

**Exh. DJR-1T
Dockets UE-220066, UG-220067,
UG-210918
Witness: Deborah J. Reynolds**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-220066, UG-220067,
UG-210918 (*Consolidated*)**

In the Matter of the Petition of

PUGET SOUND ENERGY

**For an Order Authorizing Deferred
Accounting Treatment for Puget Sound
Energy's Share of Costs Associated with
the Tacoma LNG Facility**

TESTIMONY OF

DEBORAH J. REYNOLDS

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Policy

July 28, 2022

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LIST OF EXHIBITS

- Exh. DJR-2 Excerpts from *Methods, Tools, and Resources: A Handbook for Quantifying Distributed Energy Resource Impacts for Benefit-Cost Analysis*, Companion Guide to the National Standard Practice Manual (National Energy Screening Project)
- Exh. DJR-3 PSE Response to UTC Staff Data Request No. 292
- Exh. DJR-4 PSE Response to UTC Staff Data Request No. 290
- Exh. DJR-5 PSE Response to UTC Staff Data Request No. 295
- Exh. DJR-6 PSE Response to UTC Staff Data Request No. 296

1 I. INTRODUCTION

2

3 **Q. Please state your name and business address.**

4 A. My name is Deborah J. Reynolds, and my business address is 621 Woodland Square
5 Loop SE, Lacey, Washington, 98503. My business mailing address is P.O. Box
6 47250, Olympia, Washington, 98504-7250. My business email address is
7 Deborah.Reynolds@utc.wa.gov.

8

9 **Q. By whom are you employed and in what capacity?**

10 A. I am employed by the Washington Utilities and Transportation Commission
11 (Commission) as the Deputy Director of Energy in the Regulatory Services Division.

12

13 **Q. How long have you been employed by the Commission?**

14 A. I have been employed by the Commission since 1999.

15

16 **Q. Please state your qualifications to provide testimony in this proceeding.**

17 A. I graduated from Washington State University, receiving a Bachelor of Science
18 degree in General Studies and a Master of Regional Planning degree. I have attended
19 many regulatory courses, including the 46th Annual National Association of
20 Regulatory Utility Commissioners (NARUC) Regulatory Studies Program; “The
21 Basics: Regulatory Principles Training” seminar presented by Center for Public
22 Utilities and NARUC; the Electric Utility Consultants, Inc.’s cost of service and rate
23 design workshops; and the International Energy Program Evaluation Conference; as

1 well as a number of other utility-related seminars, conferences, and training
2 opportunities.

3 I am responsible primarily for the oversight of Commission Staff members
4 who review and evaluate conservation programs, participate in conservation and
5 integrated resource planning, and analyze issues such as decoupling, reliability,
6 service quality, low-income, and other issues in general rate case (GRC) and other
7 tariff filings of electric and natural gas utilities regulated by the Commission.

8 I provide technical assistance to companies on energy regulatory matters,
9 participate in the development of Commission rules, and examine utility reports for
10 compliance with Commission regulations. I have also presented Staff
11 recommendations at numerous open public meetings.

12
13 **Q. Have you testified previously before the Commission?**

14 A. Yes. I testified on decoupling and other policy-related issues in GRCs of Avista
15 Corporation d/b/a Avista Utilities (Avista) in Dockets UE-090134/UG-090135/UG-
16 060518 and Dockets UE-110876/UG-110877/UE-120436/UG-120437; Puget Sound
17 Energy (PSE or Company) in Dockets UE-111048/UG-111049 and Dockets UE-
18 121697/UG-121705/UE-130137/UG-130138; and PacifiCorp d/b/a Pacific Power &
19 Light Company (PacifiCorp) in Docket UE-111190 and Docket UE-130043.

20 I also prepared and presented the formal Staff comments on the initial
21 conservation target filings in Dockets UE-100170 (PacifiCorp), UE-100176 (Avista),
22 and UE-100177 (PSE). I prepared the Staff response to the Commission's bench

1 requests on decoupling in Avista Dockets UE-110876/UG-110877/UE-120436/UG-
2 120437 and in PSE Dockets UE-111048/UG-111049.

3
4 **II. SCOPE AND SUMMARY OF TESTIMONY**

5
6 **Q. What is the scope and purpose of your testimony?**

7 A. I introduce Staff witnesses responding to PSE's case and provide a brief summary of
8 the recommendations of each Staff witness. Additionally, I explain equity in the
9 context of multiyear rate plan (MYRP) approval for both gas and electric companies.
10 I also respond to Company witness Piliaris's recommendation to streamline reporting
11 and Company witness Lowry's performance scorecard, and I propose improvements
12 to transparency in reporting and software access.

