

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

Relating to the Commission's Proceeding to
Develop a Policy Statement Addressing
Alternatives to Traditional Cost of Service
Ratemaking

DOCKET U-210590

COMMENTS OF PUBLIC COUNSEL

December 30, 2022

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Resolutions

Cal. Pub. Utils. Comm'n, Wildfire Safety Div.,
Res. WSD-011, at 2 (Nov. 30, 2020), available at [https://docs.cpuc.ca.gov
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I. INTRODUCTION

1. The Public Counsel Unit of the Washington Attorney General's Office (Public Counsel) files these comments in response to the Washington Utilities and Transportation Commission's (Commission) Notice of Opportunity to File Written Comments dated November 30, 2022 (Notice). In the Notice, the Commission requested comments regarding the feedback on metrics discussed at the November 7, 2022, workshop. In particular, the Commission requested verification that the edits in the notice reflect the thoughts and perspectives shared at the workshop, as well as feedback on the best way to incorporate any revisions.¹ Public Counsel participated in the November 7, 2022, workshop and offers the comments below regarding the edits shown in the Notice.

II. COMMENTS ON GOAL 1 METRICS

2. **Goal 1 – Resilient, reliable, and customer-focused distribution system**
- Public Counsel supports the modification of the word “grid” to “system” in the goal name so that it better applies to both natural gas and electricity systems.
3. **Outcome 1: Ensure utility responsiveness to customer outages and restoration times.**
- All of the metrics under Outcome 1 are related to the electric system. Public Counsel therefore proposes that this outcome be renamed “Ensure electric utility responsiveness to customer outages and restoration times.”

¹ Notice of Opportunity to File Written Comments (issued Aug. 5, 2022) (hereinafter “Notice”).

4.

Metric 1: Equity in Reliability (SAIDI and CAIDI for Named Communities and Non-named Communities)

- **Inclusion of CAIDI:** As noted in our comments during the workshop, Public Counsel does not support adding customer average interruption duration index (CAIDI) as a reliability metric for Named Communities relative to Non-named Communities at this time for two reasons. First, we have concerns regarding the usefulness of CAIDI as a reliability metric. CAIDI is defined as the total minutes of customer outages divided by the total number of customer outages. In other words, CAIDI is the average outage time per outage (or, said another way, the average restoration time when there is an outage) for a defined area. Public Counsel believes that the average restoration time is not as useful as the average minutes of outages per customer, which is what system average interruption disruption index (SAIDI) measures. Further, focusing on CAIDI can be deceptive, because an increase in the frequency of outages can reduce CAIDI, even if there was no change in the total minutes of outages. Thus, reliability can appear to be improving, when in fact it is worsening.

Second, Public Counsel's understanding is that CAIDI was proposed in the workshop because multiple feeders or circuits may serve a Named Community, and reliability statistics can only be calculated at a feeder level, not a customer-level. While Public Counsel is aware that feeder or circuit boundaries do not perfectly align with community

boundaries, it is not evident that using CAIDI would remedy this in any way, as our understanding is that the duration and number of outages for CAIDI would still have to be calculated at a feeder level.

While Public Counsel supports the use of more geographically granular reliability metrics where possible, it is not apparent that CAIDI can be calculated on a more granular basis than SAIDI, or that CAIDI provides useful information regarding the length of outages in Named Communities versus Non-named Communities.

- **Interruptions Greater than Five Minutes in Duration:** Public Counsel's position is that the definition of an interruption should be consistent across utilities, but that the specific definition should be discussed and determined during the metric-setting process later in this proceeding.
- **Major Event Days:** Public Counsel supports this metric being calculated with and without major event days. Outages during major events can have substantial impacts on communities, particularly outlying communities, and it is important to have a metric that reflects this. The definition of major event days should be discussed during the subsequent metric-definition process.
- **Natural Gas:** Public Counsel confirms that this metric is not applicable to natural gas utilities.

5.

