

**EXH. TAH-10T
DOCKETS UE-240004/UG-240005 et al.
2024 PSE GENERAL RATE CASE
WITNESS: TROY A. HUTSON**

**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

TROY A. HUTSON

ON BEHALF OF PUGET SOUND ENERGY

SEPTEMBER 18, 2024

PUGET SOUND ENERGY

**PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF
TROY A. HUTSON**

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PUGET SOUND ENERGY

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1 **PUGET SOUND ENERGY**

2 **PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF**
3 **TROY HUTSON**

4 **I. INTRODUCTION**

5 **Q. Are you the same Troy Hutson who submitted Prefiled Direct Testimony on**
6 **February 15, 2024 on behalf of Puget Sound Energy in this proceeding?**

7 A. Yes, on February 15, 2024, I filed the Prefiled Direct Testimony of Troy Hutson,
8 Exhibit TAH-1T and eight supporting exhibits (TAH-1T through TAH-9).

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

10 A. My rebuttal testimony responds to the testimonies from Harmon, Franks,
11 McGuire, Colton, Stokes, Koenig, Kaufman, and Thuraisingham & Thompson
12 (collectively “Intervenors”). Specifically, I respond to the following:

- 13 • I demonstrate Puget Sound Energy’s (“PSE” or the “Company”) continued
14 commitment to Recognition Justice, specifically 1) the historical research PSE has
15 conducted to date is broad in scope, and 2) clarify misunderstandings of Equity
16 Investment Zones, and how they relate to military communities and tribes.
- 17 • I explain PSE’s continued commitment to Procedural Justice; how it currently
18 engages with the EAG and Named Communities at various levels of the
19 International Association for Public Participation (“IAP2”) spectrum.

- 1 • I respond to concerns about the need for PSE to conduct a Distributional Equity
2 Analysis (“DEA”) on the entire 80 MW distributed solar portfolio and Targeted
3 Electrification Pilot.
- 4 • I respond to the comments regarding equity-related metrics.
- 5 • I respond to comments related to inconsistency in goals and PSE’s continued
6 maturity in equity practices.
- 7 • I explain what PSE is doing on language accessibility and its future plans.
- 8 • I also respond to comments related to the availability of information on PSE’s
9 website, and other financial and hiring practices.

10 **Q. What is your initial reaction to intervenors’ testimony?**

11 A. PSE is making decisions that prioritize equity in areas of the organization in a
12 focused way that provide the most meaningful impact to our customers. Adding a
13 wide variety of additional conditions, as proposed by Intervenors, would detract
14 from that focus, and PSE would lose momentum and the results it is striving to
15 achieve. For a summary of the energy equity work PSE continues to pursue,
16 please refer to Hutson, Exh. TAH-11.

17 The Commission set the expectation in PSE’s 2022 General Rate Case Order that
18 PSE should integrate considerations of equity into every proposal through an

1 energy justice lens.¹ The Commission declined to provide “specific
2 programmatic guidance” in part because this is the start to a long evolution and
3 journey. In response to this broad set of instructions, PSE adopted the four energy
4 justice tenets, from the 2022 Cascade GRC Order and the University of
5 Michigan’s Energy Equity Project (“EEP”), to apply an equity lens across the
6 organization. The Company started to understand each of the four tenets in more
7 detail, developed tools and methods, and applied them within the organization.

8 In addition to the 2022 GRC Order and PSE’s CEIP, the Commission has
9 provided further guidance in the performance based rate-making (“PBR”) docket.
10 Through conversations with staff, commissioners, interested parties, and state
11 ethnic commissions, the general response to PSE’s progress on energy equity has
12 been positive. PSE continues to be committed and focused on meeting its current
13 regulatory requirements, through continued evolution and maturity of its energy
14 equity practice.

15 I am concerned with the myriad of additional recommendations proposed to the
16 Commission, beyond what is currently stipulated in existing orders and statutory
17 requirements. These additional recommendations, while they are good-
18 intentioned, lack direction, and detract from the important goals PSE has set out
19 to accomplish to advance the interest of our customers and the communities we
20 serve. As I mentioned in my direct testimony, one of PSE’s important goals is
21 meeting the 30 percent energy minimum designation for Named Communities.

