EXH. MT-CT-1T
DOCKETS NOS. UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: MARIEL THURAISINGHAM AND
CHARLEE THOMPSON

BEFORE THE WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION Complainant, v. PUGET SOUND ENERGY Respondent.	DOCKET NOS. UE-240004 and UG-240005 *(Consolidated)*

RESPONSE TESTIMONY (NONCONFIDENTIAL)

OF

MARIEL THURAISINGHAM AND CHARLEE THOMPSON

ON BEHALF OF

JOINT ENVIRONMENTAL ADVOCATES

August 6, 2024

JOINT ENVIRONMENTAL ADVOCATES

RESPONSE TESTIMONY (NONCONFIDENTIAL) OF MARIEL THURAISINGHAM AND CHARLEE THOMPSON

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I. INTRODUCTION

Q. Ms. Thuraisingham, please state your name, job title, and business address.

A. I am Mariel Thuraisingham, and I serve as the Clean Energy Policy Lead with Front and Centered, located at 2800 1st Avenue, Suite 201, Seattle, WA 98121.

Q. Please describe your background and expertise.

A. In my role as the Clean Energy Policy Lead with Front and Centered, I support our coalition's mission to center the interests of Black, Indigenous, and People of Color ("BIPOC"), frontline, and low-income communities in environmental and climate policy. My work focuses on legislation and regulatory oversight of utilities and seeks to ensure that energy system management advances a just and equitable transition to clean and affordable energy for all in Washington.

I have appeared before the Washington Utilities and Transportation Commission ("UTC" or the "Commission") to advocate for equity in rulemakings and other orders directing energy utilities in matters that impact the well-being of customers and communities largely underrepresented in decision-making. I joined Puget Sound Energy's General Rate Case (UE-220066) as a co-party with the same collective also appearing in this case as the Joint Environmental Advocates. I have also previously submitted witness testimony in the adjudication of PSE's Clean Energy Implementation Plan. Every appearance and submission I have made in this regulatory forum is informed by the knowledge and experience of community leaders in our coalition. Additionally, I served on several advisory groups that address issues of equity in the utility and clean energy space, including committees

addressing rulemaking and implementation guidance for utilities under the Clean Energy Transformation Act ("CETA"). I have collaborated with the Initiative for Energy Justice, ACEEE, Energy Equity Project, and Just Solutions Collective Energy Research Collaborative alongside energy justice advocates with local, national and global perspective on a just and equitable energy transition. I am therefore qualified to speak to the matters raised in this testimony. My CV is included as Exh. MT-CT-2T.

Q. Ms. Thompson, please state your name, job title, and business address.

A. My name is Charlee Isabella Thompson, and I am a Policy Associate at the NW Energy Coalition ("NWEC" or the "Coalition"). My business address is 811 1st Ave., Suite 305, Seattle, WA 98104.

Q. Please describe your background and expertise.

A. As a Policy Associate with NWEC, I support the Coalition's policy, regulatory, and legislative work in Washington. My portfolio at NWEC includes issues that impact low-income customers and underserved communities, distributed energy resources policy, and utility implementation of the Clean Energy Transformation Act. I serve on PSE's Low-Income Advisory Committee ("LIAC") as well as the LIACs of PSE's four peer investor-owned utilities ("IOUs"). Since July of 2022, I have helped to develop the new bill discount rate ("BDR") programs of Puget Sound Energy ("PSE"), Avista, and Cascade Natural Gas ("CNG") as well as the arrearage management programs ("AMP") of Avista and CNG. I sit on the Washington State Department of Commerce Technical Advisory Group that

advises the state on the development of its low-income energy assistance biennial report and have recently advocated for a low-income track in PSE's targeted electrification pilot. In my previous role with The Energy Project ("TEP"), I advocated for low-income utility customer interests in Clean Energy Implementation Plans and supported the development of TEP's policy positions in rulemakings in dockets U-200281 and U-210800.

My background and first-hand experience are the basis for my expertise and qualifications to testify as an expert on the issues raised in my testimony. I have a B.S. in Civil Engineering from the University of Illinois at Urbana-Champaign and a M.P.A. in Environmental Policy from the University of Washington. My CV is included as Exh. MT-CT-3T.

Q. On whose behalf are you testifying?

A. We are testifying on behalf of the Joint Environmental Advocates (JEAs), including Front and Centered, NW Energy Coalition, and Sierra Club.

Q. Please summarize your testimony.

A. In our testimony, we urge the Commission and PSE to join us in collective action to achieve the goal of a just energy transition which requires utilities to learn from and implement the tenets of energy equity; and we encourage the Commission to aid the Company in the determination of how to align their own revenue mechanisms with the system- and societal-wide value of elevating the principle of universality in resource and process sustainability and sufficiency. Additionally, we review and offer perspective on PSE's equity-related testimony and offer

recommendations on how it can improve. Lastly, we offer a look forward to the future, especially as to how to use performance based ratemaking tools to advance equity goals.

I. DEFINING ENERGY EQUITY

Q. What is energy equity and energy justice?

A. Utilities have the privilege and responsibility to serve energy for our use. We the people have the great privilege and responsibility to use energy to meet the needs of our survival. The service and consumption of energy claim a critical role in the cycle and definition of our energy system. We invite PSE, the Commission, and all interested stakeholders to continuously engage in the work of exploring what energy is and why we need to better protect the privilege of life and purpose that it supports.

With lives on the line, equity and justice must feature deeply in an energy system that is not only strong, but also good. Energy justice is the work of ensuring that everyone can enjoy the benefits of a good energy system, recognizing that the work will require a significant investment in addressing the legacy and reality of systemic racism and disenfranchisement in every component of that system. Energy equity is a tool, a permit, and a charge to fix the harms of the system and remake it to operate better.

Utilities own and operate an outsized proportion of the system and, from their unique position, they should apply and prioritize equity so that energy consumers and communities benefit from the transformation of an outdated,

polluting, extractive, and differentially accessible yet indiscriminately consequential energy system to one that equitably meets our needs and does no harm. Energy utilities must endorse and act for a just energy transition.

Q. How should a just energy transition be structured?

A. A just energy transition is a process that puts people first in moving away from a harmful reliance on fossil fuels and towards clean and renewable resources. It is also the opportunity to transition away from practices that disproportionately burden BIPOC and low-income communities and towards a model system that allocates resources and power sharing to benefit those communities.

