

**Exh. HEN-8
Dockets UE-220066, UG-220067,
UG-210918
Witness: Hanna E. Navarro**

**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**

EXHIBIT TO TESTIMONY OF

HANNA E. NAVARRO

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE Response to UTC Staff Data Request No. 80

July 28, 2022

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-220066 & UG-220067
Puget Sound Energy
2022 General Rate Case**

WUTC STAFF DATA REQUEST NO. 080:

REQUESTED BY: Molly Brewer

Re: Capital Planning

Part 1: Provide a list of all benefits PSE plans to add to the benefits listed in Figure 2 on page 23 of Catherine Koch's testimony (Exh, CAK-1T at 23). Provide documentation that shows how the benefits of equity and named populations are incorporated into the "alternatives and recommended solutions" step and the "optimization with other projects" step of the five step planning process. Include documents that show how these two benefits are weighted, and where they will fit into Figure 2 on page 23.

Part 2: Provide documentation that describes the training and/or expertise the PSE staff assigned to reviewing those two benefits have on these subjects, and any documentation of plans for new trainings for existing staff and/or hiring new staff to review these two benefits.

Provide in original format, preferably in Word or a text-searchable PDF, and provide any internal emails documenting plans to incorporate these two benefits. If PSE doesn't have documents matching this description, please provide a detailed narrative description as to why not.

Response:

Puget Sound Energy ("PSE") objects to WUTC Staff Data Request No. 080 as vague and ambiguous with respect to the reference to "the benefits of equity and named populations". PSE further objects to the interpretation of RCW 19.405.040(8) that appears to underlie the data request, which PSE views as overly broad and inconsistent with the language and intent of the statute. To the extent the data request seek to impose or imply requirements on PSE pursuant to RCW 19.405.040(8) that go beyond the scope of Chapter 19.405 RCW, PSE objects.

More specifically, to the extent the data request interprets RCW 19.405.040(8) to apply beyond the transition to clean electricity set forth in Chapter 19.405 RCW, PSE objects to the interpretation. To the extent the data request interprets the statute to mandate that all company policies and procedures expressly address how all customers will benefit from the transition to clean electricity, PSE objects to the interpretation. To the

extent the data request fails to recognize the magnitude and length of the clean energy transformation set forth in the statute, and expects an immediate and wholesale revision of PSE's policies and procedures at this early date when rules have just recently been adopted, PSE objects.

Without waiving these objections and subject thereto, PSE responds as follows:

Chapter 19.405 RCW, which was passed less than three years ago, mandates a transition to 100 percent clean electricity that is to take place over a quarter-century, with interim requirements along the way. Rules to implement the statutory mandates were adopted only recently. Subsection (8) of RCW 19.405.040 requires that "in complying with" the transition to clean electricity, an "electric utility must, consistent with the requirements of RCW 19.280.030¹ and 19.405.140² ensure that all customers are benefiting from the transition to clean energy." Consistent with the statute PSE is taking action to ensure that all customers are benefiting from the transition to clean energy over the next twenty-three years, and this is reflected in PSE's Clean Energy Action Plan, Integrated Resource Plan, Clean Energy Implementation Plan, and performance-based metrics, to name a few.

In addition, PSE developed and adopted a Diversity, Equity & Inclusion Playbook (referred to as the "Playbook") to present the vision for diversity, equity and inclusion ("DEI") at PSE, including PSE's roadmap, focus areas, leadership's role and how PSE plans to advance its current efforts. DEI is a broader effort of PSE; it is not specific to any statutory mandate but reflects PSE's corporate commitment to equity. Customers are among the focus areas of the Playbook in which PSE strives for them to have "equitable access to clean energy and experience [PSE] in a manner that reflects our values and their communities." The purpose of the Playbook "is to articulate a shared vision and strategy roadmap to support our decentralized model for managing DEI" and to "help keep us aligned and moving in the same direction." The Playbook is attached as Attachment A to PSE's Response to WUTC Staff Data Request No.062.

Specifically in response to Part 1 of this request, PSE is in the process of developing the requirements for a replacement of the current investment decision optimization tool ("iDOT") that will incorporate the types of benefits that address current values such as equity, named communities, carbon emissions, non-traditional solutions, resiliency, support for jurisdictional climate goals, and broader stakeholder feedback integration, etc. It will also address risks such as extreme heat and wildfire. PSE will leverage the equity and customer benefit indicator feedback and work done through the Clean Energy Action Plan and Clean Energy Implementation Plan and other industry information from groups such as IEEE or the American Gas Association. Once the new software is in place, PSE will be able to define the benefits that represent these values,

¹ Addresses development of integrated resource plans and clean energy action plans.

² Requires a cumulative impact analysis to designate the communities highly impacted by fossil fuel pollution and climate change, to be completed by the department of health December 31, 2020, with rules to be adopted by December 31, 2021.

determine benefit weighting, and develop necessary processes that gather data and facilitate their incorporation into alternatives, recommended solutions and optimize the portfolio. Please see Attachment G of PSE's Response to WUTC Staff Data Request No. 074 for a copy of the iDOT Replacement Capital Spending Authorization.

Specifically, in response to Part 2 of the WUTC Staff Data Request No. 080, training will be developed as part of the implementation of the replacement tool.