13
14 **Q. Please summarize your recommendations.**

15 A. Staff recommends that the Commission consider equity in its approval of the MYRP.
16 It should base this consideration on an assessment of the current conditions in the
17 Company's service territory and require a demonstration by the Company that
18 proposed actions improve equity across the service territory. As part of its approval
19 of the MYRP, the Commission should require the Company to work with persons
20 affected by their decisions to develop a scorecard and additional recommendations
21 regarding performance measures and reporting, which may incorporate guidance

1 from the Commission's generic Performance-Based Regulation (PBR)
2 investigation.¹

3 Staff further recommends that the Commission accept the Company's
4 proposal to eliminate certain reports. The Commission should also improve
5 transparency by requiring the Company to annually submit a Utility Filings Index,
6 including requirements for public involvement. Finally, the Commission should
7 require PSE to provide to Staff ongoing access to its modeling software.

8
9 **Q. Have you prepared any exhibits in support of your testimony?**

10 A. Yes. I prepared Exhibits 2 through 6.

- 11 • Exh. DJR-2 contains Chapter 9, Energy Equity, excerpted from *Methods,*
12 *Tools, and Resources: A Handbook for Quantifying Distributed Energy*
13 *Resource Impacts for Benefit-Cost Analysis, Companion Guide to the National*
14 *Standard Practice Manual (National Energy Screening Project).*
- 15 • Exh. DJR-3 contains PSE's response to UTC Staff Data Request No. 292,
16 showing a brief description and associated filing dates of PSE's proposed
17 reports and filings resulting from the proposed MYRP.
- 18 • Exh. DJR-4 contains PSE's response to UTC Staff Data Request No. 290,
19 linking PSE's current reports to the MYRP.
- 20 • Exh. DJR-5 contains PSE's response to UTC Staff Data Request No. 295,
21 regarding software models relied on by PSE decision-makers to determine the
22 integrated resource plan preferred portfolio and clean energy action plan.

¹ Ball, Exh. JLB-1T at 48:4-10.

1 Schedule 141C tracker for Colstrip-related costs, while disallowing the costs
2 associated with PSE's investments made for the purpose of extending the life of
3 Colstrip Units 3 and 4 beyond 2025.

4 • Hanna Navarro recommends rejection of PSE's proposals to annually update its
5 power cost adjustment (PCA) mechanism and eliminate both the deferral of
6 annual power cost imbalances and the PCA surcharge/refund trigger threshold.
7 She also recommends approval of Staff's proposed method to annually update
8 the PCA baseline and the elimination of power cost only rate cases. In addition,
9 she recommends PSE be required to develop a baseline equity assessment and
10 support its annual review filing in the MYRP with a demonstration of progress
11 towards achievement of equitable outcomes in investment decisions.

12 • Molly Brewer addresses equity in the capital planning processes for both electric
13 and natural gas investments. She recommends PSE develop processes related to
14 its Delivery System Planning that incorporate customer-focused thresholds for a
15 System Evaluation, new equity-related benefits and costs for use in the
16 investment decision optimization tool, and an incorporation of distributional
17 equity analysis as a decision-making tool. Regarding the Corporate Capital
18 Allocation process, she recommends processes related to the three-tier planning
19 model and incorporating equity into Corporate Spending Authorizations. Finally,
20 she recommends PSE develop a process within the Project Lifecycle Model that
21 demonstrates the Company's plans for equitable outcomes.

22 • Joel Nightingale recommends Energize Eastside investment be allowed in rate
23 base provisionally in rate year 1 (RY1) and rate year 2 (RY2) and be subject to a

1 full prudence review. He recommends a different amount in rates due to the
2 project going into service later than projected in PSE's direct testimony.

- 3 • Andrew Rector recommends the Commission allow PSE's transportation
4 electrification pilot investment in RY1, allow PSE's transportation electrification
5 plan (TEP) in RY1 provisionally, disallow PSE's proposed distributed energy
6 resource (DER), and disallow energy storage demonstration project investments
7 in rates. Additionally, he recommends required performance metric tracking and
8 reporting related to TEP and DER.
- 9 • Jennifer Snyder recommends the Commission allow a return of advanced
10 metering infrastructure (AMI) investment and continue to defer the return on this
11 investment until PSE files an updated AMI implementation plan that maximizes
12 benefits to the Company and customers. She also recommends additional
13 performance metrics to track AMI and demand side management as well as
14 modifications to PSE's proposed demand response (DR) performance incentive
15 measures.
- 16 • David Parcell addresses cost of capital (COC) and proposes a different COC than
17 requested by the Company. He recommends an authorized rate of return of 7.05
18 percent in RY1, 7.07 percent in RY2, and 7.10 percent in rate year 3. This
19 recommendation includes a return on equity of 9.25 percent for each year of the
20 MYRP and a different capital structure each year from PSE's proposal.
- 21 • Roxie McCullar recommends the Commission approve most of PSE's proposed
22 depreciation rates except for the following accounts: Electric Account 366;
23 Underground Conduit; and Natural Gas Accounts 380.20 and 380.30, Services.