Q. Is that process underway in Washington?

A. Yes. Washington is undergoing a transition process away from harmful fossil energy and towards clean energy. The state has taken steps to determine how to effectively achieve environmental and climate goals while proactively addressing the inequity in the system and ensure that this transition does not inequitably impose harm and costs. Drawing from the work of the University of Michigan's Energy Equity Project, the Commission has adopted four tenets around which the just energy transition can be framed: recognition justice, restorative justice, procedural justice, and distributive justice.[1] How utilities work towards a just transition will require recognizing the inequities that are endemic in the system, taking restorative beneficial action on the health and well-being of those most harmed, ensuring that decision-making processes are fairly determined, and that

[1] Wash. Utils. and Transp. Comm'n, Docket No. A-230217 (March 2023).

the benefits of the system are equitably distributed. IOUs are particularly positioned to shift away from a corporate transactional model of business that leads with the bottom line and instead take on the work of being proactively responsive to the many opportunities to lead with equity.

Q. What role does recognition of historic and structural racism play in an equitable energy transition?

A. Recognizing deep structural inequities in the system is a critical early step in adopting a more equitable and just management of the resource, transmission, and servicing of energy. Specifically, systemic racism is readily seen in the data of who utility customers are and how they live. Housing quality, grid quality, and other buildings and infrastructure are consistently worse in neighborhoods where communities of color and recent immigrants make up a larger proportion of the population.[2] This is largely due to discriminatory historical housing practices such as redlining.[3] A typical and brutal reality in many areas is that lower housing quality correlates with higher energy burden and greater energy insecurity and

[2] Ann M. Brockway, et al., *Inequitable access to distributed energy resources due to grid infrastructure limits in California*, Nature Energy, Sept. 13, 2021, https://www.nature.com/articles/s41560-021-00887-6; Phillip Warsaw, et al., *The Intersections of Energy and Housing Justice: Lessons from the COVID-19 Pandemic*, Environmental Justice, Vol. 12, No. 2, Apr. 19, 2024, https://www.liebertpub.com/doi/abs/10.1089/env.2022.0082?journalCode=env; Benjamine Goldstein, et al., *Racial inequity in household energy efficiency and carbon emissions in the United States: An emissions paradox,* Science Direct, Vol. 84, Feb. 2022, https://www.sciencedirect.com/science/article/pii/S2214629621004552; Ariel Drehobl, et al., *How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden across the United States,* p. 3, ACEEE, Sept. 2020, https://www.aceee.org/sites/default/files/pdfs/u2006.pdf.

[3] Benjamin Goldstein, et al., *Racial inequity in household energy efficiency and carbon emissions in the United States: An emissions paradox,* Science Direct, Vol. 84, Feb. 2022, https://www.sciencedirect.com/science/article/pii/S2214629621004552.

vulnerability to the risk of being shut out of the system entirely – as is noted for example in Minnesota where customers from the largest IOU in communities of color are three times more likely than others to have their electricity cut off. That held even when accounting for income, poverty level, and homeownership.[4] While there are fewer overtly racist policies today, there remains a persistent problem of access to fair compensation for sellers of color or to any form of financial assistance for buyers being racialized with evident patterns of discriminatory treatment. People relegated to lower quality housing due to income and the pressures of structural racism occupy inefficient housing stock on average, leading to higher energy bills for less energy benefit and with fewer resources to pay. This ultimately leads to disproportionate energy burden.

Q. How should utilities go about addressing these structural problems?

A. Utilities must continue to name and understand the problems and develop solutions. They must continue to invest in collecting data about named communities and their burdens and vulnerabilities and use that data to design appropriate interventions. PSE has begun to do some of this. From the Low-Income Needs Assessment to the Energy Burden Analysis, PSE is learning about what customers need in order to be able to continuously access the energy they need without bearing a disproportionate burden. Additional externally reported and

[4] Bhavin Pradhan, et al., *Racial and Economic Disparities in Electric Reliability and Service Quality in Xcel Energy's Minnesota Service Area*, University of Minnesota, Feb. 2024, https://conservancy.umn.edu/server/api/core/bitstreams/dcf87529-6414-4227-880f-a53db985661e/content

internally held customer data are influencing utility offerings tailored to particular customer communities. Without being a pure data shop, PSE is modeling important action on being an informed agent of transition. At the same time, PSE can do better still to utilize data about the who and how of customer energy use.

Q. How should the Commission view the costs and benefits of investments in the energy system?

A. Energy use relates to many dimensions of communal and individual well-being, purpose, and identity, but that does not mean that every investment in the energy system is good or self-justified. Every dam, transmission line, powerplant, pipeline, substation, etc. is a development that comes at costs to someone beyond the public and private capital investment. These can include harms to fishing practices and cultural heritage sites for Indigenous peoples, displacement and health impacts for local communities, pollution from extraction and development processes, and ecological disruption harming wildlife and the natural environment. Historical utilities were charged with sourcing and supplying energy services for all, and that was enough. Today the charge, in statute and practice, is to more carefully balance the benefits and harms, particularly in the context of an equitable energy transition. Regulators must scrutinize how well utilities are weighing the costs and the benefits of expansion against the backdrop of historical inequities and through the forward-looking lens of how decisions today must mitigate immediate harms and secure positive impacts in the long run. Accordingly, when a utility proposes to do more (for example, new development, especially of controversial

projects like renewable natural gas or hydrogen) in order to make more (more revenues, more profits), that scrutiny must be even higher.

Q. Why is it important to recognize historic and ongoing harms from development of the energy system?

A. Naming and recognizing these harms is the knowledge on which restoration and healing is built. Recognition is the start of accountability for those harms. Recognition is also centering the personhood of those most impacted by and remaining in the pernicious cycle of poverty and marginalization that feeds off false trichotomies pitting equity against economy against Earth/ecology.

When people benefit from secure access to the energy they need to survive and thrive, when they are protected from disconnections and high energy burden, and when they see the responsibility for the burdens they experience assigned to the appropriate agents, their personhood is affirmed. That recognition is fundamental to a universal right to energy intrinsic in our most basic rights and liberties.

Q. How does recognition lead to restoration?

A. As a utility recognizes the impacts of the system and its role, and it determines that solutions are in order (either per legal mandate or per shifting social norms and expectations), it must apply principles of restoration in planning towards solutions. Restoration is taking what is learned from the recognition process, distilling it down to the core elements of the impacts, and designing solutions by privileging and uplifting the character of those most historically directly harmed. In

restoration, utilities must set goals and plan how to reach them. And this must be done in collaboration with named communities. As much as a utility is an agent of transition, they are also the institutional and cultural space for establishing community and institutional benefits in emergent projects and programming essential in a successful just energy transition. The UTC also plays a vital role in guiding utilities through restoration and holding them accountable to their set goals, plans, and collaboration.

Restoration is the orientation by which the equitable clean energy transition is designed. The actual success of a just transition comes down to the distribution of benefits. In working towards solutions, we must (1) identify and value all benefits and (2) ensure their equitable distribution.

