

**EXH. BDJ-4T
DOCKETS UE-240004/UG-240005 et al.
2024 PSE GENERAL RATE CASE
WITNESS: BIRUD D. JHAVERI**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-240004
Docket UG-240005
(consolidated)**

In the Matter of the Petition of

PUGET SOUND ENERGY

**For an Accounting Order Authorizing
deferred accounting treatment of
purchased power agreement expenses
pursuant to RCW 80.28.410**

**Docket UE 230810
(consolidated)**

PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF

BIRUD D. JHAVERI

ON BEHALF OF PUGET SOUND ENERGY

SEPTEMBER 18, 2024

PUGET SOUND ENERGY

**PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF
BIRUD D. JHAVERI**

CONTENTS

I. INTRODUCTION1

II. RESPONSE TO ISSUES RAISED REGARDING ENERGY
BURDEN ANALYSIS AND LOW-INCOME AFFORDABILITY2

 A. Summary of Intervenor Parties2

 B. Energy Burden Analysis Modifications3

 C. Low Income Affordability13

III. RESPONSE TO ISSUES RAISED REGARDING PSE’S TIME
VARYING PILOT20

IV. CONCLUSION23

1 **PUGET SOUND ENERGY**

2 **PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF**
3 **BIRUD D. JHAVERI**

4 **I. INTRODUCTION**

5 **Q. Are you the same Birud D. Jhaveri who submitted Prefiled Direct Testimony**
6 **on February 15, 2024, on behalf of Puget Sound Energy (“PSE”) in this**
7 **proceeding?**

8 A. Yes, on February 15, 2024, I filed the Prefiled Direct Testimony of Birud D.
9 Jhaveri, Exhibit BDJ-1T, and two supporting exhibits (Exh. BDJ-2 through
10 Exh. BDJ-3).

11 **Q. What is the purpose of your rebuttal testimony?**

12 A. My rebuttal testimony responds to testimony from the following witnesses
13 regarding PSE’s Energy Burden Analysis (“EBA”), low-income affordability, and
14 PSE’s Time Varying Rate (“TVR”) pilot:

- 15 1. Roger D. Colton, witness for The Energy Project (“TEP”);
16 2. Shaylee N. Stokes, witness for TEP; and
17 3. Mariel Thuraisingham & Charlee Thompson, witnesses for the Joint
18 Environmental Advocates (“JEA”) (“JEA Joint Witnesses”).

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II. RESPONSE TO ISSUES RAISED REGARDING ENERGY BURDEN ANALYSIS AND LOW-INCOME AFFORDABILITY

A. Summary of Intervenor Parties

Q. Please summarize the various parties’ proposals and recommendations for the Energy Burden Analysis.

A. TEP witness Colton compliments and commends PSE’s efforts to date to prepare its EBA.¹ Additionally, he offers suggestions to modify the EBA by:

- incorporating energy burden at different tiers of income;
- adopting the following stratification of energy burdens:
 - Affordable (< 6% energy burden),
 - High (6% - 10% energy burden),
 - Very High (10% - 15% energy burden),
 - Extreme (>15% energy burden);
- ensuring bills included in EBA include total energy bills, not merely bills for current service;
- considering single-fuel home energy burdens;
- reducing the amount of energy assistance considered in the EBA so it only reflects benefits available to pay current service;
- presenting the incidence and dollar level of mismatched benefits, which may reduce the resources available to reduce overall excess energy burdens; and
- updating the EBA annually and making it available to the public.

¹ Colton, Exh. RDC-1T at 53:14 to 54:22.

1 JEA Joint Witnesses commend the EBA as being well done and very
2 comprehensive, as well as an example for other utilities to follow suit. They offer
3 two recommendations for the next iteration:

- 4 • include customers with fewer than twelve months of usage data; and
- 5 • simulate energy burden over time.

6 **Q. Please summarize the parties' discussion on affordability for low income**
7 **customers.**

8 A. Colton considers the impact of inflation and electric and gas burdens on
9 customers when setting rates. He further discusses affordability impacts for
10 low-income customers. JEA Joint Witnesses also suggest equitable rates are based
11 on affordable monthly bills and call for developing more aggressive forms of bill
12 assistance.