¹ See *WUTC v. PSE*, Dockets UE-220066 *et. al.*, Order 24/10 (Dec. 22, 2022) at ¶ 228.

1 Adding conditions would only increase the workload for PSE staff and the
2 Commission with little apparent benefit to our customers and communities.

3 Finally, adding additional requirements and conditions would impact PSE's O&M
4 expenses, such as staffing. Due to the increased importance of energy equity,
5 PSE staffed a central energy equity team (a team of eight) in 2023. In addition,
6 there are now employees in other departments, such as Customer Energy
7 Management, Delivery Planning, and Customer Renewables, whose sole
8 responsibility is equity. Our current staffing is set up to meet the current
9 regulatory requirements from statutes and orders. There is high likelihood that
10 adding additional requirements would require additional staffing to handle the
11 increased workload. Furthermore, simply hiring additional staff in this field is not
12 easy. These types of positions require unique experience, where the ideal
13 candidate possesses a blend of both utility and equity experience, which takes
14 time to identify the most qualified candidate. PSE has demonstrated it is taking
15 equity expectations seriously and is complying with the requirements the
16 Commission has set forth. The Commission should allow PSE room to ramp up
17 its efforts.

1 **II. HISTORICAL RESEARCH**

2 **Q. How do you respond to Staff witness Harmon’s claim that PSE should**
3 **conduct additional historic research?**²

4 A. PSE has incorporated a wide range of academic and non-academic resources to
5 provide a comprehensive understanding of the historical, social, and economic
6 factors that influence our service areas and the customers we serve. These diverse
7 resources have been instrumental in shaping PSE’s energy equity efforts to
8 address inequities as we design and implement clean energy initiatives and
9 programs.

10 PSE performed preliminary research on the applicability of energy justice tenets,
11 combining literature reviews and emerging practices to inform our evidence-
12 based practices. Literature reviews include an in-depth examination of
13 terminologies currently in use by practitioners and academics in the social justice,
14 environmental justice and energy justice disciplines. The research aims to broaden
15 PSE’s knowledge on historical inequity issues beyond utility and regional
16 concerns. It includes but is not limited to environmental burdens, housing
17 segregation, transportation inequality, social and economic disparities, all of
18 which intersects with energy equity and underlying issues of structural racism.

19 See Exh. TAH-12 for a list of sources of PSE’s research.

² Harmon, Exh. BLH-1T at 2:13–5:11, 15:9–16:8.

1 **Q. Has PSE demonstrated it has taken efforts to understand historic**
2 **inequalities?**

3 A. Yes. Harmon’s statement that “PSE provided no evidence demonstrating that
4 PSE understands historic inequalities...beyond mapping of current conditions” is
5 incorrect.³

6 In PSE’s effort to conceptualize and identify customers in deepest need, which is
7 central to the Commission’s minimum designation requirements⁴, PSE reviewed
8 academic and non-academic resources. These resources provided a robust
9 foundation for PSE’s understanding of the challenges faced by communities
10 experiencing deep poverty or extreme disadvantages. Furthermore, PSE consulted
11 with interested parties and advisory groups (Low-Income Advisory Committee,
12 Equity Advisory Group and the Conservation Resource Advisory Group) to
13 discuss how best to define and integrate the discussed concept into PSE’s
14 approach. In the 2023 CEIP, PSE identified the participation of these groups and
15 the research overview.

16 **Q. Did PSE conduct research on non-utility related scholarship or sources aside**
17 **from the Puget Sound Regional Council?⁵**

18 A. Yes. PSE provided some of the Puget Sound Regional Council references in
19 PSE’s Response to WUTC Data Request 185, Exh. BLH-7. PSE also developed a

³ Harmon, Exh. BLH-1T at 14:13-15.