1 She recommends the Commission approve her depreciation rates for these four
2 accounts.

3

4 **IV. EQUITY AND THE PUBLIC INTEREST**

5

6 **A. Equity Explained**

7

8 **Q. Is the term "equity" as used in RCW 80.28.425 defined in statute?**

9 A. No. However, as explained further below, Staff recommends the Commission adopt
10 Staff's approach to considering equity in the context of an MYRP.

11

12 **Q. Is the consideration of equity as part of the approval of a MYRP for gas and**
13 **electric companies meaningfully different from the consideration of equitable**
14 **distribution of benefits under the Clean Energy Transformation Act (CETA)**
15 **for electric companies?**

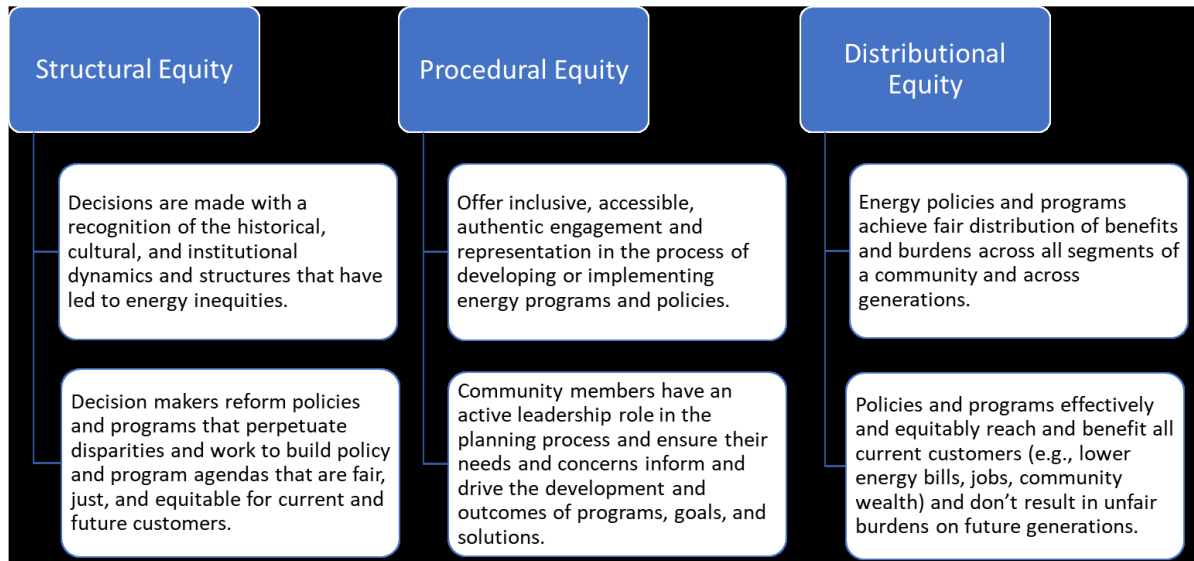
16 A. Yes. Equity as part of the public interest is broader than an equitable distribution of
17 benefits. Pacific Northwest National Laboratory describes energy equity as follows:

18 An equitable energy system is one where the economic, health, and social
19 benefits of participation extend to all levels of society, regardless of ability,
20 race, or socioeconomic status. Achieving energy equity requires intentionally
21 designing systems, technology, procedures, and policies that lead to the fair
22 and just distribution of benefits in the energy system.²
23

² Reynolds, Exh. DJR-2 at 2.

1 Equity is often discussed in terms of its dimensions, which include structural,
2 procedural, and distributional elements.³ The following figure provides a general
3 overview of these elements:

4 **Figure 1 – Dimensions of Energy Equity⁴**



5 **Q. Does Staff recommend applying all these elements of equity to the approval of**
6 **PSE's MYRP?**

7 A. No. Staff recommends the Commission focus on issues of distributional equity in
8 this MYRP because more data about equity is needed to consider procedural and
9 structural equity elements. In approving this MYRP, the Commission should require
10 PSE to develop and submit data and information about the state of distributional
11 equity in its service territory as described by Staff witnesses Brewer and Navarro.