13 **B. Energy Burden Analysis Modifications**

14 **Q. Does PSE agree that the EBA needs modifications for future iterations?**

15 A. PSE's EBA is ahead of its peers' and does not currently need to be modified,
16 though PSE expects its EBA to continue to evolve over time. For example, since
17 its first EBA, which was filed in PSE's 2022 GRC, PSE has quantified the energy
18 burdens of Named Communities and other disadvantaged populations (such as
19 electric Deepest Need) in its EBA, in addition to the energy burdens of estimated
20 low-income customers. The 2022 EBA also showed reporting separately for
21 electric and gas customers, which the first EBA did not include. In the next

1 iteration of PSE's EBA, PSE will account for the effects of energy assistance
2 programs, such as the Bill Discount Rate program, on reducing energy burden.
3 PSE will also update estimated fuel costs from the Department of Energy's LEAD
4 Tool to reflect more recently available data. This being said, modifications to
5 energy burden-related definitions and metrics, which alter the energy burden
6 calculation, should be based on Washington State laws and the guidance provided
7 by the Department of Commerce. The Revised Code of Washington ("RCW")
8 establishes specific calculation requirements and the Department of Commerce
9 has provided a reporting template that utilities must adhere to. Modifying energy
10 burden-related definitions and metrics would introduce inconsistencies in
11 definitions, calculations, and metrics used by agencies and utilities statewide and
12 nationwide such as the Department of Energy and the American Council for an
13 Energy-Efficient Economy.

14 **Q. Is this general rate case the appropriate venue to decide what should or**
15 **should not be included in the EBA and how?**

16 A. No. As mentioned above, the EBA must comply with RCW 19.405.120 and the
17 calculation is based on guidance provided by the Department of Commerce.²
18 Modifications to the EBA calculation should come from Department of
19 Commerce or changes to the RCW and not individual utilities, for purposes of
20 standardization across the state and nationally. PSE is open to working with

² Washington Department of Commerce, Guidelines for RCW 19.405.120, Version 03.09.202, available at <https://www.commerce.wa.gov/wp-content/uploads/2020/03/Guidelines-for-19.405.120.pdf>. ("Department of Commerce Guidelines" hereinafter)

1 interested parties outside of the general rate case process to develop additional
2 reporting views of the data to show additional stratification and income tiers.

3 **Q. TEP witness Colton recommends that the EBA should consider single-fuel**
4 **home energy burdens in addition to total home energy burden.³ Does PSE**
5 **agree?**

6 A. No, PSE does not agree. Colton’s recommendation is inconsistent with
7 RCW 19.405.020(17) which defines energy burden as the share of annual
8 household income used to pay annual home energy bills. The statute does not
9 refer to single fuel, rather annual home includes all fuels; therefore energy burden
10 is measured at the whole-household/total home level. In addition, the Commission
11 has provided guidance on this issue in its Policy Statement Addressing Initial
12 Reported Performance Metrics.⁴

13 *Average Energy Burden [Electric and Natural Gas]*
14 *Annual residential bill divided by area median income by*
15 *census tract for all customers, comparing outcomes in*
16 *Named and Non-named Communities. For dual fuel utilities,*
17 *electric and natural gas service should be stated separately*
18 *calculated both before and after energy assistance. Also*
19 *provide the number and percentage of customers*
20 *experiencing high energy burden by census tract.*

21
22 In this metric, the Commission considers energy assistance
23 to mean all energy assistance programs whether customer-
24 funded or provided from other sources.

25
26 The primary issue in finalizing this metric was how to
27 measure high energy burden for single fuel customers. While
28 we appreciate TEP’s preliminary proposal based on Avista

³ Colton, Exh. RDC-1T at 59:19 to 60:4.

⁴ *Policy Statement Addressing Initial Reported Performance Metrics*, Docket U-210590, at ¶¶ 39-41 (Aug. 2, 2024)(emphasis added).

1 and PSE data, we are hesitant to rely on that
2 recommendation without further analysis and feedback from
3 other docket participants. Additionally, we imagine data
4 sharing agreements between UTC-regulated and other utility
5 providers would likely be unsuccessful, costly, or
6 insufficient to provide complete energy burden data.
7 Therefore, until more analysis is completed, or a more
8 universal regulatory methodology is determined, **the**
9 **Commission defines high energy burden as greater than**
10 **6 percent for both single and dual fuel customers.**
11 However, utilities should utilize the Department of Energy’s
12 LEAD tool, or other easily verifiable data as a proxy for its
13 single fuel customers.

14 Even if the Commission were to consider single-fuel home energy burdens, there
15 are significant technical issues to overcome to define and calculate single-fuel
16 energy burdens for electricity and natural gas. For example, some dual-fuel
17 customers heat with gas, whereas others heat with electricity—PSE does not have a
18 reliable way to estimate which are which in a manner that can be used for
19 reporting purposes. Customers who heat with electricity, or have electric vehicles,
20 would have an artificially higher electric fuel burden, despite not having an
21 effectively higher home energy burden. Witness Colton does not propose a
22 mechanism to accurately measure burden in these situations.

