that qualify for bill assistance. <u>Consider participation in other programs/services as a result of awareness and access.</u>

Goal 3: Advancing equity in utility operations		
Outcome 1: Equitable and diversity-focused utility hiring, promotion, and vendor selection practices.		
21	Workplace Diversity	Percentage of employees and senior management (separately identifying: (a) C-suite employees and (b) directors and employees more senior than directors) who identify as: (i) a person of color; and/or (ii) a woman or non-binary.
22	Supplier Diversity	Percentage of suppliers that are self-identify as owned by people of color, women, and other marginalized groups certified with the Washington State Office of Minority and Women’s Business Enterprises , and total dollars awarded to suppliers <u>self-identifying as</u> owned by people of color, women, and other marginalized groups certified with the Washington State Office of Minority and Women’s Business Enterprises . <u>Suggest also including veteran-owned businesses (utilities do track this). Percentage of dollars awarded to suppliers self-identifying as owned by people of color, women, and other marginalized groups of total dollars awarded to suppliers.</u>
Outcome 2: Ensure that utility operational and investment decisions promote equitable service that does not unfairly harm or disadvantage Highly Impacted Communities, Vulnerable Populations, and low-income customers.		

23	Annual Incremental Investment Spending	Total amount of capital or operational expenditures that benefit Highly Impacted Communities or Vulnerable Populations in the current year/the amount of capital or operational expenditures that benefit Highly Impacted Communities or Vulnerable Populations in the previous year. <u>Would need definition/process for how to determine which dollars go to HIC or VP; may be difficult to do. Suggestion to redefine on a per customer basis. Does this include non-enrollment transportation electrification investments?</u>
24	Percentage of Non-pipeline and Non-wires Alternative Spending	Total investment in non-pipeline or non-wires alternative programs targeted in Highly Impacted Communities or on Vulnerable Populations/Total investment in non-pipeline or non-wires alternative programs, separately calculated for dual fuel utilities. <u>Suggest total projects or total # of wired solutions deferred.</u>
Outcome 3: Equitable access to all utility energy programs, including those related to energy efficiency, demand response, and distributed energy resources.		
25	Equity in DER Program Enrollment	Number of customers in Named Communities or low-income customers enrolled in each utility distributed energy resource programs (providing a separate calculation for energy efficiency, electric transportation vehicle , net metering, and demand response)/total customers enrolled in each program. <u>Add # of customers enrolled/# of eligible customers for additional context. May need electric and gas specific definitions for DER programs.</u>
26	Equity in DER Program Spending	Separately calculated percentage of utility spending on distributed energy resources for energy efficiency, electric vehicle, net metering, demand response, and renewables that benefits Named Communities as compared to Non-named Communities. <u>May need electric and gas specific definitions for DER programs.</u>
Outcome 4: Ensure active and meaningful utility engagement with communities, including Highly Impacted Communities, Vulnerable Populations, and low-income customers such that their input is considered in utility planning processes.		
None selected – Hold for Policy Statement – <u>EEP Report and Justice 100 may have reportable metric that could be included</u>		

Goal 4: Environmental improvements		
Outcome 1: Reduce pollution burden and pollution exposure with a focus on communities with elevated exposures to health hazards, including Highly Impacted Communities, Vulnerable Populations, and low-income customers.		
27	Energy-related Air Quality Emissions	Annual criteria air pollutant (CO, Pb, NOx, O3, PM10, PM2.5, and SO2) and toxic air pollutant (Hg) emissions associated with utility generation, transmission, and distribution operations (including customer direct use) for the following geographies: <ul style="list-style-type: none"> • Across the utility’s service territory, • By census tract within the utility’s service territory, and • <u>In Named vs. Non-named Communities within the utility’s service territory.</u> <u>Suggest this needs reworking through discussion with environmental impact experts. Should also consider generation sources located outside service territory but serving load in territory. Also consider benzene from gas use.</u>