12 This will lay the groundwork for the Commission to establish improved policies and

³ Some discussions of the elements of equity include intergenerational or transgenerational equity. Reynolds, Exh. DJR-2 at 9 (explaining that transgenerational equity should avoid unfair burdens on future generations).

⁴ Reynolds, Exh. DJR-2 at 3.

1 practices around distributional equity and provide a foundation to address structural
2 and procedural equity.

3

4 **Q. Is there a difference between equal and equitable distribution of benefits?**

5 A. Yes. Equal means the same, while equitable means fair and just but not necessarily
6 equal.⁵ One example of the application of these terms can be found in the practice of
7 setting rates, where the Commission has accepted that if all similarly situated
8 customers pay the same or equal rates, then the rates are in the public interest.⁶
9 Implementation of this practice has been based on the assumption that customers
10 with similar load profiles and annual demand are in fact similarly situated. However,
11 looking only at a customer's annual consumption or load profile does not consider
12 how historic inequities may have affected that customer's annual consumption. As
13 the Commission moves forward and considers equity as it affects the rates, services
14 and practices of a utility, it should consider historical factors that may have
15 contributed to the costs caused by subgroups of customers within each class, as
16 compared to solely a static consideration of equality that might look only at strict
17 cost causation at a customer-class level, without considering underlying factors.

18

19 **Q. Is there other guidance concerning equity that the Commission should**
20 **consider?**

⁵ For example, in WAC 480-100-605, the Commission defines "equitable distribution" as a fair and just, but not necessarily equal, allocation of benefits and burdens from the utility's transition to clean energy.

⁶ As an example, the state of Iowa defines similarly situated customers as customers whose annual consumption or service requirements, as defined by estimated annual revenue, are approximately the same. Iowa Administrative Code 199-20.3(13).

1 A. Yes. Governor Inslee’s Executive Order 22-02 concerning equity in state
2 government directs all executive and small cabinet agencies to identify ways to
3 bolster access to state services by reducing barriers and eliminating inequities in all
4 aspects of agency decision-making. This decision-making includes, but is not limited
5 to, service delivery, program development, policy development, staffing, and
6 budgeting.⁷ This directive supports Staff’s recommendation that the Commission
7 consider equity as part of its approval of MYRPs, as authorized by RCW 80.28.425.

8

9 **B. Considering Equity Under RCW 80.28.425**

10

11 **Q. Does the Commission have new statutory guidance about determining the**
12 **public interest for both gas and electric utilities?**

13 A. Yes. RCW 80.28.425(1), passed by the legislature in 2021, explicitly includes equity
14 as an element the Commission may consider in evaluating whether a rate plan is in
15 the public interest, stating:

16 The commission's consideration of a proposal for a multiyear rate plan is
17 subject to the same standards applicable to other rate filings made under this
18 title, including the public interest and fair, just, reasonable, and sufficient
19 rates. In determining the public interest, the commission may consider such
20 factors including, but not limited to, environmental health and greenhouse
21 gas emissions reductions, health and safety concerns, economic development,
22 and equity, to the extent such factors affect the rates, services, and practices
23 of a gas or electrical company regulated by the commission.
24

25 **Q. Does the consideration of equity as part of the approval of a MYRP potentially**
26 **affect the electric and gas rates, services, and practices of the Company?**

⁷ Executive Order No. 22-02 – Achieving Equity in State Government at 3 (January 17, 2022).

1 A. Yes. The Company’s decision-making and implementation processes directly affect
2 its rates, services and practices. Staff witness Brewer describes a hypothetical
3 example in her testimony that shows how the Company’s decisions could change if it
4 considered equity in making those decisions.⁸

5
6 **Q. Should the Commission consider equity when determining whether a MYRP is**
7 **in the public interest?**

8 A. Yes. Staff recommends the Commission consider equity as part of the approval of a
9 MYRP because it supports the authorization of fair and just rates and is consistent
10 with the shift in overall state policy toward an inclusion of equity analysis in state
11 agency decision-making.⁹

12
13 **Q. Are there any other statutes that discuss the public interest and elements of**
14 **equity?**

15 A. Yes. RCW 19.405.010(6), part of CETA, states that the public interest includes the
16 equitable distribution of energy benefits and reduction of burdens to vulnerable
17 populations and highly impacted communities, although that provision applies only
18 to electric utilities.¹⁰

19

⁸ Brewer, Exh. MAB-1T at 21:14-22:13.

⁹ RCW 19.405.040(8) (“In complying with this section, an electric utility must, consistent with the requirements of RCW 19.280.030 and 19.405.140, ensure that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency.”).

¹⁰ CETA establishes both planning and acquisition requirements for electric companies. While planning requirements are dealt with in a CEIP proceeding, both the prudence of the acquisitions and the related impact on rates are within the scope of a general rate case and MYRP. *See* RCW 19.405.050(2).