Material energy benefits include things from efficient light bulbs to weatherization and deep retrofits. Public health benefits include things like improved indoor air quality, lower ambient pollution, and better safety and wildfire mitigation measures. Security and access benefits include more and better assistance, as well as fewer penalties due to affordability and timely payment struggles. Socioeconomic benefits include property value, lower costs to workforce opportunities, and new and diverse project partnerships. Community benefits include co-governance opportunities and collaboration. Psychosocial benefits arise from outreach and engagement for trust-building and knowledge sharing. Climate benefits arise from inclusive and equitable participation in diversified clean and renewable resources.

Universalizing justice benefits arise where everyone is better off because the interests of named and recognized communities are centered and their voices are uplifted. Recognition and restorative justice are intertwined, and at their core is distributive justice.

Q. Are there any tools or knowledge available to assist in empowering named communities to be centered and active in their beneficial engagement in the just transition?

A. Yes. The Washington Department of Health's Environmental Health Disparities ("EHD") Map/Cumulative Impact Analysis is one key tool for this purpose.[5] The EHD map compares communities across Washington at the census tract level for environmental health disparities and indicates which census tracts are designated as highly impacted communities under CETA.

This and other environmental impact maps are developed to make it easier to see how geographic and demographic communities are differently experiencing harm. Household, customer, and community-data sourced from the Census, data companies, and other record banks provide further useful information about income, education, race and ethnicity, education, resident status, language proficiency, housing stock, housing ownership or tenancy, household size, fuel types, and proximity to sources of harmful health impacts. Washington tools, other states' maps (e.g., CalEnviroScreen, Colorado EnviroScreen), and national

[5] *Washington Environmental Health Disparities Map*, Wash. State Dept. of Health, https://doh.wa.gov/data-and-statistical-reports/washington-tracking-network-wtn/washington-environmental-health-disparities-map, (last visited Aug. 6, 2024).

databases and maps (e.g., Environmental Protection Agency's EJScreen, Department of Energy's Low Income Energy Affordability LEAD tool, and the Council on Environmental Quality's Climate and Economic Justice Screening Tool) all demonstrate racial disparities in health, socioeconomic power, and access to opportunity.

Beyond mapping tools, parties must rely on community knowledge that is qualitatively discussed, observed, and lived. The work of distributive energy justice is to take this invaluable knowledge and bring it squarely in the middle of utility work. Targeted electrification pilots and subsequent permanent programs can reach tens of thousands of households with a prioritization for participants from named communities. Distributed energy resource projects are designed in consultation and collaboration with community partners representing a known and vulnerable or overburdened group. Customer communications about the economic and health benefits of shifting away from gas heating and cooking and the available subsidies and programs to make it happen are produced in multiple languages, and related partnerships are endeavors with contractors who are culturally competent and from communities underrepresented in the industry.

Utilities are in a unique position to lead with the public interest in clean energy job creation and economic stimulus, and this can be undertaken first and foremost in disadvantaged areas. Existing buildings, such as schools and libraries, can be identified through community collaboration as new sites for clean energy projects with job apprenticeship programs to train youth and community members

wrapped into the planning. Moreover, energy infrastructure must be designed around resilience, particularly near and with communities with limited resources and adaptive capacity and outsized exposure to climate-related risks. Frontline protections built to last alongside and within new development will allow communities to withstand extreme weather events and continuously access renewable energy in times of crisis.

Q. Who should be responsible for this process?

A. The process for identifying and distributing benefits is a collective one, with utilities, the Commission, and various stakeholders all playing a role. That said, utilities have an outsized degree of ownership because they control most of the resources and actions pertaining to these benefits, including, but not limited to: setting targets, planning and modeling, budgeting and investing, building a workforce, tracking progress, advancing equity internally, conducting outreach, democratizing governance, and more.

Furthermore, determining how to undertake an equitable distribution of benefits is part of compliance with CETA, which all electric utilities most uphold under the guidance and oversight of regulatory authority. It is also part of the larger project of redistributing power resources to rectify past harms and fortify the present and future experiences of the most highly impacted and vulnerable communities.

Q. What are some other procedures that utilities should consider when enabling an equitable system?

A. Because utilities and the Commission design measures with consideration for basic survival needs (i.e., access to energy), equity requires that the design help the most vulnerable customers— a one-size-fits-all approach cannot be considered equitable in this case.

For example, some tiered or traditionally progressive rate structures set a low rate for energy use up to a threshold for basic needs and only charge higher rates for energy consumption above that threshold. While this is an improvement over the traditional utility rate structure, truly progressive rate structures will consider features of customer economic and energy security— including income and home efficiency— so customers with low incomes and inefficient homes can receive greater protections from bill increases. These truly progressive rate structures should then be paired with bill assistance that keeps monthly bills affordable (e.g. discount rate, or higher assistance amount) and helps customers manage past-due bills (e.g., arrearage management plans) to relieve the additional burden these customers face compared to those who are not as energy or economically vulnerable.

Additionally, promoting conservation so that households use only the minimum energy needed to meet basic needs is generally beneficial. However, this approach is inequitable when aimed at lower-income customers already facing insecurity due to high bills and inefficient homes. Benefit programs must. For demand response and conservation goals, programs can encourage thoughtful energy use without penalizing lower-income customers. These customers often

face higher bills due to circumstances beyond their control, such as renting old multifamily units or living in inefficient mobile homes during cold weather months.

Q. How can utilities engage with stakeholders to craft equitable energy programs?

A. Trust in institutions like utilities is particularly low in communities of color. Therefore, establishing trust should be prioritized for a just energy transition. Historically, processes for planning, decision-making, and accountability were usually carried out behind closed doors until a near final outcome needed to be announced or submitted for approval. This leads to lower trust and disengagement in the process. Utilities should engage with communities in an early and authentic way, using procedural frameworks, to build programs together rather than presenting them with near-final decisions for a performative up-or-down approval.

There has been some improvement. Utilities like PSE are already convening advisory groups concerned with equity and elevating the interests and well-being of the most vulnerable communities served and impacted by utility actions. Stakeholder engagement and application of learning from community experts towards utility decision-making must remain a part of benefits identification and allocation. Better engagement can lead to public support for a just energy transition because people will only buy in if they see themselves in it— utilities have the opportunity to make this happen. As the equitable distribution of benefits is seen as fair with all customers and communities sharing in the experience of improved

health, wellbeing, and opportunities, support and trust in the process will increase leading to even greater levels of interest, participation, and social investment for smoother implementation.