28	Utility Fleet Tailpipe Emissions Reductions	Utility vehicle fleet tailpipe emissions and other impact (e.g., noise) reductions by vehicle type (light-, medium-, and heavy-duty) that may regularly (need definition; could include whole fleet) operate in Named Communities, according to the utility’s adoption of low- and zero- emissions vehicles, using the utility’s 2022 (suggest different year due to COVID impacts; could use “previous year”) fleet composition as baseline. Report total and reduction compared to baseline?
Outcome 2: Cost-effective alignment of load with clean energy generation and storage through load management, energy efficiency measures, and demand response.		
29	Utility Electric -Load Management Success	Energy and capacity of load reduced or shifted, and percent of load reduced or shifted, through load management, storage, energy efficiency, and demand response activities conducted by the utility, by activity (e.g., demand response versus energy efficiency). May need separate definitions for electric and gas. Should include management of transportation electrification loads, including bidirectional charging capabilities.
30	DER GHG Reductions	Greenhouse gas reductions from DER programs (energy efficiency, electric vehicle, net metering, and demand response). Reporting all programs in aggregate, or split out by program type? Method for measuring this could be difficult. Consider cumulative versus incrementally.
Outcome 3: Accelerate the cost-effective achievement of Commission or state public policy goals and statutes, including the reduction of greenhouse gas emissions.		
31	Greenhouse Gas Reductions per Dollar	Greenhouse gas reductions per dollar spent on programs and investments that reduce greenhouse gas emissions. Need definition of qualifying programs. Suggest comparison to linear glidepath.
32	Total Greenhouse Gas Emissions	Carbon intensity by CO ₂ e (metric tons of CO ₂ and CO ₂ -equivalent emissions) and CO ₂ e/customer associated with utility generation, transmission, and distribution operations (including customer direct use), and CO ₂ e/therm for gas utilities and in CO ₂ e/MWh and CO ₂ e/MW for electric utilities (dual-fuel utilities must report both separately). Suggestion to edit to include PPAs and market purchases. Also specify to include leakages for gas utilities.

WRITTEN COMMENTS

The Commission provides notice that interested persons may file comments in this Docket by 5 p.m. on Friday, December 30, 2022.

Pursuant to WAC 480-07-250(3), written comments must be submitted in electronic form, specifically in searchable .pdf format (Adobe Acrobat or comparable software). As provided in WAC 480-07-140(5), those comments must be submitted via the Commission’s web portal at www.utc.wa.gov/e-filing. If you are unable to submit documents via the portal, you may submit your comments by email to the Commission’s Records Center at records@utc.wa.gov or by mailing an electronic copy to the Commission’s Records Center on a flash drive, DVD, or compact disc that includes the filed document(s). Comment submissions should include:

- The docket number of this proceeding (Docket U-210590).
- The commenting party’s name.
- The title and date of the comment or comments.

The Commission will post on its website all comments that are provided in electronic format. The website is

located at <https://www.utc.wa.gov/casedocket/2021/210590>.

If you are unable to file your comments electronically the Commission will accept a paper document by mail.

If you need translated materials, please contact records@utc.wa.gov or call (360) 664-1234.

STAY INFORMED OF THIS PROCEEDING

Information related to this proceeding, including participant comments, will be posted on the Commission's website as it becomes available. Persons filing comments in response to this Notice will receive future communications the Commission issues in this Docket. If you do not file comments but wish to receive such information you may contact the Commission's Records Center by telephone at (360) 664-1139 or by email at records@utc.wa.gov and ask to be included on the mailing list for Docket U-210590.

When contacting the Commission, please refer to Docket U-210590 to ensure that you are placed on the appropriate service list. The Commission's mailing address is:

Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
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If you have questions regarding this workshop, you may contact Assistant Policy Director, Melissa Cheesman, at melissa.cheesman@utc.wa.gov or (360) 489-5270.

AMANDA MAXWELL
Executive Director and Secretary