23 **Q. Witness Colton also recommends that the “bills” used to calculate energy**
24 **burden should include total energy bills and not bills for current service.⁵**
25 **How does PSE respond?**

26 A. Witness Colton’s testimony is not clear on this point. To the extent Colton is
27 recommending that fees for charges such as late payment or reconnection should

⁵ Colton, Exh. RDC-1T at 58:21 to 59:15.

1 be included in total energy bills, such fees have not been included in PSE's
2 energy burden calculations because PSE has not been collecting any such fees for
3 over four years. The Commission opened Docket U-200281 to address issues
4 related to the COVID-19 pandemic, including the Governor's Proclamation 20-
5 23.2 which, among other things, prohibited energy providers from charging late
6 fees or reconnection fees. The Commission also opened Docket U-210800 to
7 consider whether changes to the Commission's credit and collections rules are
8 appropriate. The Commission has extended the suspension of fees and deposits
9 until the rulemaking in Docket U-210800 is complete. Therefore, there are no fees
10 or other charges for PSE to include in its energy burden calculation at this time.
11 PSE understands that such fees or other charges may be included in the energy
12 burden calculation in the future, depending on the resolution of the rulemaking in
13 Docket 210800.

14 To the extent Colton is recommending that arrearages be included in the energy
15 burden calculation, PSE disagrees. Witness Colton's recommendation would
16 conflict with the definition of energy burden, which is the share of annual
17 household gross income used to pay annual home energy bills.⁶ The Washington
18 statute and Department of Commerce guidelines define energy burden as the
19 percentage of a household's annual gross income devoted to annual fuel costs
20 (such as electricity, natural gas, and other heating fuels).⁷ This definition specifies
21 an annual time span of study and compares the household income over that annual

⁶ RCW 19.405.020(17).

⁷ Department of Commerce Guidelines at 4.

1 period to the fuel costs incurred in that annual period. PSE has adopted the
2 requirement to consider a 12-month (annual) period as the time span of analysis.
3 That is, the energy burden of a household for a 12-month period is that
4 household's estimated fuel costs over those 12 months divided by that
5 household's estimated income over those same 12 months. In contrast, Colton's
6 recommendation would have PSE include energy costs for arrearages that may
7 extend well before the 12-month period associated with an energy burden
8 calculation. The age of oldest arrearage may differ greatly from one customer to
9 the next and may extend to historical periods for which PSE does not have
10 accurate household income estimates for the customer in question. The resulting
11 calculation of annual home energy bill divided by annual household gross income
12 would have a different meaning than that established in RCW 19.405.020(17).
13 Including arrearages accrued before a 12-month time span of energy burden
14 calculation is inconsistent with the definition of energy burden.

15 **Q. Colton further recommends PSE reduce the amount of energy assistance**
16 **considered in its EBA so it only reflects benefits available to pay current**
17 **service.⁸ Why is this problematic?**

18 A. There are two issues with Colton's recommendation. First, it could result in
19 situations where energy assistance is not counted toward reducing energy burden
20 when it clearly does. As an example, suppose a customer is persistently 14

⁸ Colton, Exh. RDC-1T at 60:5 to 61:3.

1 months behind on their bills, but manages, with the help of energy assistance, to
2 maintain a fixed total balance on their bill. This scenario could occur if the
3 customer's energy assistance, which would go toward the customer's oldest (14
4 months old) arrearage, was roughly offset by the customer's current energy usage.
5 Under Colton's recommendation, PSE could not consider the assistance applying
6 to the customer's oldest arrearage as effective at reducing their current (12-month
7 time span) energy burden. If this customer's situation persists, none of the energy
8 assistance they receive would ever count toward reducing their energy burden,
9 despite the fact that the assistance prevents the customer from accruing a more
10 and more unmanageable arrearage over time. PSE is obligated in
11 RCW 19.405.120 to report, on a biennial basis, the effects of energy assistance on
12 reducing energy burden. The most parsimonious treatment of energy assistance is
13 to consider each customer's assistance received in a 12-month study period
14 against the customer's total fuel costs for that same 12-month period.

