

**Exh. HEN-10
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. 119

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. 119:

REQUESTED BY: Hanna Navarro

Re: Capital Planning

All projects described in Bamba's testimony (Exh. RBB-1T) are accompanied by a description of either achieved or planned benefits. Please provide documentation detailing how PSE will assess, after a project is completed, whether each project delivers benefits to highly impacted communities and vulnerable populations.

Response:

WUTC Staff Data Request No. 119 appears to be an implicit reference to RCW 19.405.040(8). Puget Sound Energy ("PSE") objects to the interpretation of RCW 19.405.040(8) that appears to underlie this data request, which PSE views as overly broad and inconsistent with the language and intent of the statute. To the extent this data request seeks 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 this 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 this 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 this 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 19.405.140,² 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. 62.

With this as a backdrop, a portfolio of projects and the specific benefits it delivers starts with the delivery system planning process. Please see PSE’s Response to WUTC Staff Data Request No. 110, which discusses PSE’s backcasting process that assesses benefit realization relative to the benefits that were defined in the planning process.

Additionally, it is expected that PSE’s process and definition of benefits to highly impacted communities and vulnerable populations will mature through the CEIP process and through PSE’s delivery system planning processes. That said, named communities may benefit in the traditional definition from projects that improve circuits today. Please see Appendix A to the Fourth Exhibit to the Prefiled Direct Testimony of Catherine A. Koch, Exh. CAK-5, that shows how various grid modernization programs are directly benefiting highly impacted communities, sorted by column labeled HC, and vulnerable populations, sorted by column labeled VP.

With system infrastructure projects, benefits are realized upon completion of the project, and thus deliver benefits to the community and area the solution serves. However, today PSE does not have documentation that specifically prescribes how PSE will assess whether each project delivers benefits to highly impacted communities and vulnerable populations.

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.