Metric 2: Equity in Reliability (SAIFI and CAIFI for Named Communities and Non-named Communities)

- **Inclusion of CAIFI:** At this time, Public Counsel does not support adding customer average interruption frequency index (CAIFI) as a reliability metric for Named Communities relative to Non-named Communities for reasons similar to those expressed above regarding CAIDI. CAIFI is defined as the total number of interruptions divided by the total number of customers experiencing an interruption. In other words, it is the average frequency of experiencing an interruption for customers who experienced an interruption. This is not a particularly meaningful metric, as it does not capture how frequently the average customer in an area experienced an interruption, which is what system average interruption frequency index (SAIFI) measures.

Public Counsel's understanding is that CAIFI was also proposed in the workshop because multiple feeders or circuits may serve a Named Community, and reliability statistics can only be calculated at a feeder level, not at the customer-level. While Public Counsel is aware that feeder or circuit boundaries do not perfectly align with community boundaries, it is not evident that using CAIFI would remedy this in any way, as our understanding is the frequency and number of outages for CAIFI would still have to be calculated at a feeder level.

- **Interruptions Greater than Five Minutes in Duration:** Public Counsel's position is that the definition of an interruption should be consistent across utilities, but that the specific definition should be discussed and determined during the metric-setting process later in this proceeding.
- **Major Event Days:** Public Counsel supports this metric being calculated with and without major event days. Outages during major events can have substantial impacts on communities, particularly outlying communities, and it is important to have a metric that reflects this. The definition of major event days should be discussed during the subsequent metric-definition process.
- **Natural Gas:** Public Counsel confirms that this metric is not applicable to natural gas utilities.

6. **Metric 3: Equity in Reliability: length of power outages**

- Public Counsel supports the calculation of this metric both with and without major event days.

7. **Metric 4: Historically worst performing circuits**

- Public Counsel confirms that this metric is not relevant to gas utilities.

8. **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.**

- Public Counsel notes that there are no metrics included here for cyber-security, although this is identified in the Outcome definition. Thus, Public Counsel proposes a new metric be established based on external assessments of utilities' cyber-security plans. Specifically, Public Counsel is aware that at least some utilities engage a third party to conduct a cyber assessment every 12–18 months against National Institute of Standards and Technology Cyber Security Framework (NIST CSF) to measure progress and areas of opportunity. The metric would be based on a score provided by the third party.

- **Metric 5: Wildfire Avoidance**

- **Definition of “Risk Events”:** Public Counsel recommends using the definition of risk events from California for electric utilities. As explained in the California Public Utilities Commission’s resolution related to catastrophic wildfire:

Risk events are intended to encompass the suite of all event types that may be informative of utility ignition risk. These are defined as an event with significant probability of ignition, including wires down, contacts with objects, line slap, events with evidence of significant heat generation, and other events that cause sparking or have the potential to cause ignition.²

Public Counsel notes that California utilities also report the number of risk events and ignitions according to the wind warning status (high wind warning and/or red flag warning) and by High-Fire Threat

² Cal. Pub. Utils. Comm’n, Wildfire Safety Div., Res. WSD-011, at 2 (Nov. 30, 2020), available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M352/K490/352490594.PDF>.

District tier.³ These additional subcategories help to quantify the overall risk of ignition, where the risk is a product of the event (such as a downed wire), weather (such as high wind), and whether the event occurs in an area with higher risk of utility-associated wildfires.

9. **Metric 6: Response Time to Natural Gas System Emergencies**

- **Input metrics:** Public Counsel does not oppose consideration of input metrics (such as employees attending emergency response training) but does not believe this should be the focus of this metric.
- **Outage Duration:** Public Counsel supports the inclusion of a metric measuring outage duration for natural gas emergencies.

10. **Metric 7: Equity in Resilience Investments**

- **Measuring inputs versus impacts:** Public Counsel shares concerns regarding measuring only inputs (number of projects or dollars spent) for this metric. We concur with commenters who noted that tracking the effectiveness of investments (e.g., potential resilience benefits) per dollar spent would be most beneficial.
- **Commission-approved list of resilience projects:** Public Counsel agrees with the comment that the Commission does not typically approve resilience projects, and we have concerns regarding project pre-approval. Thus, we recommend that the metric be measured from a list of resilience

³ California has developed state-wide maps that categorize different areas of the state according to the presence of physical and environmental conditions associated with an elevated potential for utility-associated wildfires. There are four tiers.

projects that has been “accepted” by the Commission, rather than “approved.”