Q. Can you give some examples?

A. Procedural justice may include weighing in on the plans, reports, and review processes that utilities must present. When Front and Centered and NWEC intervened in PSE's first Clean Energy Implementation Plan, the opportunity to comment and request that adjudication was available because it had been written into CETA and administrative law rules. In addition to adversarial process, advocates and other stakeholders will appear and speak up in public meetings, comment or offer letters of support or concern regarding a utility matter, participate in workshops, sit on advisory groups or testify in hearings. Utilities may host groups and meetings outside of what is required as a learning and sharing opportunity and to build goodwill for further collaborative opportunities.

But a utility could not support every customer participating in every engagement opportunity. Neither could a regulator. Moreover, every customer and every community does not want to engage to that degree and should not be expected to. The balance must be struck in encouraging connection with key customers and communities whose voices are least present in spheres of power, and the need for thoughtful and purposeful contact and relationship that goes beyond a checkbox exercise and provides mutual benefit.

The UTC's exploration of how to improve procedural justice for energy regulation is progressing and must continue to account for the balance of pain and gain from immersion in energy issues and how appropriate technical, language, capacity, and opportunity support are critical to build lasting beneficial interconnectedness for power-sharing with prioritized communities.

II. ENERGY EQUITY AS PROPOSED BY PSE

Q. In what ways is PSE actively engaging on energy equity?

A. PSE "defined its energy equity strategy and developed a framework"[6], hired Monica Martinez as an expert witness to assess their equity practices, developed a comprehensive energy burden analysis,[7] and has made progress on its 2022 general rate case ("GRC") and 2021 Clean Energy Implementation Plan ("CEIP") commitments. We will talk about each of these in further detail below.

Q. Briefly describe PSE's energy equity framework and strategy?

A. As summarized in Company witness Troy Hutson's testimony, "PSE identifies energy equity as a priority in its planning and operations and adopts the definition of energy equity and the four energy justice tenets identified in the 2022 Cascade GRC Order. This framework is used to drive a consistent approach in incorporating equity across PSE's planning and operations."[8] PSE is working to incorporate energy equity in its "energy and delivery system planning, customer engagement,

[6] PSE Exh. TAH-1T (Dkt. UE-240004/240005), at 7, lines 4-5.

[7] PSE Exh. BDJ-3r (Dkt. UE-240004/240005).

[8] PSE Exh. TAH-1T (Dkt. UE-240004/240005), at 14, lines 17-19 and 15, line 1.

energy and delivery operations, engineering and construction of infrastructure, clean energy siting, and energy efficiency customer programs."[9] PSE seems to recognize that coordination and improvements across both internal processes and teams along with its communities and customers are necessary to effectively move the utility forward.

Q. Briefly summarize witness Monica Martinez's testimony.

A. Witness Martinez provides an independent third-party evaluation of PSE's integration of energy equity based on four energy equity tenets, and she provides recommendations for both PSE and the Utilities and Transportation Commission.

Q. What are the four energy equity tenets that witness Martinez describes?

A. Recognition justice, procedural justice, distributional justice, and restorative justice.[10]

Q. How does witness Martinez describe PSE's role and efforts in relation to energy equity?

A. Witness Martinez states that "PSE is making steady progress incorporating energy equity into its business operations, process, and culture"[11] and that "PSE is ahead of many of its peers across the country incorporating energy equity."[12] She highlights PSE's efforts such as PSE's GIS maps (recognition justice)[13], learnings

[9] Id., at 7, lines 6-10.

[10] PSE Exh. MM-1T (Dkt. UE-240004/240005), at 14, lines 6-7.

[11] Id., at 4, lines 3-5.

[12] Id., at 4, lines 11-12.

[13] Id., at 17, lines 11-17.

from community solar outreach and building trust within the Equity Advisory Group ("EAG") (procedural justice)[14], the new Bill Discount Rate program, Investment Decision Optimization tool ("iDOT"), and targeted electrification pilot (distributional justice)[15], and exploring Equity Investment Zones("EIZs") (restorative justice)[16].

Q. Please summarize witness Martinez's recommendations for PSE?

A. To enhance equity, PSE should refine its recognition of diverse populations, including renters, seniors, and rural communities, while actively engaging with these impacted groups through focus groups and listening sessions, promoting procedural justice. PSE could also set specific transparency goals with the equity advisory group and investigate geographic disparities, especially in rural areas, to assess the impact of programs on these communities and potentially design tailored pilots for them, reflecting distributional justice. Furthermore, PSE should seek to increase energy benefits for named communities and explore innovative partnership models, such as those used by Canada's Hydro One with First Nations, aligning with restorative justice principles. Ongoing evaluation of PSE's equity-related metrics will be crucial for ensuring adjustments and improvements, while also identifying new opportunities to direct benefits to communities through initiatives like community solar and targeted electrification programs. PSE should

[14] Id., at 19, lines 11-19.

[15] Id., at 21, lines 18-20; 22, lines 1-19; 23, lines 1-10.

[16] Id., at 24, lines 12-18.

finalize the adoption of the EIZs and establish a targeted outreach process for new programs in these areas. PSE needs to set clear goals for each equity-related performance metric and advises for these metrics to be framed around the four energy equity tenets. Lastly, PSE should consistently prioritize energy equity alongside other compliance issues. Click here to enter text.

Q. Do you generally agree with witness Martinez's findings and recommendations?

A. Yes. PSE should continue their current energy equity efforts and incorporate witness Martinez's recommendations to further strengthen and expand on these important steps forward.

As mentioned before, acknowledging and considering historical and structural racism is pertinent in an equitable energy transition, which is why diving deeper into customer disparities within the highly impacted communities, such as racial make-up, is just as important as refined renter, senior, and rural population details. PSE should use recognition tools, such as the EHD Map, to continue obtaining more granular data on disparities, including race, as a method of identifying and prioritizing effort areas. With that, we continue to strongly support targeted outreach approaches to named communities for pilot programs and furthermore, advocate for distributional equity approaches to be used for all programming, not just limited to pilots or new programs.

As witness Martinez emphasizes, the prioritization of energy equity in PSE's work and decision-making should be refined over time. What this means is

creating a rhythm, a pattern, a cultural norm within PSE to evaluate, measure and implement energy equity into all relevant decision-making, while the Commission keeps them on beat. Tools for utility reflection and accountability can take the form of creating energy equity screening tools or scorecards to report the internal process of equity considerations to the Commission and the public. For example, the worksheets and guidance from the Justice 100 Scorecard[17] can inspire a version for PSE to develop and strengthen its energy equity process.