15 Second, Colton's recommendation is at odds with his previous recommendation
16 to include total arrearages in customers' energy burden calculations, even if the
17 arrearages were accrued beyond the 12-month time span of analysis. Colton
18 advocates that PSE should not include energy assistance that does not apply to
19 customers' current energy costs. However, he also advocates that PSE *should*
20 include energy costs prior to the 12-month period of usage, despite requirements
21 and guidelines outlined in RCW 19.405.020 and Department of Commerce
22 guidelines. These competing recommendations make it unclear the timeline over
23 which Colton suggests PSE should calculate a customer's fuel costs and

1 assistance received. The recommendations would also have the effect of
2 artificially inflating a given customer's energy burden by including more past
3 bills and less energy assistance than pertains to the customer's 12-months of
4 activity. As required by RCW 19.405.020(17), PSE maintains the practice of
5 considering a 12-month period for tabulating both total fuel costs, household
6 income, and any energy assistance received for energy burden analysis
7 calculations. Any further guidance on which assistance to include or exclude from
8 energy burden reduction calculations would more appropriately come from
9 revisions to RCW 19.405.020(15), the Commission, or the Department of
10 Commerce.

11 **Q. Should PSE measure the mismatching of benefits, as not all energy assistance**
12 **is available to help reduce energy burden as suggested by Colton?**⁹

13 A. No. Not all energy assistance programs are specifically designed to reduce energy
14 burden of low-income customers. PSE's energy assistance programs are intended
15 to: (1) reduce energy burden; (2) provide bill affordability; (3) provide energy
16 security; and (4) reduce the need for long-term assistance. PSE argued above that
17 Colton's recommendation—to parse energy assistance into amounts that do or do
18 not reduce energy burden—is logically flawed. Consequently, PSE does not
19 support measuring “mismatched” benefits.

⁹ Colton, Exh. RDC-1T at 61:4 to 61:7.

1 **Q. How often does PSE update the EBA and is it made publicly available?**

2 A. PSE updates its EBA on an annual basis. PSE has made its EBA publicly
3 available through its general rate case filings and is agreeable to provide an
4 annual update of the study on its website. As required by RCW 19.405.120, PSE
5 reports its energy assistance reports using EBA data to the Department of
6 Commerce biennially (and available on Department of Commerce’s website and
7 in Docket UE-200629). PSE has also been using its annual EBAs to submit 2022
8 GRC-MYRP annual reporting metrics data (available in Docket UE-220066/
9 UG-220067, *et. al.*).

10 **Q. How does PSE respond to Colton’s recommendation to present the EBA to**
11 **PSE’s Low-Income Advisory Committee (“LIAC”) and to the Equity**
12 **Advisory Group (“EAG”)?”¹⁰**

13 A. PSE agrees that it is important to share the results of its EBA with the LIAC and
14 the EAG. PSE has previously presented its energy burden analyses to both the
15 LIAC and the EAG several times. PSE’s first presentation of the EBA to the
16 LIAC and the EAG was in June 2021. PSE also presented its updated EBA to the
17 LIAC in November 2022. PSE filed its 2020 EBA and 2022 EBA in its 2022
18 GRC and 2024 GRC, respectively. Most recently, in April 2024, PSE held an
19 in-person meeting with interested parties, including a number of representatives
20 from the LIAC, for a walk-through of PSE’s 2022 EBA that was filed in this

¹⁰ Colton, Exh. RDC-1T at 61:18 to 62:2.

1 GRC. PSE will continue to share its EBAs with the LIAC and the EAG, as
2 feasible within the priority schedules of these groups.

3 **Q. How do you respond to JEA Joint Witnesses' recommendation to include**
4 **customers with fewer than twelve months of usage data in the EBA?¹¹**

5 A. PSE is open to incorporating this suggestion in its next EBA.

6 **Q. Is PSE able to simulate energy burden over time as a function of factors that**
7 **increase customer bills, as recommended by the JEA Joint Witnesses?**

8 A. PSE understands the motivations for JEA Joint Witnesses' recommendation to
9 simulate energy burden over time.¹² The coming decade is likely to see numerous
10 changes that will impact energy burden, ranging from exogenous economic
11 factors to new programs and processes within PSE. At this time however, PSE is
12 reluctant to develop a forecasted EBA methodology based on speculative inputs
13 as it would be based on data and calculations outside of the statute and
14 Department of Commerce guidelines. The results of such hypothetical simulation
15 would be incomparable to the current EBA, making it an even less reliable source
16 of information. Current EBA estimates are grounded in best available and known
17 information and follow the statute and Department of Commerce approved
18 calculations. Hypothetical simulations would be based on assumed and potentially
19 unpredictable data related to forecasted rates, forecasted customer consumption,

¹¹ Thuraisingham and Thompson, Exh. MT-CT-1T at 23:9 to 23:19.

¹² Thuraisingham and Thompson, Exh. MT-CT-1T at 24:1 to 24:13.

1 estimated future household income, and household sizes, among other factors.
2 Such projections would not be reliable enough to inform rate and bill-impact
3 related decisions. PSE contends that without a grounded set of modeling inputs,
4 there are too many variables inherent in a forward looking EBA to develop a
5 reliable forecast at this time. Observing trends based on annual EBA updates
6 (including post-assistance) offer a more reliable pattern/assessment of long-term
7 energy burden impacts than hypothetical simulations developed on speculative
8 modeling inputs.