⁴ *In the Matter of Puget Sound Energy Clean Energy Implementation Plan Pursuant to WAC 480-100-640*, Docket UE-210795, Order 08, Condition 20 (June 6, 2023).

⁵ See Harmon, Exh. BLH-1T at 12:12-14.

1 Recognition Justice storymap⁶ which provides historic reflections and references
2 regarding the policies and growth that shaped the Puget Sound region, including
3 colonization and its impact on Tribes. There are several local, non-utility-related
4 sources from this research.

5 PSE also works with other organizations, including UW Center for Health and
6 Global Environment and UW Center for Environmental Health Equity to continue
7 to understand vulnerabilities related to extreme heat risk and community health.
8 Lawrence Berkeley National Laboratory (LBNL) is another organization where
9 PSE has partnered with to complete its Distributional Equity Analysis Pilot.

10 **Q. Does PSE agree with Harmon’s suggestion that PSE should “broaden the**
11 **scope of its research beyond utility-related scholarship and sources”?**⁷

12 A. No. As I discuss earlier, PSE has conducted wide-ranging research which spans
13 beyond utility-related sources. Conducting a broad range of research with both
14 utility and non-utility sources is important to shape PSE’s understanding of
15 energy equity and guide its efforts to understand inequities to design and
16 implement clean energy initiatives and programs.

⁶ Available at <https://storymaps.arcgis.com/stories/a83400cc7ecf486b88a9a65d61502709>.

⁷ Harmon, Exh. BLH-1T at 13:6-7.

1 **Q. Harmon recommends the Commission order PSE “to commit to ongoing**
2 **research and understanding the historical, cultural, and institutional**
3 **dynamics.”⁸ Do you agree?**

4 A. No, Harmon’s recommendation lacks specificity and measurability. Harmon’s
5 recommendation is a request for an open-ended mandate and fails to identify a
6 specific outcome associated with the broad request. PSE already incorporates
7 various research and aims to understand historical, cultural, and institutional
8 dynamics as described above. PSE is committed to maturing its energy equity
9 practice through the application of the four energy justice tenets. Recognition
10 justice, and within it, historical recognition, is something PSE incorporates into its
11 equity practices.

12 **Q. Harmon recommends the Commission order PSE “to demonstrate how its**
13 **historical research and understanding informs its other ongoing equity**
14 **justice work in future rate cases by providing testimony that explains the**
15 **historic and ongoing dynamics that have led to inequities and how each**
16 **proposed modification to their rates, practices, or operations works to**
17 **interrupt, undo those dynamics.”⁹ Do you agree?**

18 A. No. Harmon’s recommendation, which lacks specificity and identifiable
19 objectives would require PSE to divert resources already engaged in important
20 equity work to create a report that has not been required of any utility in this state.

⁸ Harmon, Exh. BLH-1T at 15:13-18.

⁹ Harmon, Exh. BLH-1T at 16:4-8.

1 PSE does not need the Commission to order it to commit to ongoing research and
2 understanding historical, cultural, and institutional dynamics because PSE is
3 already doing this, as described in my above responses. PSE is committed to
4 maturing its energy equity practice through the application of the four energy
5 justice tenets.

6 **Q. Should the Commission order PSE “to work with EAG and named**
7 **communities at the Involve, Collaborate, or Empower public participation**
8 **levels, as appropriate, to update and maintain the content of this page [“Who**
9 **We Are” and “In Your Community” headings]”?¹⁰**

10 A. No. PSE does not need the Commission to order it to commit to working with the
11 EAG and named communities at all levels of the IAP2 spectrum because PSE is
12 already committed to doing so. Adding this requirement unnecessarily adds to the
13 regulatory burden on PSE’s equity-dedicated staff. From its inception, EAG
14 members were selected based on their lived and professional experience with
15 equity and their understanding of their historical inequities. PSE added equity
16 moments in the EAG meetings, which are led by EAG members, recognizing how
17 we can all be more mindful of everyone's needs, particularly the more vulnerable.
18 With regard to named communities, PSE has been actively engaging with those
19 communities even before the Clean Energy Transformation Act, but since its
20 passage, has significantly altered its approach to dedicate more time and resources
21 to those communities. These approaches, some of which are detailed in Chapter 4

¹⁰ Harmon, Exh. BLH-1T at 16:1-3.