- **Definition of “Resilience Project”:** Public Counsel agrees that “resilience project” needs a definition and criteria, and that such a definition and criteria will require additional discussion and Commission determination.

11. **Metric 8: Customers Experiencing Multiple Interruptions (CEMI) for Named and Non-named Communities**

- **Range of Values:** Public Counsel strongly supports reporting a range of values (i.e., the number of customers experiencing X or more interruptions, for X = 1 through X = 8.) A range of values for X is most useful because a single value provides only a snapshot of how many customers are above and below that value, and does not provide an indication of how many customers are experiencing a very high number of interruptions. For example, if a utility reports that five percent of customers experienced more than three interruptions, we do not know if those customers experienced on average four interruptions or eight interruptions.

12. **Metric 9: Customers Experiencing Long Duration Outages (CELID) for Named and Non-named Communities**

- **Range of Values:** Public Counsel strongly supports reporting a range of values (i.e., the number of customers experiencing X or more

interruptions, for X = 1 through X = 8.) As noted above, a range of values for X is most useful because a single value provides only a snapshot of how many customers are above and below that value, and does not provide an indication of how many customers are experiencing very long duration interruptions. Typically outages become increasingly difficult to manage the longer they last, so it is important to distinguish between the percentage of customers experiencing outages of 3+ hours and the percentage of customers experiencing outages of 8+ hours.

III. COMMENTS ON GOAL 2 METRICS

13. **Outcome 1: Reduce energy burden for customers experiencing high energy burden, especially those in Highly Impacted Communities, Vulnerable Populations, and low-income customers.**

14. **Metric 10: Arrearages by Month (reported quarterly)**

- **Census tract versus zip code reporting:** Public Counsel agrees that it is more appropriate to track data by census tract rather than zip code. Zip codes can change over time and are not always well-defined, whereas census tracts are stable and cover a well-defined area. In general, census tracts are also more granular and provide more reliable demographic data.

15. **Metric 11: Percent of Customers in Arrears with Arrearage Management Plans**

- **Inclusion of 90+ days:** Public Counsel strongly supports the proposal to include arrearage data for customers in arrears for 30+, 60+, and 90+ days.

The utilities already report this data, so it would not create an additional burden.

- **Census tract versus zip code reporting:** As explained above, Public Counsel agrees that it is more appropriate to track data by census tract rather than zip code.
- **Inclusion of additional metrics:** Public Counsel concurs that Arrearage Management Plans are not the only means of assisting customers in arrears and welcomes the reporting of the percent of customers in arrears enrolled in other supportive programs as additional metrics.

16.

Metric 12: Customer Disconnections and Reconnections

- **Number versus percentage of customers:** Public Counsel views the *percentage* of customers (1) receiving disconnection notices, (2) being disconnected for nonpayment, and (3) being reconnected as the most useful metric. However, calculating the number of such customers is required in order to calculate the percentage, and can be a more transparent metric (if, for example, there are questions about how the total population is calculated). Therefore, Public Counsel submits that reporting both the number and percentage of customers would be useful.
- **Census tract versus zip code reporting:** As explained above, Public Counsel agrees that it is more appropriate to track data by census tract rather than zip code

Metric 13: Average Energy Burden

- **Reporting energy burden separately for dual fuel utilities:** When determining energy burden, it is most useful to assess a customer’s total energy burden across all fuels (e.g., electricity, natural gas, propane, etc.). For dual-fuel utilities, this can be accomplished by reporting energy burden as the combination of customers’ natural gas and electricity bills. However, not all customers are served by the same utility for both heating and electricity needs. In this case, the energy burden must be reported separately. In order to compare apples-to-apples across utilities, Public Counsel proposes that dual fuel utilities report customers’ energy burden both as a combined value (electricity plus natural gas) and separately for electricity and natural gas.
- **Average energy burden versus excess energy burden:** Both the average energy burden and the percent of customers experiencing excess energy burdens are useful metrics and should be reported. However, the threshold for determining “excess energy burden” should not be adopted blindly from national values—instead it should be tailored to Washington. A threshold of six percent is likely too high for Washington.