9 **C. Low Income Affordability**

10 **Q. Please comment on Colton’s suggestion that the Commission should consider**
11 **the adverse impacts of inflation on low income customers when considering**
12 **PSE’s rate increase.¹³**

13 A. The rate increases proposed in PSE’s general rate case revenue requirement
14 request are a function of costs required to maintain safe and reliable electric and
15 natural gas service, along with meeting the carbon free legislative mandate under
16 the Clean Energy Transformation Act (“CETA”) at the lowest reasonable cost.
17 Consequently, the Commission is obligated to fund the dual mandate of meeting
18 the CETA and clean energy requirements along with maintaining safe and reliable
19 service. While this dual mandate comes at a higher cost than the traditional
20 mandate to only provide safe, reliable, and efficient service, these clean energy

¹³ Colton, Exh. RDC-1T at 10:13 to 10:15.

1 investments offer benefits for low-income and vulnerable population customers.
2 Current and projected negative impacts of climate change on low-income and
3 vulnerable populations are well documented.¹⁴ PSE’s investments in
4 decarbonizing its system and maintaining an equitable, safe and reliable service
5 are in the long-term interest of vulnerable low-income customers.

6 **Q. Colton claims that PSE’s bills are unaffordable for low-income customers. Is**
7 **this true?**

8 A. No. CETA mandates utilities use the EBA results to understand the
9 reasonableness of costs borne by customers. As shown in Exhibit BDJ-3r, the
10 EBA demonstrates that PSE’s median energy burden for all customers is
11 2.4 percent and the median energy burden for low-income customers is
12 4.4 percent. Both of these metrics are well below the six percent threshold set
13 forth in the statute and adopted by Department of Commerce¹⁵ and by the
14 Commission.¹⁶

¹⁴ For example, see NW Energy Coalition Strategy Plan 2022-2025, available at: <https://nwenergy.org/wp-content/uploads/2022/06/NWEC-Strategic-Plan-2022-2025-Final.pdf>; see also Washington Department of Ecology, *Improving Air Quality in Overburdened Communities* available at <https://ecology.wa.gov/air-climate/climate-commitment-act/overburdened-communities>.

¹⁵ WAC 480-100-605 (definition of “energy assistance need”); see also Department of Commerce Guidelines at 3-4.

¹⁶ *WUTC*, Policy Statement Addressing Initial Reported Performance Metrics, Docket U-210590, at ¶ 41 (Aug. 2, 2024).

1 **Q. Witness Colton asserts that unaffordability of PSE bills is deep and broad for**
2 **the first quintile income group.¹⁷ Is this true?**

3 A. Nearly 80 percent of the first quintile income group census tracts in the analysis
4 provided by Colton in Table 3 in Exh. RDC-1T have bill to income (“BTI”) ratios
5 below five percent,¹⁸ well below the energy burden threshold of six percent. This
6 does not qualify as demonstrating deep and broad unaffordability. Moreover, by
7 only showing counts of census tracts and not counts of customers, Colton is
8 potentially obscuring the number of customers in each category of BTI ratio. In
9 fact, by using generalized data and methodology in his analysis, which is not
10 grounded in the RCW or Department of Commerce methodology, Colton’s entire
11 analysis obscures the true result of the EBA for low-income customers.

12 **Q. What conclusions should be drawn from PSE’s 2022 EBA study for low-**
13 **income customers?**

14 A. PSE’s 2022 EBA indicates that less than 16 percent of PSE’s residential
15 customers are estimated to be energy-burdened.¹⁹ This demonstrates that a vast
16 majority, over 84 percent, of PSE’s customers are estimated to not be energy-
17 burdened; in other words, PSE’s bills are affordable to a super majority of its
18 customers.

¹⁷ Colton, Exh. RDC-1T at 13:1 to 13:3.

¹⁸ Colton, Exh. RDC-1T at 12.

¹⁹ See Jhaveri, Exh. BDJ-3r at 14; *see also* Jhaveri, Exh. BDJ-1Tr at 24.