Q. Please summarize witness Martinez's recommendations for the UTC?

A. Witness Martinez recommends the Commission:

- Strive to set clear expectations on utility implementation of energy equity.
- Adopt PSE's proposed equity-related performance metrics.
- Provide specific guidance in this rate case or in the Equity docket (A-230217) explaining its expectations for energy equity improvement.[18]

Q. Do you agree with witness Martinez's recommendations to the UTC?

A. Yes. As the topic of equity becomes further explored in regulatory spaces, the Commission will be needed to set clear expectations and guidance on equity. We propose a modification to witness Martinez's third recommendation such that the UTC should provide specific guidance in this rate case as well as in the Equity docket. The UTC should lead by example by incorporating the four energy equity

[17] Cecelia Bolon, et al., *Justice 100 Scorecard,Evaluating equity in 100% renewable energy or 100% clean energy laws*, Initiative of Energy Justice, Jan. 2021, https://iejusa.org/wp-content/uploads/2021/09/Justice-in-100-Scorecard-Interactive-PDF-Final-Version.pdf

[18] PSE Exh. MM-1T (Dkts. UE-240004/UG240005), at 27, lines 13-18.

tenets within their processes and culture, and ensure utilities are advancing energy equity appropriately. Moreover, through energy equity and procedural justice, the UTC is best positioned to act as a facilitator between utilities, stakeholders and the public and should aim to make processes as accessible and fair as possible.

Q. When was PSE's most recent Energy Burden Analysis ("EBA") completed?

A. PSE completed an EBA in 2022.[19]

Q. Please briefly describe the purpose of an EBA and summarize the results of PSE's 2022 EBA.

A. An energy burden analysis is an assessment of a utility's low-income and energy-burdened customers and their energy assistance needs. EBAs enable utilities and others to identify overlaps between different vulnerable customers groups and better design and target programs to these customers.

PSE's 2022 EBA was well done and very comprehensive. In many ways, it serves as an example for other utilities who would benefit from better understanding which of their customers are low-income, which are energy-burdened, what their energy usage is, where they live, and what the energy assistance need is. In its EBA, PSE found that about 536,000 (46%) of its customers are low-income. A significant portion of PSE's energy-burdened customers (60%) are low-income and electric-only customers. PSE also found that

[19] PSE Exh. BDJ-3r (Dkt. UE-240004/240005).

energy-burdened customers use more energy on average than overall residential customers.[20]

Q. Do you have recommendations for the next iteration of PSE's EBA?

A. Yes. PSE's work to better understand its customer energy assistance needs can continue to be expanded and improved. We offer two recommendations to do this in future EBAs. PSE should (1) include customers with fewer than twelve months of usage data into the energy burden analysis and (2) simulate energy burden over time as a function of factors that increase customer bills.

Q. Please expand on your first recommendation that PSE should include customers with fewer than twelve months of usage data into the energy burden analysis.

A. PSE currently requires at least twelve months of customer energy usage data to be considered for analysis in an EBA.[21] However, this excludes energy-burdened customers who have fewer than twelve months of usage data due to frequent moves, often related to housing affordability issues. To capture these customers and other energy burdened customers with fewer than twelve months of usage data, PSE should not set this requirement and should instead consider a lower usage timeline—such as three or six months— for inclusion in its analysis of energy burdened customers.

[20] PSE Exh. BDJ-3r (Dkt. UE-240004/240005), at 14-15.

[21] Exh. MT-CT-4T.

Q. Please expand on your second recommendation that PSE should simulate energy burden over time as a function of factors that increase customer bills.

A. To our knowledge, utilities do not currently project the estimated future energy burden of their customers. However, because utilities can anticipate changes to their bill assistance programs and future rate increases as well as have climate projections that estimate warmer or colder than average seasons, utilities could simulate how this may affect energy burden. This estimation would be helpful in determining how to prepare for customer outreach and communications related to disconnections and bill assistance options as well as how to support internal utility Staff and partner Community Action Agency staff who assist customers. The Company could work with its LIAC to determine an appropriate methodology for simulating energy burden over time as a function of factors that increase customer bills.

Q. Which of its 2022 GRC settlement conditions has PSE made progress on that advance energy equity?

A. PSE has made considerable progress on its conditions related to equity from the last GRC. This includes: condition 24 (corporate capital planning), condition 25 and 26 (delivery system planning), conditions 37 (low-income assistance programs), conditions 41 and 42 (time varying rate pilot), condition 50 (pilot

distributional equity analysis), and conditions 65-68 (decarbonization study, targeted electrification pilot and strategy).[22]

Q. Please summarize the progress made on these conditions.

A. Condition 24: In 2023, PSE implemented an Enterprise Project Portfolio Management tool to streamline capital investment requests, incorporating energy equity considerations through a mandatory question on impact, which influenced the evaluation and selection of projects for the 2023-2028 period.

Conditions 25 and 26: In 2023, PSE updated iDOT with new customer benefit indicators ("CBIs") and added an equity benefit category to consider distributional effects, requiring projects to meet a targeted benefit threshold for named communities, while also engaging with the public on prioritization of benefits and piloting a customer engagement framework to understand the impact of power outages on vulnerable populations.

Condition 37: The LIAC worked with PSE to implement a new bill discount program on October 1, 2023, offering customer 5% to 45% off their monthly bills. PSE and the LIAC are currently collaborating to finalize a design for an arrearage management program that is expected to be available to customers on October 1, 2024.

Conditions 41 and 42: PSE began its time varying rate pilot for residential service on October 1, 2023 and for general service on January 1, 2024. This pilot

[22] UTC, *Puget Sound Energy 2022 GRC Settlement Stipulation and Agreement of Revenue Requirement and All Other Issues Except Tacoma LNG and PSE's Green Direct Program, Final Order 24/10,* Docket Nos. UE-220066, UG-220067, and UE-210918 (consolidated) (Dec. 22, 2022).

allows PSE to pivot towards advanced metering infrastructure and appears to be on track to reach its target enrollment of customers, including low-income customers.

Condition 50: In July 2023, PSE partnered with Lawrence Berkeley National Lab ("LBNL") to develop a decision support tool and guide for enhancing distributed energy resources ("DER") cost-effectiveness tests with equity considerations, focusing on community solar projects, including retrospective analysis at Olympia High School and prospective analysis with the Nooksack Indian Tribe. PSE and LBNL reviewed community engagement and started planning outreach while gathering data for the pilot's metrics. "PSE anticipates further direction from the Commission in Docket A-230217 to standardize DEA methodology for all utilities" before doing further distributed equity analysis ("DEA"). PSE states that "[g]iven the time uncertainty for the Commission's discussion and approval of a DEA methodology, PSE is no longer certain whether it will proceed with applying the DEA methodology to the remaining portion of the 80 MW DER projects."[23]

Conditions 65 through 68: PSE updated and filed an updated decarbonization study in December 2023 and is currently implementing its 18-month targeted electrification pilot that appears to be on track to achieve the required 10,000 customer home electrification assessments and additional 50 low-income weatherization/heat pump installs. PSE plans to submit a compliance filing containing the results of the decarbonization study (condition 66), targeted

[23] Exh. MT-CT-5T.

electrification pilot (condition 67), and targeted electrification strategy (condition 68) in January 2025.