1 of the 2023 Biennial CEIP Update,¹¹ are wide ranging in focus and at various
2 IAP2 levels. Of specific relevance are efforts to better understand customer needs
3 and desires with regard to distributed energy resources programs.

4 In 2022 and 2023, PSE engaged hundreds of customers and agencies,
5 municipalities, organizations, and tribal entities in named communities in focus
6 groups, workshop, and surveys to hear directly about the benefits and barriers
7 customers face. Those efforts are documented in the publicly available DER
8 Community Engagement Summary¹² and feedback is reflected in new and
9 updated program offerings. This work served as a starting point for the DER
10 Public Engagement “Empowerment” Pilot that resulted from Commission Order
11 08.

12 **III. EQUITY INVESTMENT ZONES, MILITARY, INDIAN TRIBES**

13 **Q. Can you describe what Equity Investment Zones (“EIZs”) are and PSE’s**
14 **intended use?**

15 A. PSE appreciates Commission Staff’s comment that “[a]ligning overlapping and
16 complementary regulatory regimes and resources can provide economies of scale
17 and streamline resources for the utility and reduce participatory burdens for
18 community-based organizations and customers.”¹³

¹¹ Available at https://www.pse.com/-/media/PDFs/CEIP/2023/06_BU23_Ch4_Final.pdf.

¹² Available at <https://www.pse.com/en/pages/grid-modernization/demand-response>.

¹³ Harmon, Exh. BLH-1T at 39:13-16.

1 Harmon’s testimony might be misunderstanding a few key points about EIZs
2 from my original testimony.¹⁴ EIZs are communities that PSE has identified that
3 are in need of specific attention, have a unique social network, and require unique
4 procedural justice engagement needs. These communities have already been
5 identified by statutes, such as Clean Energy Transformation Act, Climate
6 Commitment Act, and Justice40 Initiative. EIZs can allow PSE to view
7 communities from a human-centric standpoint rather than lines on maps (e.g.,
8 PSE’s Named Communities map¹⁵) which allows for a more authentic approach
9 to addressing equity. The social networks from these communities are critical to
10 perform the elements of procedural justice, to build trust, to gain consensus, to
11 improve engagement, and to empower decision making. Through these
12 engagements, EIZs help evolve our relationship in these communities to a
13 relationship-based model. It helps us further understand their needs as a
14 community and through understanding and leveraging their social networks, be
15 able to adapt to their needs. Importantly, even if a community is not explicitly
16 captured in an EIZ, PSE still provides resources and support to those communities
17 in need. EIZs are incremental tools rather than exclusionary.

18 PSE identified the following communities as initial Equity Investment Zones: 1)
19 Military communities, 2) South King County, 3) Skagit Agricultural Valley, 4)

¹⁴ Hutson, Exh. TAH-1T at 19:11–23:37.

¹⁵ Available

at <https://pugetsoundenergy.maps.arcgis.com/apps/mapviewer/index.html?webmap=55b43c36edd44731992f4e207dc19f70>

1 Tribes, and 5) Kittitas Valley.¹⁶ PSE published its EIZ storymaps¹⁷ which further
2 describe each of these communities and some of PSE’s success stories on what
3 the Company has delivered in these communities. These stories are just a few
4 examples of the work PSE is doing in each community and not meant to be an
5 exhaustive list.

6 **Q. Do you agree with Harmon’s recommendation that the Commission order**
7 **PSE to “more clearly articulate the nature of investments intended to flow to**
8 **EIZs”?**¹⁸

9 A. No. PSE already has goals from its CEIP (e.g. 30% energy benefit minimum
10 designations for Named Communities¹⁹) and reporting requirements from the
11 policy statement issued by the Commission in PBR Docket (U-210590), which
12 include energy burden, utility assistance, and equity in Distributed Energy
13 Resource programs. These articulate the investments that benefit Named
14 Communities and EIZs. Harmon’s recommendation is duplicative to PSE’s
15 current requirements.