1 For the customers that are estimated to be energy-burdened, the vast majority of
2 these customers are in the lower-income area median income (“AMI”) brackets.
3 While a super majority of customers, including low-income customers, have
4 estimated energy burden well below the six percent threshold set by the
5 Commission and the Department of Commerce, a minority of low-income
6 customers are estimated to have energy burden over the six percent threshold.
7 (The EBA indicates 35 percent of estimated low-income customers are energy
8 burdened.)²⁰

9 **Q. How can PSE mitigate the impact of rate increases on this smaller set of low-**
10 **income energy burdened customers?**

11 A. PSE has a robust portfolio of low-income assistance programs that can help
12 mitigate the energy burden of customers, and PSE continues to expand and
13 improve its portfolio of energy assistance programs. As can be seen on page 25 of
14 Exh. BDJ-3r, PSE offers the following energy assistance and bill assistance
15 programs and added new programs in 2023-2024:

16 Available for all PSE customers:

- 17 • PSE’s Energy Efficiency programs²¹
- 18 • PSE’s Budget Payment Plan²²
- 19 • PSE’s Payment Arrangements²³

²⁰ See Jhaveri, Exh. BDJ-3r at 16; *see also* Jhaveri, Exh. BDJ-1Tr at 25.

²¹ See Puget Sound Energy, *About Efficiency* available at <https://www.pse.com/en/rebates/about-efficiency>.

²² See Puget Sound Energy, *Budget Payment Plan* available at <https://www.pse.com/en/account-and-billing/payment-options/budget-payment-plan>.

²³ See Puget Sound Energy, *Payment Arrangements* available at https://www.pse.com/en/account-and-billing/Payment-Assistance/payment-arrangement?utm_source=google&utm_medium=cpc&utm_campaign=cs-

1 Available for eligible PSE customers with incomes up to 90percent AMI:

- 2
- PSE’s Efficiency Boost Program²⁴

3 Available for eligible PSE customers with incomes equal to or less than
4 80 percent AMI or 200 percent Federal Poverty Level (FPL), adjusted by
5 household size, whichever is greater:

- 6
- PSE’s Bill Discount Rate (BDR) (launched October 1, 2023)²⁵
 - PSE’s Home Energy Lifeline Program (HELP) (effective October
7 1, 2021)²⁶
 - PSE’s donation-based Warm Home Fund (WFH) (effective
8 October 1, 2022)²⁷
 - PSE’s Temporary Arrearage Management Plan (effective October
9 1, 2023)²⁸
 - PSE’s Past-Due Bill Forgiveness (effective October 1, 2024)²⁹
10 [new]
 - PSE’s Climate Commitment Act (CCA) Cap-and-Invest Low-
11 Income Credit (effective August 15, 2023) [new]
 - PSE’s Income-qualified Community Solar (effective October 1,
12 2023)³⁰
 - PSE’s CCA Low-Income Decarbonization Projects (effective
13 January 1, 2024) [new]
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[help&sc_camp=6DFD09442E6C43D2973E8CB3482F8A92&gad_source=1&gclid=EAJaIQobChMIiYPdmtK1iAMVMg2tBh2z3THkEAAAYASAAEgJsivD_BwE](https://www.pse.com/rebates/efficiency-boost?utm_source=google&utm_medium=cpc&utm_campaign=rem-eboost-g&sc_camp=09DD10446BD14533E7C8B0FCB220512C&gad_source=1&gclid=EAJaIQobChMIiYPdmtK1iAMVMg2tBh2z3THkEAAAYASAAEgJsivD_BwE).

²⁴ See Puget Sound Energy, *Efficiency Boost* available at https://www.pse.com/rebates/efficiency-boost?utm_source=google&utm_medium=cpc&utm_campaign=rem-eboost-g&sc_camp=09DD10446BD14533E7C8B0FCB220512C&gad_source=1&gclid=EAJaIQobChMIgcfG09GiAMVhszCBB2NtODXEAAAYASAAEgJ9oPD_BwE.

²⁵ See Puget Sound Energy, *Bill Discount Rate* available at <https://www.pse.com/en/account-and-billing/assistance-programs/bill-discount-rate>.

²⁶ See Puget Sound Energy, *Home Energy Lifeline Program (HELP)* available at https://www.pse.com/account-and-billing/assistance-programs/HELP?utm_source=google&utm_medium=cpc&utm_campaign=cs-help&sc_camp=6DFD09442E6C43D2973E8CB3482F8A92&gad_source=1&gclid=EAJaIQobChMIhOGIvNK1iAMVN87CBB3PfrzkEAAAYASAAEgJnkPD_BwE.

²⁷ See Puget Sound Energy, *Energy Assistance Programs* available at <https://www.pse.com/en/account-and-billing/assistance-programs>.

²⁸ See Puget Sound Energy, *Home Energy Lifeline Program (HELP)* available at https://www.pse.com/account-and-billing/assistance-programs/HELP?utm_source=google&utm_medium=cpc&utm_campaign=cs-help&sc_camp=6DFD09442E6C43D2973E8CB3482F8A92&gad_source=1&gclid=EAJaIQobChMIhOGIvNK1iAMVN87CBB3PfrzkEAAAYASAAEgJnkPD_BwE.