Q. Would you like to make specific recommendations for continued progress on any of these conditions?

A. Yes. First, we commend PSE's progress on its 2022 GRC commitments, including several pilot programs. We recommend PSE provide updates and information about its pilots — time varying rate pilot, distributional equity analysis pilot, and targeted electrification pilot— on its website and other public-facing platforms and communications for easy customer access.

Second, we acknowledge and agree with UTC's Staff's assessment that PSE has not yet complied with condition 50 (pilot distributional equity analysis) as the Company has not applied its developed DEA methodology to the entire 80 MW of the distributed solar portfolio that it had agreed to in condition 50. Staff states that "PSE narrowly placed the focus on two solar projects" that represent 0.3% of the 80 MW portfolio.[24] We agree with Staff's proposed next steps, which ask to PSE to submit a plan and timeline that details how the DEA methodology will be applied to the full DER portfolio. While the Commission acknowledged and agreed with Staff, PSE's responsibility is unclear. The Commission should very clearly provide guidance to PSE that the Company must comply with condition 50 and file a strategy and timeline to do so in dockets UE-220066/UG-220067.

[24] UTC, Compliance letter, on behalf of Staff, from Nash Callaghan, Docket UE-220066 (July 10, 2024).

Third, we are concerned that PSE believes it cannot effectively make further progress on its DEA pilot "until a methodology is established by the Commission in [the Equity docket, A-230217]".[25]Commission filed its workplan in the Equity docket that shows that it will not conclude until March 2026. We do not agree with PSE that the Company should wait until March 2026 before it continues to develop its DEA methodology. Advancing energy equity in utility programs is new territory. Both the Commission and the Company must collaborate on progress and each must lead when needed. We believe advancing DEA is an arena in which PSE can and should continue to lead on energy equity.

Q. Which of its 2021 CEIP settlement conditions has PSE made progress on that advance energy equity?

A. We appreciate the considerable work that PSE has done to make progress on the conditions stemming from its 2021 CEIP after the adjudication process. Particularly, we recognize the opportunity for advancement of equity in conditions 9 and 10 (defining vulnerable populations), conditions 12 through 15 (customer benefit indicators), conditions 20 and 21 (minimum designations of energy benefits for named communities), condition 27 (DER public engagement pilot).

Q. Please summarize the progress made on these conditions.

A. Conditions 9 and 10: PSE expanded its definition of vulnerable populations after collaborating with its EAG, UTC Staff, and NWEC. PSE has created a mapping tool that "has been used by operations and planning teams across the PSE

[25] Exh. MT-CT-5T.

enterprise in their work". PSE also developed factors to classify vulnerability as low, medium, or high.[26]

Conditions 12 through 15: PSE has begun tracking data for the additional CBIs and metrics ordered by the Commission (condition 12), removed directionality from metrics (condition 13), updated Table 7-5 for the 2023 Biennial CEIP Update (condition 14), and filed a comprehensive CBI report card (condition 15).

Conditions 20 and 21: PSE worked with its advisory groups and other stakeholders[27] to develop working definitions for "energy benefits", "tranche of resources", and "deepest need", as stated in condition 20, which it will continue to develop to better identify energy benefits. PSE established minimum designations for each DER resource for named communities and customers in deepest need.[28] PSE has begun to identify and incorporate new DER program design components but states that work on condition 21 is ongoing as the Company "recognizes the need to revise how programs are designed and developed to meet the minimum designation of 30 percent of energy benefits for named communities."[29]

[26] UTC, *Attachment A: Planning Transition Work Plan*, p. 12, Docket Nos. UE-240433 and UG-240434 (June 5, 2024).

[27] PSE consulted with its Equity Advisory Group, Low-Income Advisory Committee, and Conservation Resources Advisory Group and held additional consultations with Roger Colton, Front and Centered, and NWEC.

[28] *See* Table 3.5 on p. 3.22 of PSE's 2023 Biennial CEIP Update, Docket UE-210795, November 20, 2023.

[29] UTC, *Attachment A: Planning Transition Work Plan*, p. 15, Docket Nos. UE-240433 and UG-240434 (June 5, 2024).

Condition 27: PSE's work to develop its DER public engagement pilot is ongoing. PSE has met with Front and Centered and NWEC to start identifying objectives and design parameters and has begun conversations with its EAG to identify potential DER pilot projects and customer engagement methods for the pilot. The pilot is expected to begin in 2024 with reported outcomes in the 2025 CEIP.[30]

Q. Would you like to make specific recommendations for continued progress on any of these conditions?

A. Yes. We have two recommendations. First, we recommend PSE provide updates and information about the DER public engagement pilot on its website and other public-facing platforms and communications for easy customer access.

Second, we acknowledge that the pilot's purpose is not to pilot new DER programs in named communities, but instead to pilot public engagement methods in community programs (i.e., DER programs) that leave communities feeling empowered as contributors to the process.

PSE is looking to measure success in each of the three pilot stages: participant recruitment, concept ideation, and program selection. PSE envisions successful program recruitment as the ability to identify and onboard customers in named communities. The Company envisions successful concept ideation as

[30] *See* Section 5.1 of PSE's 2023 Biennial CEIP Update, pp 4.25-4.26, Docket No. UE-210795 (November 20, 2023).

customer satisfaction with the process and a sense of empowerment. Finally, PSE notes that successful program selection depends on the final process design.

We agree with PSE's vision for successful program recruitment and concept ideation. While we also agree that successful program selection is partially dependent on the final process design, we believe that PSE can already consider what a successful program selection means. With the intention of the pilot in mind, we believe that one measure of success is whether the program and design considerations selected reflect what the community members envisioned and the feedback they provided. As PSE further develops this pilot, the Company should work with its relevant advisory groups and stakeholders to better identify measures for tracking success in each phase of the pilot.

Q. Do you have any additional recommendations for PSE?

A. Yes. We recommend that PSE collect demographic data from customers who participate in customer-side programs.

Q. Why is it important to collect demographic data from customers who participate in customer-side programs (e.g., bill assistance, DERs)?

A. Collecting demographic data from program participants is crucial for identifying and addressing disparities, informing program design and improvement, and measuring impact across different groups. It can ensure compliance with legal requirements, enhance accountability, and enable efficient resource allocation by targeting specific needs. This data also supports better outreach and engagement strategies, promotes inclusivity and equity, and informs policy and decision-

making. Additionally, transparently using demographic data builds trust with participants, demonstrating a commitment to understanding and addressing their diverse needs and concerns.