1 **C. Review Of Distributional Equity In PSE’s MYRP**

2

3 **Q. Does PSE adequately connect distributional equity to the outcomes of its**
4 **MYRP?**

5 A. No. Staff witnesses Brewer and Navarro provide testimony on the shortcomings of
6 PSE’s analysis related to distributional equity.^{11, 12}

7

8 **Q. How should PSE support an analysis of distributional equity?**

9 A. Staff witnesses Brewer and Navarro recommend PSE’s investment decisions for both
10 gas and electric operations must include an assessment of whether and how a specific
11 investment changes conditions in the service territory. This assessment should
12 include information about whether the investment promotes an equitable distribution
13 of benefits and burdens, or, at the very least, does not worsen an *inequitable*
14 distribution.

15 At this time, Staff witnesses Brewer and Navarro limit their
16 recommendations to investment decisions and do not address how the Company
17 should consider distributional equity in other aspects of its business, such as hiring
18 and supplier policies. Staff believes it is unlikely that the Company will successfully
19 improve distributional equity without addressing these internal policies.

20

¹¹ See generally Brewer, Exh. MAB-1T.

¹² See generally Navarro, Exh. HEN-1T at 37:1 – 61:2.

1 **V. REPORTING**

2
3 **A. Responding To The Company Proposal For Streamlining Reporting**

4
5 **Q. Did the Company propose streamlining its reporting in this MYRP?**

6 A. Yes. PSE witness Piliaris recommends ending or modifying eight reporting or
7 submission requirements.¹³

8
9 **Q. Does Staff agree with PSE’s recommendations for streamlining its existing**
10 **reporting structure in its MYRP?**

11 A. Yes. Staff’s recommendations about PSE’s proposed streamlining actions are
12 summarized in Table 1, items A through H.

13 **Table 1: Summary of Proposed Streamlining Actions**

	Reporting	Company Request	Staff Opinion
A	Meter and Billing Performance Report ¹⁴	Discontinue	Agree, end as of the date of the final order in this case.
B	SQI Semi- Annual Report ¹⁵	Discontinue the July 30 Semi-Annual Report.	Agree, customer service quality measurement should be monitored annually, as of the date of the final order in this case.

14 ¹³ Piliaris, Exh. JAP-1T at 62:18-21.

¹⁴ Staff views the more recent rule requirements in WAC 480-90-178 and 480-100-178, which outlines billing requirements and payment date, as generally more restrictive than the requirements outlined in PSE’s 2011 general rate case. *See, Wash. Utils. & Transp. Comm’n v. Puget Sound Energy, Inc.*, Dockets UE-111048 & UG-111049, Order 08, 128, ¶ 360 (May 7, 2012).

¹⁵ *See Wash. Utils. & Transp. Comm’n v. Puget Sound Energy, Inc.*, Dockets UE-011570 & UG-011571, Updated Appendices 1 and 2 to Exhibit J in the Twelfth Supplemental Order (December 28, 2010); and *Wash. Utils. & Transp. Comm’n v. Puget Sound Energy*, Dockets UE-072300 & UG-072301, Order 25, 2, ¶ 2 (December 30, 2014). This information is provided annually through the SQI annual report. Thus, the SQI semi-annual report can be eliminated.

C	Deferred Environmental Remediation Detail Reports ¹⁶	Discontinue	Agree, remove reporting requirement as of the date of the final order in this case.
D	Distributed Generation Annual Report ¹⁷	Discontinue	Agree, remove reporting requirement as of the date of the final order in this case.
E	30 Day Qualifying Storm Notice ¹⁸	Discontinue	Agree, remove requirement as of the date of the final order in this case.
F	Second Filing of Schedule 140 (Property Taxes) ¹⁹	Discontinue second filing of Schedule 140	Agree, discontinue second filing but continue as an annual reporting requirement for Schedule 140 filing, as of the date of the final order in this case.
G	Schedule 149 related to the Pipeline Replacement Program Plan, and Schedule 149 Cost Recovery Mechanism Second Update ²⁰	Discontinue. <i>If it continues, modify frequency to annual filing.</i>	Agree. <i>If it continues, change requirement to annual filing in August, including an estimate of August, September, and October expenses, as of November 1, as of the date of its final order in this case.</i>
H	Schedule 171 Optional Non-Communicating Meter Service Bi-Annual Status Reports ²¹	Discontinue bi-annual filings made as part of Schedule 171; change to annual each January 31.	Agree, change requirement to an annual filing each January 31, as of the date the final order in this case.

