

# Appendix A: Public Counsel List of Conditions

## Acronyms Used in this List

Acronym	Full Name
CBI	Customer Benefit Indicators
CEIP	Clean Energy Implementation Plan
CETA	Clean Energy Transformation Act
DER	Distributed Energy Resource
DR	Demand Response
PSE	Puget Sound Energy
RFP	Request For Proposal
SCADA	Supervisory Control And Data Acquisition
TVR	Time-varying Rates

## I. CUSTOMER BENEFIT INDICATORS

### A. CBIs used in the CEIP

PSE must modify their CEIP to include the following:

- Bill Assistance CBI and metrics addressing the availability, enrollment in, and impact of bill assistance programs, particularly on highly impacted and vulnerable communities;
- Arrearage CBI and metrics addressing the number of customer arrearages of 90 or more days, particularly among highly impacted and vulnerable communities; and
- Energy Burden metrics addressing specific energy burden impacts of specific actions and programs, particularly among highly impacted and vulnerable communities as well as more detailed energy burden metrics such as number of customers in highly impacted communities, number of customers in vulnerable populations, participants in bill assistance programs, known-low-income customers, and other residential customers with high energy burden.

### B. Scoring and Application of CBIs to Select Preferred DERs

PSE must take the following steps to improve CBI scoring and application:

- Balance customer feedback on weighted CBI scores with the statutory necessity to maintain lowest reasonable costs;
- Modify the weighting process so that it can be applied in a unified and transparent manner that allows for a comparison of programs across different CBI metrics. At the very least, PSE should provide a clear rationale for the weights that the Company has assigned to CBIs and the scores that the Company has assigned to resources and programs;<sup>1</sup>
- Re-evaluate all scoring schemes to ensure that they actually provide scoring in a consistent manner between programs;
- Re-evaluate which CBIs are appropriate for selecting resources; and

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<sup>1</sup> Final PSE CEIP, App'x C-2 at 27.

- Acknowledge that CBIs are to be used in analysis of implementing CETA-related programs, not just in selection.

### **C. Alignment of CBIs and Metrics**

To better align CBIs and the outcomes they intend to measure, PSE must make the following changes:

- Provide a brief description describing each selected CBI and their interpretation of that CBI; and
- Clearly identify outcome metrics that measure the specific outcomes they hope to achieve through their CEIP while ensuring their metrics and CBIs align in their interpretation.

## **II. SPECIFIC ACTIONS**

### **A. General Comments and Recommendations**

- PSE should use a comprehensive approach to evaluating CBI impacts and include a response in Appendix L for all CBIs used to evaluate each specific action. In the event a CBI may not be applicable to a specific action, PSE should include an explanation of why it believes the CBI is not applicable; and
- For each specific action, PSE must provide additional information in the narrative description regarding:
  - Current benefits to and burdens on customers, by location and population;
  - Detailed information about the projected impacts of each action on the distribution of customer benefits and burdens as required; and
  - Costs of each specific action.

### **B. Comprehensive Review of Cost Impacts of CETA Specific Actions**

- PSE must demonstrate how the Company plans to meet the CETA standards at the lowest reasonable costs and describe the company's approach to identifying the lowest reasonable cost portfolio of specific actions. As part of the demonstration, PSE must conduct a holistic review of the entire portfolio of CETA incremental actions to determine if the utility's actions, as a whole, are reducing burdens and costs to vulnerable populations and highly impacted communities.

### **C. DER or DR?**

- PSE must explain how the company views the distinction between DRs and DERs and why DRs were included in the Targeted DER RFP.

### **D. Demand Response**

PSE must:

- Explain how it selected the portfolio of DR programs and include information regarding why it did not consider large commercial and industrial customer programs;
  - If PSE cannot provide an adequate rationale for its program selection, PSE should modify this section to either remove the proposed list of programs and wait for the DER RFP to

complete, or modify the language in this section to clarify that this is a preliminary estimate of proposals and that the program selection process will be guided by the results of the RFP.

- Include additional, granular detail regarding the expected impacts on customer benefits and burdens from DRs.