Q. Is PSE already collecting demographic data in any of its customer-side programs?

A. No. However, PSE's LIAC has proposed that demographic data collection be voluntarily and anonymously collected from applicants of its bill discount program. PSE could consider collecting the following information that Avista collects for its analog bill discount program in Washington:

- Heating fuel source: electric, gas, other
- Homeowner or Renter
- Ethnicity: Hispanic/Latinx
- Race: American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or other, Pacific Islander, White, Multi-Race, Other
- Education: 0 to 8 grade, 9 to 12 Grade Non-High School Graduate, High School Graduate/GED, 12+ Some Post-Secondary School, 2-4 Year College Graduate
- Military veteran: yes or no
- Senior over the age of 60: yes or no
- Preferred language: English, Spanish, Other
- Disability Status

Q. Are there other programs in which PSE should collect demographic data?

A. Yes. PSE should collect the same set of demographic data describes above not only for its bill discount program, but also for customers enrolled in all its current and future DER program offerings, including energy efficiency programs, demand response programs (time-of-use, time-varying rate, managed transportation electrification charging), and residential/community solar programs. PSE should allow customers to voluntarily offer their demographic information. Customers' decision to not provide their demographic information should not affect their participation in the program. Finally, PSE should maintain its practice of collecting this data anonymously through de-identification and data aggregation.

Q. Are there any other dockets that include energy equity considerations you want to discuss?

A. Yes. The Commission initiated docket A-230217 intended to result in a policy statement that addresses the application of energy equity and justice in the Commission's and regulated utilities' processes and decisions.

Q. Please explain PSE's participation in the Commission's equity docket and how it advances PSE's vision of energy equity.

A. As of writing this testimony, docket A-230217 has had one round of comments and one workshop, each based on the tenet of procedural justice. PSE submitted comments on November 28, 2023 and participated in the April 30, 2024 workshop. In its written comments, PSE describes its commitment to procedural justice and agreement with the four tenets of energy equity while raising concerns for

estimated two-year timeline of the docket due its potential conflict with the timeline of conditions 50 and 51 (distributional equity analysis) from its 2022 GRC.[31]

The first step is showing up. Utilities who show up offer valuable discussion of real-world implementation of current and planned processes and programs from the utility perspective. And at the same time, utilities who are open to learning from community and customer voices and who are open to trying something new is where we believe real change can be made. However, as stated previously, we do not agree with PSE that the Company should wait until March 2026 before it continues to develop its DEA methodology. Advancing DEA is an arena in which PSE can and should continue to lead on energy equity.

Furthermore, we appreciate PSE's expressed commitment to procedural justice in the docket so far. The expression is starting to be put into practice within the Company and will be furthered after the Commission issues its interim policy statement on procedural justice. At the same time, we believe PSE can already be doing more to advance procedural equity. PSE must view the filing of each rate case as an opportunity to uphold procedural justice.

Q. How should PSE consider procedural justice in its GRC filings?

A. The outcomes of GRCs are enhanced when more ratepayer and community perspectives are reflected within them. One key factor determining whether a

[31] UTC, PSE's Comments, Docket No. A-230217 (Nov. 28, 2023) in, https://www.utc.wa.gov/casedocket/2023/230217/docsets.

community advocate will choose to intervene in a GRC is the case's complexity. In our experience, the complexity of this case is unprecedented. PSE filed testimony of 38 witnesses each with their own exhibits. Some exhibits were additional testimony (for example, exhibit DJL-6). Reviewing this alone is excessively burdensome and, for resource-constrained stakeholders who may need to spend additional time to comprehend this legal framework, the complexity of GRC filings may be the deciding factor to not engage at all. The way a case is filed and presented can create a significant barrier to the potential intervenors, like PSE has done with this GRC. Those most likely to be excluded are those that PSE intends to hear from to uphold its commitment to procedural justice.

Additionally, the information that PSE provides on its website and bill inserts about the rate case neither mentions equity nor invites engagement from customers beyond participation in the Commission's virtual evidentiary hearing. They are essentially quietly signaling that this matter barely merits customer awareness and concern, because the one formal opportunity to engage is relegated to a point when the majority of the procedural timeline has passed. The limits of the legal framework do not prevent a utility from operating more transparently to support its customers and the communities it touches to be informed and to be heard outside of the channels of a barely accessible administrative proceeding. We recommend that PSE streamline its evidentiary testimony in future cases. If the Company is unable to do so, it is both the Company and Commission's

responsibility to provide additional time and funding to allow community organizations to meaningfully participate.

II. LOOKING FORWARD

Q. What do equitable customer rates look like in the future and what is needed to achieve them?

A. Equitable rates are based on affordable monthly bills, utilities being rewarded for achieving exceptional service and penalized when that service does not equitably meet the needs of its customers, and integrating customers' energy experience more holistically into the energy system.

1. Bill Assistance

Q. How do the JEAs feel about the efforts that PSE has made so far on bill assistance?

A. PSE's Bill Discount Rate ("BDR") efforts have moved the needle in the right direction. As Witness Carol Wallace points out in her testimony, the implementation of the BDR program has led to a significant increase in the numbers of PSE customers seeking energy assistance.[32] Per witness Wallace, the year over year increase from 2022 to 2023 in customers seeking bill assistance through the PSE Home Energy Lifeline Program ("HELP") applications was 297%. Witness Wallace notes that this increase may have been driven in part by the implementation of self-declaration, as well as the variety of marketing options PSE employed to get customers engaged in the programming.

[32] PSE Exh. CLW-1T (Dkt. UE-240004/240005), at 14-15.

This growth demonstrates that there is both a demand for these kinds of assistance programs and a need for measures that make access and enrollment easier. PSE must continue to expand assistance programs to meet this demand and should continue to look ahead with its LIAC to see if there are better and more aggressive forms of bill assistance that could be provided.

Q. Do the JEAs have a proposal for a more aggressive form of bill assistance?

A. Yes. One potential solution for the Commission's consideration is a reform to base rates themselves to make bills more affordable for customers with lower incomes. An income-graduated fixed charge, much like what was proposed in California with AB205 (2022), would charge customers for fixed utility costs (e.g., maintenance and expansion of the transmission and distribution system, energy assistance programs, etc.) based on their annual incomes.[33]

Though California ultimately did not adopt this more progressive income structure proposed by stakeholders, the proposals made are still of interest to the JEAs. Of particular interest is the proposal made by Sierra Club, which included a conservative definition of what would be allowed in a fixed charge, plus a more equitable distribution of charges based on income levels. While the JEAs acknowledge that Washington is moving forward with its own efforts in equity, and in particular, distributional equity, we push the UTC to look to other states to

[33] AB 205, Committee on Budget. Energy (Cal. July 1, 2022), https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB205. See further: Jeff St. John, *Income-based electric bills: The newest utility fight in California*, Canary Media, May 9, 2023, https://www.canarymedia.com/articles/energy-equity/income-based-electric-bills-the-newest-utility-fight-in-california.

gain inspiration. The JEAs will continue to monitor similar proposals and recommend that PSE and the UTC do the same.