¹⁶ See, *Petition of Puget Sound Power & Light Co. for an Order Regarding the Accounting Treatment for Costs of Its Environmental Remediation Program*, Docket UE-911476. Staff agrees the treatment of costs incurred by the Company under its environmental remediation program can be requested when necessary, including as part of a rate case.

¹⁷ See, *In re Investigation of the Costs and Benefits of Distributed Generation and the Effect of Distributed Generation on Utility Provision of Electric Service*, Docket UE-131883, Letter Revising Request for Distributed Generation Reports (January 16, 2019). See also RCW 80.60.020, which includes the requirement that each electric utility report semiannually to Washington State University Extension Energy Program. Staff agrees the data is publicly available through the United States Energy Information Administration.

¹⁸ See, *Wash. Utils. & Transp. Comm'n v. Puget Sound Energy, Inc.*, Dockets UG-040640 & UE-040641, Order 08, 88, ¶ 246 (February 18, 2005). Staff supports discontinuation of the subsequent 90-day report; additional information can be requested by Staff within 30 days or in the context of a rate case.

¹⁹ Staff agrees the second filing is unnecessary and of limited value.

²⁰ Staff agrees two filings are of limited incremental value and recommends changing filing frequency to one filing per year and treat similarly to Schedule 120 (Conservation), which uses three months of estimates that are trued-up the following year.

²¹ *In re Matter of Revisions to Tariff WN U-60 and WN U-2 of Puget Sound Energy*, Dockets UE-180860 & UG-180861, Order 01, 8, ¶ 32 (January 11, 2019). Staff agrees annual reporting is sufficient for monitoring this optional service.

1 **Q. What does Staff recommend in terms of a process to modify the submission**
2 **requirements?**

3 A. Staff recommends the Commission modify or eliminate specific filings consistent
4 with the recommendations in Table 1 as part of its final order in this general rate
5 case.

6

7 **B. Reporting Under The MYRP**

8

9 **Q. How does PSE propose to report with the new MYRP?**

10 A. PSE summarizes a list of reports and filings resulting from the proposed MYRP, as
11 illustrated in Exh. DJR-3, showing new filings, associated filing dates, and a brief
12 description of the information provided. Further, PSE presents a scorecard that will
13 summarize key results for performance metrics.²² In PSE's response to Staff Data
14 Request No. 290 the Company suggests, and Staff agrees, that the Commission may
15 wish to order the submission of a periodically updated scorecard as proposed by PSE
16 or with modifications.²³

17

18 **Q. Does Staff agree with PSE witness Lowry's proposed scorecard?²⁴**

19 A. No. While Staff supports the scorecard in general, the PSE scorecard missed the
20 mark. PSE simply did not go far enough to address metrics in a clear, outcome-
21 driven manner. PSE proposed a limited number of simplistic output measures that it

²² Lowry, Exh. MNL-1T at 23:1-2; Lowry, Exh. MNL-4 at 1-18.

²³ Reynolds, Exh. DJR-4 at 3.

²⁴ Lowry, Exh. MNL-1T at 10:17-19, 23:1-2.

1 did not connect to its overarching goals. For example, PSE proposes to track the
2 number of electric vehicles in PSE’s territory in the scorecard. This number is indeed
3 useful, but it does not demonstrate that the electric vehicle investments being made
4 are delivering desired outcomes, rather than simply tracking outputs. In a related
5 example, PSE proposes to track electric vehicle supply equipment installations in
6 geographic areas with “highly vulnerable population numbers,” which is simply
7 unclear.²⁵ The AMI performance metrics proposed by PSE lack sufficient detail
8 regarding benefits to customers, highly impacted communities, and vulnerable
9 populations. Staff witness Snyder explains these deficiencies.²⁶ However, Staff
10 agrees with PSE that progress in the performance measures should be reported in a
11 publicly available scorecard, based on data from several of PSE’s routine
12 submissions to the Commission, which should increase transparency and build trust
13 with the public. Staff also suggests the Commission require the Company to display
14 the scorecard prominently on its website and update periodically.

15

16 **Q. What additional actions are needed to provide results-based reporting and**
17 **scorecard tracking?**

18 A. In terms of alternative or additional reporting measures, Staff witness Ball proposes
19 treatment of performance measures within the MYRP and reporting within a
20 scorecard.²⁷ As shown in Table 2, Staff witnesses Rector and Snyder recommend
21 additional performance measures and reporting.

²⁵ Rector, Exh. ASR-1T at 30.

²⁶ Snyder, Exh. JES-1T at 16.

²⁷ Ball, Exh. JLB-1T at 33:34 - 34:1, 47:6-10.