18. **Outcome 2: Maximize utilization of cost-effective distributed energy resources (DERs) and grid-enhancing technologies (GETs).**

19. **Metric 14: Net Benefits of DERs and GETs**

- Public Counsel concurs with the edits as proposed in the Notice. We expect that the definition of benefits will be determined through the Commission’s cost-effectiveness proceeding (Docket UE-210804). The Commission will also need to define “grid-enhancing technologies.”
- **Granularity of reporting:** During the workshop, participants also discussed at what level the net benefits should be reported (e.g., combined for all DERs, by DER type, by DER program, or by DER measure). Public Counsel supports reporting the net benefits at the program level. For example, the net benefits of demand response programs should be reported separately from energy efficiency programs.

20. **Metric 15: DER Utilization**

- **Utilization of cost-effective DERs:** As a general matter, Public Counsel supports the rigorous analysis of DER cost-effectiveness. However, some DERs may not be cost-effective but may still be in the public interest (such as low-income energy efficiency programs). Such programs may still provide energy and capacity savings and should therefore be reported as part of this DER utilization metric. Therefore, for the purpose of measuring DER utilization, Public Counsel proposes to omit the words “cost-effective” from the definition.

- **Resource performance:** During the workshop, Public Counsel advocated for a metric that also measured DER performance, rather than one that simply accounts for DER potential capacity. For example, demand response programs can provide capacity to the system, but only if the resources show up when called, and only if the utilities call the resources when capacity is needed. To be useful to the system, then, resources must be both *reliable* and *utilized*. Public Counsel therefore proposes the following modification to this metric:

“Verified energy and capacity of all applicable DERs and percentage of that energy and capacity utilized annually.”

In this definition, “verified” refers to some measure of performance verification (e.g., based on the percentage of demand response resources that respond during a test event or actual event).

21. **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.**

22. **Metric 16: Percent of Utility Assistance Funds dispersed**

- **Customer-funded:** Public Counsel supports the edit from “rate-based” to “customer-funded.”
- **Context:** Public Counsel agrees that additional context regarding why the percentage of funds dispersed changes from year-to-year would be helpful.

23. **Outcome 4: Lowest reasonable cost compliance with public policy goals and environmental requirements.**

24. **Metric 17: Incremental Cost**

- **Geographic distribution:** While Public Counsel supports a metric that accounts for equity through the geographic distribution of costs, it is unclear how this would be measured.

25. **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.**

26. **Metric 18: Availability of Materials in Multiple Languages**

- **Definition of “utility engagements”:** Public Counsel agrees that the term “utility engagements” should be narrowed to those that are most impactful to customers. We look forward to working with the utilities in the next phase of this proceeding to define this more specifically.

27. **Metric 19: Customer Awareness of Services/Assistance**

- No comments.

28. **Metric 20: Customers Who Participate in One or More Bill Assistance Programs**

- **Definition of “vetted” estimate of number of qualifying customers:** Public Counsel proposes that “vetted” refer to the number of qualifying customers as identified through periodic (every 3–5 years) needs assessments conducted by third parties.

IV. COMMENTS ON GOAL 3 METRICS

29. **Outcome 1: Equitable and diversity-focused utility hiring, promotion, and vendor selection practices.**

30. **Metric 21: Workplace Diversity**

- No comments.

31. **Metric 22: Supplier Diversity**

- **Self-identification:** Public Counsel appreciates that certification may pose a barrier to some enterprises. However, it would be useful for utilities to report both the percentage of suppliers that are state certified and the percentage that are self-identified.

32. **Outcome 1: 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.**

33. **Metric 23: Annual Incremental Investment Spending**

- **Incremental Spending:** As noted during the workshop, incremental spending can be volatile from year-to-year and is therefore not a satisfactory metric. Instead of, measuring annual *changes* in expenditures, Public Counsel recommends measuring the expenditure benefitting Highly Impacted Communities (HIC)/Vulnerable Populations (VP) communities in dollars per HIC/VP customer. This can be analyzed over time to identify long-term trends, rather than year-over-year volatility. Assessing the metric on a per-customer basis

also controls for changes in the number of HIC/VP customers over time.