#### **E. Time-Varying Rates**

- PSE must include additional details about the TVR pilot program in the CEIP to explain how the program will include low-income customers.

#### **F. Distributed Solar Program**

- PSE must include more details about program design in the description of the Residential Rooftop Solar Leasing program.

#### **G. PSE's Definition and Treatment of DERs versus Non-Wires Alternatives**

PSE must:

- Clearly distinguish the DERs chosen through the DER portfolio selection process and explain how and why the DERs in the preferred portfolio are distinct from Non-Wires Alternatives; and
- Explain why the same selection process is not used for the DERs and Non-Wires Alternatives.

#### **H. Non-Wires Alternatives and Non-Wires Alternatives Evaluation Tool**

PSE must:

- Identify which Non-Wires Alternatives projects were planned prior to CETA and explain why the projects are included in this CEIP if they were planned prior to CETA, or, alternatively, remove all Non-Wires Alternatives from the CEIP at this time;
- Explain its existing selection process for Non-Wires Alternatives and why the process is deficient such that they need to invest in a business cost analysis tool to conduct the same evaluation;
- Explain why the Non-Wires Alternatives Evaluation Tool is included in the CEIP when the existing Non-Wires Alternatives projects discussed Chapter 4 were not driven by CETA nor was such an evaluation tool required to choose the projects;
- Explain why future actions for projects (and their costs) that were planned prior to CETA or driven solely by distribution system needs must be included in the CEIP; and
- Clarify whether the projected 22 MW are from these previously planned Non-Wires Alternatives or from future projects and whether the MW are included in the CEIP.

#### **I. DER Enablement Actions**

PSE must significantly modify the DER Enablers section of Chapter 4 to:

- Provide additional information regarding the benefits of these specific actions and the impacts of these actions on customer benefits, burdens, and risks;

- Include a description of the methodology PSE used to select these actions and a justification for each specific action; and
- Demonstrate how the DER enablement actions are part of PSE’s plan to meet the clean energy transformation standards at the lowest reasonable costs. Alternatively, PSE must remove these actions from the CEIP at this time.

**J. Enablement of Grid Modernization**

- PSE must include additional detail regarding the acceleration of SCADA installations and upgrades, including an explanation of why these activities are incremental activities due to CETA.
- PSE must include additional detail regarding the Resilience Enhancement activities, including an explanation of why PSE considers these activities to be incremental activities due to CETA as opposed to necessary maintenance and inspection activities that should occur in highly impacted communities and vulnerable populations regardless of CETA.

**III. INCREMENTAL COST**

**A. Demand Response Costs**

- PSE must either include a full description of these commercial and industrial curtailment programs along with the required information regarding benefits, burdens, and risk reductions or remove the incremental costs from this CEIP.

**B. Technology and Enabling Costs for DER and Grid Modernization**

- PSE must provide additional information to demonstrate that the investments and expenses for DER Enablement and Grid Modernization actions are directly attributable to CETA;

**C. Communication and Education Costs**

PSE must:

- Explain how it derived these Communications and Education costs and demonstrate how these costs are directly attributable to specific actions that are necessary to comply with or make progress towards CETA requirements. At a minimum, PSE must describe how it attributes each subcategory of education and communication costs to specific actions;
- Clarify whether PSE’s advertising costs are intended to advertise specific energy programs to customers, explain how these costs are directly attributable to specific actions included in this CEIP, and explain how PSE derived the advertising costs when specific programs have yet to be chosen through the Targeted DER RFP. Additionally, PSE must explain how in-language and English advertising activities advance PSE towards its CETA targets; and
- Remove all actions and costs associated with “In-language marketing partnerships” from this CEIP.

#### **IV. COST RECOVERY**

In regard to PSE's request for cost recovery, Public Counsel believes that:

- The Commission should deny the Company's request for approval and prudence determination for DER and DER-related investments at this time.
- PSE must provide clear, transparent costs for all of their preferred generation resources, including DER.

#### **V. PUBLIC PARTICIPATION**

- PSE must adequately address major concerns brought forward by stakeholders particularly around the selection, prioritization, and application of CBIs.