Table 2: Summary of Staff Proposed Performance Measures

	Staff Witness	Reporting Measures	Citation
1	Andrew Rector	<p>Transportation Electrification Plan</p> <ul style="list-style-type: none"> • Number of EVSE stations and charging ports installed through the TEP programs, broken out by program • Energy served through the TEP programs, broken out by program • Number of customers that are part of Named Communities²⁸ and take service through PSE’s EV tariffs • Load profiles by customer class • Energy and capacity of load reduced or shifted through load management activities; and • Distribution of benefits from PSE’s TEP programs 	Rector, Exh. ASR-1T at 30-31
2	Andrew Rector	<p>Distributed Energy Resources</p> <ul style="list-style-type: none"> • Number of customers served by each program, including a count of the number of Named Community members taking part in each program • Energy and capacity provided through each program, including how much of each is owned by or sited in Named Communities • Peak demand (in energy and capacity) avoided or shifted through DR and energy storage projects • Value of the energy and capacity avoided or shifted through DR and energy storage projects 	Rector, Exh. ASR-1T at 51
3	Snyder	<p>Advanced Metering Infrastructure</p> <p>Each metric should include specific tracking related to both highly impacted communities and vulnerable populations:</p> <ul style="list-style-type: none"> • AMI bill read success rate – electric • AMI bill read success rate - gas • Remote switch success rate • Reduced energy consumption from voltage regulation 	Snyder, Exh. JES-1T at 15
4	Snyder	<p>Demand Side Management</p> <p>For metrics 2 through 4, PSE should include specific tracking related to both highly impacted communities and vulnerable populations:</p> <ol style="list-style-type: none"> 1. Peak load management savings 2. Peak load management attributable to residential customers 3. Annual electric energy efficiency savings 4. Annual gas energy efficiency savings 5. Number of customers participating in gas and electric energy efficiency programs who are from highly impacted communities and vulnerable populations <p>Specifically for Demand Response (DR), PSE should also report on the amount called on each year (by category) and the amount of DR that sheds load that can be curtailed to provide peak capacity and support the system in contingency events, as described in the citation.</p>	Snyder, Exh. JES-1T at 17

1 **VI. INCREASING TRANSPARENCY IN SUPPORT OF MYRP APPROVAL**

2
3 **A. Annual Assessment Of Filing Requirements**

4
5 **Q. In Staff's opinion, do the performance measures required as part of an MYRP**
6 **warrant additional reporting transparency?**

7 A. Yes. Performance measures should be regularly reviewed to ensure that they are
8 providing information that, in part, informs the Commission's consideration of
9 equity, which is substantially assisted by transparent and accessible reporting.

10
11 **Q. Why is it important for PSE to identify what data, reports, and tracking**
12 **mechanisms currently exist?**

13 A. PSE is responsible for operating in an efficient manner.²⁹ The Company must be able
14 to identify and articulate the current-state reporting, and present associated use cases
15 for adding or removing reports, filings, and or other tracking mechanisms. Thus, it is
16 critical that the Company increase transparency to the public through reporting and
17 tracking to adequately demonstrate that it is operating in an efficient manner on
18 behalf of all its customers and providing safe, adequate, and efficient electric and gas
19 service.

20

²⁸ "Named Communities" is an umbrella term that includes Highly Impacted Communities and Vulnerable Populations as those terms are defined in RCW 19.405.020 (23) and (40). Vulnerable populations are designated in an approved CEIP pursuant to WAC 480-100-640 and 480-100-655.

²⁹ RCW 80.28.010(2) ("Every gas company, electrical company, wastewater company, and water company shall furnish and supply such service, instrumentalities and facilities as shall be safe, adequate and efficient, and in all respects just and reasonable.").

1 **Q. Should PSE track and amend its current reporting requirements?**

2 A. Yes.

3

4 **Q. What is Staff's recommendation regarding how the Commission should require**
5 **PSE to track and amend its reporting requirements?**

6 A. Staff recommends that the Commission require PSE to inventory, assess, and file a
7 comprehensive Utility Filings Index (UFI) of its reporting requirements, including
8 performance measure tracking. Staff also recommends that the UFI use the same
9 format as the matrix developed and presented by Staff in Docket U-210151.³⁰ Staff
10 fully acknowledges this request for PSE to actively inventory its reporting
11 requirements is, indeed, one more filing. However, Staff believes this filing serves as
12 a process improvement measure, which will allow the public to have equal access to
13 identify reports that may hold little or no value or point out where critical gaps in
14 data may exist.

15

16 **Q. How often should the Commission require PSE to update the proposed UFI?**

17 A. Staff recommends that the Commission require PSE file its initial UFI in Docket U-
18 210151 within thirty days of the date of the Commission's final order in this case and
19 update the UFI by January 1 each year thereafter.