²⁹ See Puget Sound Energy, Permanent arrearage management plan (AMP) approved in Dockets UE-240550 and UG-240552.

³⁰ See Puget Sound Energy, *Community Solar Income-eligible Option* available at <https://www.pse.com/en/green-options/Renewable-Energy-Programs/Community-Solar-IE#:~:text=The%20Community%20Solar%20income%20Deligible.proof%20of%20income%20are%20required.>

1 Available for eligible PSE customers with incomes equal to or less than
2 60 percent State Median Income (“SMI”) or 200 percent FPL, or
3 80 percent AMI:

- 4 • PSE’s Weatherization Assistance Program (“WAP”)

5 Available for eligible PSE customers with incomes up to 150 percent FPL:

- 6 • Federal Low Income Home Energy Program (“LIHEAP”)

7 With all these programs available to low-income customers, customers in the
8 lowest income brackets can potentially receive energy assistance offsetting over
9 100 percent of their annual energy bills from PSE. The discount provided in each
10 BDR tier, when combined with PSE’s and other energy assistance programs, is
11 designed to reduce the average participant’s energy burden to less than six percent
12 of their total annual income. For example, an eligible PSE customer within the
13 lowest income BDR tier (0% FPL to ≤ 20% FPL) who self-attests can receive:

- 14 • A 45 percent discount off their regular bills for 13 months of BDR;
- 15 • Up to \$1,000 grant in PSE HELP per program year;
- 16 • Up to \$1,000 grant from Federal LIHEAP per program year;
- 17 • Up to \$2,500 in arrearage assistance through Past-Due Bill
- 18 Forgiveness, starting in October 2024;
- 19 • Up to \$600 in arrearage assistance from WHF (if they have
- 20 received a disconnection notice);
- 21 • Up to \$300³¹ savings on average per year from PSE’s CCA Cap-
- 22 and-Invest credits (for two years), depending on their usage;
- 23 • Up to \$480 savings per year from Income-Eligible Community
- 24 Solar Program (potentially, for over ten years through 2036);³²

³¹ Based on typical bill using 64 therms per month and rates effective November 1, 2023, the typical bill impact of the CCA Schedule 11 rates (eff. Jan 1, 2024) were approximately \$25 per month. Source: Docket UG-230968.

³² The \$40 per month or \$480 per year estimates are based on Eastern Washington site production when subscribed to two shares. Also, the income-eligible Community Solar is an “opt-out” program where the customers are asked annually to inform PSE if they no longer qualify, otherwise, customers who have already self-attested as income-qualified stay enrolled in the program. The current life of the program is through 2036. Source: PSE’s Community Solar Income-eligible Option webpage, available at: <https://www.pse.com/en/green-options/Renewable-Energy-Programs/Community-Solar-IE#:~:text=The%20Community%20Solar%20income%20Deligible.proof%20of%20income%20are%20required.>

- Home weatherization and electrification through PSE’s WAP and CCA Decarbonization Programs.

Q. Based on the evidence provided, are PSE’s current bills and the proposed rate increases in this GRC affordable for PSE’s customers.

A. Yes. Based on the RCW and Department of Commerce approved EBA methodology, PSE’s EBA finds that a super majority of PSE customers’ bills are affordable – even for the majority of low income customers. For the minority of low-income customers that experience energy burden, PSE has a robust and improving portfolio of assistance programs that can help mitigate arrearages, current bills, and the proposed rate increases so future bills can continue to be affordable for them as well.

Q. Please comment on JEA Joint Witnesses’ suggestion that equitable rates are based on affordable monthly bills and their call for developing more aggressive forms of bill assistance.³³

A. As indicated above, the vast majority of PSE customers, over 84 percent, experience affordable monthly bills per the EBA. While a minority of low-income customers experience energy burden, PSE’s broad portfolio of low-income assistance programs are available to aid low-income energy-burdened customers to make their bills affordable based on their income.

³³ Thuraisingham and Thompson, Exh. MT-CT-1T at 36:4 to 38:2.

1 The current portfolio of bill assistance programs already provides aggressive
2 support to customers in need – over 100 percent bill assistance support for the
3 lowest income customers. This being said, bill assistance programs will continue
4 to evolve as PSE learns more about low-income customers and their needs.