2. Performance-Based Ratemaking

Q. What is the status of Performance-Based Ratemaking in Washington State?

A. Performance-based ratemaking ("PBR") has begun implementation in Washington State, with the passage of SB5295 in 2021. The UTC is currently in the process of reviewing how to regulate utilities using PBR mechanisms in docket U-210590 and published its policy statement in August 2024.[34] In its policy statement, the UTC approves 17 metrics, establishes expectations for utilities regarding technology and data reporting that supports PBR, and notes areas in which further discussion is necessary. The UTC plans to continue to develop performance metrics and their associated targets in future phases of this docket to establish performance incentive metrics ("PIMs"), environmental metrics, individual utility targets based on performance, individual customer bases, infrastructure, and service territory.

Q. Do the JEAs agree with how the UTC has been approaching PBR?

A. The JEAs believe that the UTC is off to a good start in exploring the use of alternatives to traditional ratemaking, including the use of PIMs. We also strongly support the UTC's statement that "PIMs with rewards are intended to recognize exemplary performance or incentivize innovative solutions toward the state's

[34] UTC, *Proceeding to develop a policy statement addressing alternatives to traditional cost of service rate making, including performance measures or goals, targets, performance incentives, and penalty mechanisms,* Docket No. U-210590 (July 30, 2021), https://www.utc.wa.gov/casedocket/2021/210590/docsets

energy sector goals, and generally, that PIMs should avoid addressing 'business as usual' activities."[35] We urge the Commission to go further to align utility revenue incentives determined through general rate cases with utility performance on clean and equitable energy policies. This alignment transcends a single-issue docket. It is appropriate and vital for a just energy transition to move from the academic exploration of performance incentives to acting on them in the approval of a system where utilities can only get paid to the benefit of their shareholders when they are rigorously and righteously reducing emissions without harming the most vulnerable customers and communities.

Q. Do the JEAs have recommendations for the UTC and PSE regarding PBRs?

A. Yes. While the interim policy statement stated that PIMs will be explored in future phases of the docket, we would like to express caution that this exploration does not become delayed. PIMs are an essential mechanism of PBR. Without PIMs, this innovative rate structure loses its efficacy and leaves customers and utilities with what is effectively a traditional rate structure with additional metrics. To avoid enabling more of the same cost recovery and revenue structures and then adding administrative work with little material benefit for consumers and communities, the Commission must direct utilities to set ambitious targets with clear metrics for equitable benefits distribution subject to stringent review and appropriate

[35] UTC, *Interim Policy Statement Addressing Performance Measures and Goals, Targets, Performance Incentives, and Penalty Mechanisms*, Docket U-210590 (Apr. 12, 2024) at 12, 29 (emphasis added), https://apiproxy.utc.wa.gov/cases/GetDocument?docID=286&year=2021&docketNumber=210590.

incentives. We recommend that the UTC keep this in mind as it plans for the docket's next phases.

Additionally, the UTC has not explicitly engaged with the idea of PIMs that deal with penalties. The JEAs believe that these penalties are necessary and should focus on addressing "business as usual" activities. Appropriate penalties must be structured in such a way that the utilities cannot pass them along to customers (i.e., cannot recover costs from customers). In other words, these penalties should actually penalize utilities for underperformance, not a further method for collecting the "cost of business" from customers.

3. Engagement Pilots and Programs

Q. What pilots and programs for community engagement is PSE already engaging in?

A. As mentioned in testimony above, PSE has initiated a DER public engagement pilot and has partnered with LBNL to develop a decision support tool and guide for enhancing DER cost-effectiveness tests with equity considerations. However, PSE has also stated that it is uncertain to what extent it plans to continue to use the DEA methodology developed with LBNL.[36] PSE is also working on a targeted electrification pilot and a time varying rate pilot– both are also results of conditions from the 2022 PSE GRC.

Q. What do the JEAs see as the future of community-focused pilots and programs?

[36] Exh. MT-CT-5T.

A. PSE has an impressive suite of pilot programs that each touch, serve, and engage customers differently than traditional pilots. We see a future in which pilot programs not only are designed to capture statistically significant results but also aim to better integrate customers' energy experience into the energy system by allowing customers to express their needs and have a voice in the design and implementation of pilots. PSE acknowledges the key role that proper engagement with targeted communities in product design has in the Company's future role in "energy orchestration.[37][38] In order to properly orchestrate energy resources and usage, it is essential that the Company continue to build relationships with community members, allowing them to contribute to pilot design and remain regularly informed about the timeline, status, performance, and potential for scaling of all pilots throughout their duration.

III. CONCLUSION

Q. Can you summarize your recommendations?

A. The Commission should:

1. Prioritize equity in evaluating how effectively PSE pursues this iteration of revenue-seeking to sustain its standard operational practice while operating to advance a just energy transition.

[37] PSE Exh. AAA-1T (Dkt. UE-240004/240005), at 40.

[38] Id.

2. Assess PSE's application of procedural, distributive, restorative and recognition justice in the pursuit of approval for material support for its technical and cultural innovation for energy system management.
3. Continue to explore alternative ratemaking and aligning incentives for a clean and equitable transition.
4. Incorporate witness Martinez's recommendations. We propose a modification to witness Martinez's third recommendation such that the UTC should provide specific guidance in this rate case *as well as* the Equity docket.
5. Provide clear guidance to PSE that the Company must comply with condition 50 of the 2022 GRC and file a strategy and timeline to do so in dockets UE-220066/UG-220067.

Additionally, PSE should:

1. Continue their current energy equity efforts and incorporate witness Martinez's recommendations to further strengthen and expand on these important steps forward.
2. Include customers with fewer than twelve months of usage data into the energy burden analysis and simulate energy burden over time as a function of factors that increase customer bills.
3. Provide updates and information about all its current and future pilots on its website and other public-facing platforms and communications for easy customer access.

4. Work with its relevant advisory groups and stakeholders to better identify measures for tracking success in each phase of the pilot as the Company further develops its DER public engagement pilot.
5. Collect voluntary and anonymous demographic data from customers who participate in customer-side programs.
6. Streamline its evidentiary testimony in future cases. If the Company is unable to do so, it is both the Company and Commission's responsibility to provide additional time and funding to allow community organizations to meaningfully participate.
7. Continue to expand bill assistance programs and continue to look ahead with its LIAC to see if there are better and more aggressive forms of bill assistance that could be provided.

Q. Does this conclude your testimony?

A. Yes.