20

³⁰ *Inquiry into Reducing the Administrative Burden in Support of the Commission's Ongoing Inquiry into the Adequacy of the Current Regulatory Framework*, Docket U-210151, Staff Comments - Stakeholder Response to Utility Filings Attachment A (May 28, 2021).

1 **Q. Should the public be offered an opportunity to comment on PSE’s reporting**
2 **and tracking obligations?**

3 A. Yes. The public should be invited to comment through a Commission-issued Notice
4 of Opportunity to Comment. Staff recommends that the Commission issue such a
5 notice within the first 45 days of each year in order to provide an appropriate
6 cadence for public involvement and the ability for the public to weigh in on the
7 Company’s reporting and tracking mechanisms. Staff believes an up-to-date UFI,
8 including filings with performance measures, will be key to helping the Commission
9 identify useful reporting or tracking mechanisms to develop or support performance
10 incentive mechanisms. More importantly, Staff asserts this process improvement will
11 promote procedural equity by making it easier for interested persons to find ongoing
12 reported data, and to provide their thoughts on where possible data, reporting, or
13 tracking gaps may exist, including gaps related to reduction of burdens or assessment
14 of benefits to Named Communities.

15
16 **Q. Should the Commission require PSE to review public comments on its filings**
17 **and provide recommendations on streamlining its existing reporting and**
18 **tracking structure annually?**

19 A. Yes. As part of this annual reporting update, Staff recommends that the Commission
20 require the Company to examine any comments provided in Docket U-210151. This
21 review will allow PSE to consider comments from the public and regular rate case
22 participants regarding data, reporting, and tracking. Staff further recommends that
23 the Commission require the Company to provide testimony in future rate cases

1 addressing whether any reporting requirements should be added, removed, or
2 modified.

3

4 **B. Modeling License Agreements For Regulatory Proceedings**

5

6 **Q. Have problems arisen around access to modeling software in past energy
7 planning filings?**

8 A. Yes. As discussed in the recent rulemaking, many interested persons including Staff
9 requested greater opportunity for examination and evaluation of modeling and
10 optimization tools.³¹ PSE relies on planning and acquisition models to meet
11 reliability objectives and CETA requirements – these models provide insight into the
12 timing of hundreds of millions of dollars of plant investments and expenditures. PSE
13 currently uses AURORA, PLEXOS, and PSE’s own Resource Adequacy Model³² to
14 inform decision-making.³³

15

16 **Q. How can PSE increase transparency in subsequent GRC proceedings and
17 related filings to give greater visibility into the prudence of investment in plant
18 and the level of expenditures?**

³¹ *In the Matter of Adopting Rules Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act*, Dockets UE-191023 & UE-190698, General Order 601, 61, ¶ 179-180 (December 28, 2020).

³² PSE’s Resource Adequacy Model (RAM) is used to analyze load/resource conditions for PSE’s power system. PSE Resource Adequacy and Effective Load Carrying Capability Primer, 4, available at <https://www.pse.com/-/media/PDFs/001-Energy-Supply/003-Acquiring-Energy/PSEResource-Adequacy-and-ELCC-Primer082421.pdf>.

³³ Reynolds, Exh. DJR-5 at 1.

1 A. Staff recommends that PSE be required to facilitate the signing of a limited license
2 agreement between its modeling software company or companies and the
3 Commission (licensee) for the limited purpose of reviewing the Company's GRCs
4 and related filings involving PSE.

5
6 **Q. Why should PSE provide a license agreement for Staff's use beyond GRC
7 proceedings?**

8 A. Due to the ongoing nature of a MYRP, prudence is going to be determined at
9 different times throughout the rate plan, therefore Staff will need access to the
10 modeling software on a regular basis.

11
12 **Q. What models should PSE make available to Commission Staff?**

13 A. Staff recommends that PSE obtain a license for Staff to use the AURORA and
14 PLEXOS models within sixty days of the date of the Commission's final order in
15 this case to assist Staff's review of PSE's ongoing filings. Staff recommends that
16 PSE facilitate regular, ongoing access agreements to these models, given that
17 MYRPs, CEIPs and Integrated Resource Plans create an ongoing need to examine
18 the Company's modeling. Any lapse in these agreements subtracts days, weeks, and
19 months from Staff's critical review of the Company's approach to prudent
20 acquisition of resources or expenditures. PSE should work with Staff to facilitate
21 presentation of a signed agreement by the software provider for review, comment,
22 and signature by the Commission's Executive Director and Secretary.

23

1 **Q. Does this conclude your testimony?**

2 **A. Yes.**

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