5 While JEA proposes income-graduated fixed charges, the Washington legislators
6 have already supported structuring low income assistance through the bill
7 discount rate program per RCW 80.28.068. As the BDR is a requirement, an
8 income-adjusted fixed charge program becomes redundant and unnecessary as
9 ultimately both types of assistance programs achieve the same intended goal – an
10 income-adjusted pricing plan for low-income customers. PSE’s BDR program
11 already achieves this by applying an income-based discount rate to the entire
12 customer bill, including fixed charges.

13 **III. RESPONSE TO ISSUES RAISED REGARDING PSE’S TIME VARYING**
14 **PILOT**

15 **Q. How do you respond to TEP witness Stokes’ concerns that PSE is limiting**
16 **collaboration prior to submitting the final TVR proposal to the**
17 **Commission?³⁴**

18 A. PSE did not suggest that it wished to limit collaboration regarding a final TVR
19 proposal and refutes TEP’s characterization that PSE proposes to merely report its
20 decisions to parties and the community after the final TVR proposal is complete.

³⁴ Stokes, Exh. SNS-1T at 68:16 to 68:19.

1 Quite the contrary, PSE intends to continue outreach and collaboration with
2 interested parties similar to how witness Dr. Ahmad Faruqi detailed the
3 TVR Pilot’s objectives and design collaboratives in PSE’s 2022 GRC.³⁵ In that
4 process, PSE Company hosted multiple collaborative workshops in addition to
5 ad-hoc discussions with interested parties.

6 **Q. Does PSE endorse the procedure prescribed by TEP for the development of**
7 **PSE’s TVR proposal, and what might it propose instead?**

8 A. No. As stated in my initial testimony, “PSE proposes to incorporate the data
9 driven findings from the EM&V reporting process to inform ... full-scale
10 voluntary opt-in residential TVR programs.”³⁶ To this end, PSE intends for the
11 independent third-party EM&V evaluation expert to be able to publish the final
12 EM&V report without interference. PSE distinguishes between the
13 comprehensive EM&V report and that of any proposal put forth by PSE for a
14 full-scale residential TVR. PSE believes the finalized EM&V report should
15 inform any collaborative design efforts on the eventual TVR proposal.

16 **Q. Can you elaborate on sequence of events with regard to PSE’s plans to**
17 **propose to launch the new TVR rate designs?**

18 A. PSE’s stated intent, “to file the comprehensive proposal inclusive of the final
19 program and rate designs, tariff sheets and rates for the aforementioned TVR rate

³⁵ *WUTC v. PSE*, Dockets UE-220066 and UG-220067.

³⁶ Jhaveri, Exh. BDJ-1Tr at 13:5 to 13:6

1 structures concurrently with PSE’s submission of the final EM&V report in a
2 separate filing to the Commission in early 2026” is still valid.³⁷ As mentioned
3 above, PSE distinguishes between the final EM&V report and filing a proposed
4 TVR. PSE would naturally utilize and share the final EM&V report with
5 interested parties as part of collaborative efforts to inform a final proposal for
6 TVR—as fits with the record of the initial TVR pilot development. PSE does not
7 believe it is necessary for such a process to be prescribed in a final GRC Order.
8 Ultimately, TVR proposal design efforts are contingent on the conclusion of the
9 EM&V “Year 2 Impact Evaluation” and receipt of the finalized EM&V report
10 between the fourth quarter of 2025 and the first quarter of 2026. Once PSE is in
11 possession of the final EM&V report it would reach out to interested parties to
12 establish a collaborative workshop to review the EM&V findings and begin
13 discussion of their implications for a full-scale residential TVR. Any ultimate
14 proposal would be informed by findings of the EM&V report, the capabilities of
15 PSE, and any appropriate feedback by interested parties for customers’ welfare.

16 **Q. Should future TVR collaboration with interested parties continue as a**
17 **dedicated process?**

18 A. Yes. Just as an open, inviting process that incorporated feedback from interested
19 parties, whenever appropriate, greatly improved the initial TVR Pilot design, a
20 continuation of that open collaborative process should only serve to improve a
21 full-scale residential TVR proposal. Given that TVR is such a complex project,

³⁷ Jhaveri, Exh. BDJ-1Tr at 14:5 to 14:8.

1 with objectives far more diverse than conservation alone, PSE envisions
2 continuation of a dedicated collaborative design process outside of the CRAG
3 forum in order to further the four goals PSE seeks to achieve with TVR:

- 4 • Lower system costs by influencing customer usage patterns;
- 5 • Increase customer choice by offering more rate options;
- 6 • Enhance equity and accessibility by providing customers the means to control
7 their energy costs through alternative rate designs; and
- 8 • Expand renewable generation integration by providing demand-side pricing
9 tools.

10

11 **IV. CONCLUSION**

12 **Q. Does this conclude your rebuttal testimony?**

13 A. Yes, it does.