34. **Metric 24: Percentage of Non-pipeline and Non-wires Alternative Spending**

- **Number of solutions:** While Public Counsel supports a metric for the percentage of non-pipeline and non-wires alternative in HIC/VP communities, we agree with the addition of also reporting the total number of solutions implemented for context.

35. **Outcome 3: Equitable access to all utility energy programs, including those related to energy efficiency, demand response, and distributed energy resources.**

36. **Metric 25: Equity in DER Program Enrollment**

- **Applicability:** Public Counsel is aware of DER programs for both natural gas and electric utilities (such as efficiency and demand response programs for natural gas utilities). Thus, this metric should apply to both types of utilities.
- **Percentage of customers enrolled:** Public Counsel agrees that reporting the percentage of customers enrolled (of the eligible population) would provide useful context.

37. **Metric 26: Equity in DER Program Spending**

- **Applicability:** As noted above, this metric should apply to both types of utilities.

V. COMMENTS ON GOAL 4 METRICS

38. **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.**

39. **Metric 27: Energy-related Air Quality Emissions**

- Public Counsel agrees with the proposed edits to this metric regarding tracking sources from outside the service territory that serve load within the service territory. In addition, Public Counsel supports modifying the metric to include measuring indoor air quality through tracking the use of wood heating systems.

40. **Metric 28: Utility Fleet Tailpipe Emissions Reductions**

- **Operation in Named Communities:** Public Counsel supports modifying the metric to reflect vehicles “regularly” operating in Named Communities (e.g., more than five percent of the time, or a similar threshold). This would avoid situations in which very occasional use of a vehicle in a Named Community (for, say, storm restoration) requires additional tracking and reporting.
- **Total versus year-over-year reductions:** Public Counsel agrees that reporting both annual total tailpipe emissions and year-over-year emissions reductions would be useful.

41. **Outcome 2: Cost-effective alignment of load with clean energy generation and storage through load management, energy efficiency measures, and demand response.**

42. **Metric 29: Utility Load Management Success**

- Public Counsel agrees with the proposed edits to this metric.

43. **Metric 30: DER GHG Reductions**

- **Aggregate versus program reporting:** Public Counsel believes that reporting by program would be more useful than reporting in aggregate, as this would allow for the most effective programs to be identified.
- **Incremental versus cumulative:** Public Counsel contends that both incremental and cumulative reductions in GHG emissions are useful to report, as some programs provide multiple years of emissions reductions, while others may provide only a single year of reductions.

44. **Outcome 3: Accelerate the cost-effective achievement of Commission or state public policy goals and statutes, including the reduction of greenhouse gas emissions.**

45. **Metric 31: Greenhouse Gas Reductions per Dollar**

- No comments.

46. **Metric 32: Total Greenhouse Gas Emissions**

- **Inclusion of power purchase agreements (PPAs) and market purchases:** Public Counsel strongly supports the inclusion of PPAs and market purchases in the definition of this metric; otherwise the metric will not accurately measure the GHG emissions associated with electricity

consumption in the state, whether generation occurs within or outside service territory.

- **Natural Gas Leakages:** Public Counsel supports the inclusion of natural gas distribution system leakages in the measurement of greenhouse gas emissions.

VI. CONCLUSIONS

47. Public Counsel appreciates the opportunity to provide these comments regarding the metric definitions discussed at the November 7, 2022, workshop and commends the workshop leaders for thoroughly capturing the thoughts and perspectives offered by workshop participants.

Dated this 30th day of December 2022.

ROBERT W. FERGUSON
Attorney General



LISA W. GAFKEN, WSBA No. 31549
Assistant Attorney General, Unit Chief
ANN N.H. PAISNER, WSBA No. 50202
Assistant Attorney General

Attorneys for Public Counsel

800 Fifth Avenue, Suite 2000
Seattle, WA 98104
Lisa.Gafken@ATG.WA.GOV;
Ann.Paisner@ATG.WA.GOV