16 Furthermore, PSE is conceptualizing investments in the form of Equity
17 Investment Zones, where the focus is on enabling more meaningful engagement,
18 and as mentioned before, to direct benefits to these communities.

¹⁶ Hutson, Exh. TAH-1T at 22:3–23:37.
¹⁷ Available at <https://storymaps.arcgis.com/stories/1895091220d54ff9bd13550b317cdfdc>
¹⁸ Harmon, Exh. BLH-1T at 5:10-11.
¹⁹ *WUTC v. PSE*, Docket UE-210795, Order 08 (June 6, 2023).

1 **Q. Do you agree with Harmon’s assessment that military families should not be**
2 **a priority for EIZs?²⁰**

3 A. No. While military families are not a statutorily named community, PSE
4 recognizes military communities are in high need. They show similar
5 characteristics as other clusters of communities identified in the Equity
6 Investment Zones, have unique needs distinct from other communities, and have
7 their own unique social networks. These communities appear in PSE’s Named
8 Community Map²¹ with concentrations of high and medium levels of
9 vulnerability. I address the vulnerabilities military communities face in Exh.
10 TAH-13. Thus, more meaningful and unique engagement is necessary with
11 military communities.

12 **Q. Are there other policies or areas where veterans are identified as a priority**
13 **population?**

14 A. Veterans are identified as an important group in 1) the Commission’s Policy
15 Statement addressing Performance Metrics where veterans are included as a group
16 within the Supplier Diversity metric, and 2) Military or veteran status is also
17 referenced in JEA’s Response Testimony²² where there is a LIAC request for PSE
18 to collect demographic data about its customers including veteran status.

²⁰ Harmon, Exh. BLH-1T at 41:6-15.

²¹ Available at <https://storymaps.arcgis.com/stories/1895091220d54ff9bd13550b317cdfdc/>

²² Thuraisingham and Thompson, Exh. MT-CT-1T at 32:19.

1 **Q. Do you agree with Harmon’s recommendation that the Commission order**
2 **PSE to “ensure that its selection criteria for EIZ social networks aligns with**
3 **the CETA imperative to include Native nations (both recognized and non-**
4 **recognized nations), and that it does not exclude or neglect other named**
5 **communities within demarcated geographic areas”?**²³

6 A. No. As mentioned in the explanation of EIZs above, Tribes have already been
7 identified by statutes.²⁴ While PSE includes federally-recognized tribes as an
8 EIZ,²⁵ PSE has relationships with the federally-recognized and many non-
9 federally recognized Tribes within its service area each with unique needs,
10 concerns, and priorities. PSE also has business relationships with two federally-
11 recognized Tribes outside of its service area. PSE strives to partner with
12 sovereign Tribal Nations to understand and consider each nation’s concerns. PSE
13 strives to best serve the needs of each Tribal Nation and support the coordination
14 of programs, products, and services to create clean energy solutions.

15 EIZs are not meant to exclude certain communities or groups, but rather, they
16 identify communities that are in need of attention with more unique procedural
17 justice engagement needs. PSE staff continues to use its Named Communities
18 map to identify geographic areas of High Vulnerability and Highly Impacted

²³ Harmon, Exh. BLH-1T at 43:6-13.

²⁴ See RCW 19.405.020(22).

²⁵ This aligns with the state’s Highly Impacted Communities definition found at RCW 19.405.020(22).

1 Communities when identifying equity impacts on potential projects and planning
2 for engagements to ensure PSE conducts outreach efforts in Named Communities.

3 **Q. What is your response to Harmon’s claim that there are no unique metrics**
4 **tailored to the unique interest and challenges faced by tribes?**²⁶

5 A. We agree with Harmon’s comment that Tribal Nations “must be categorically
6 different from typical engagement with interested parties”²⁷ and they face “unique
7 energy justice interests and challenges.”²⁸

8 Harmon does not propose a metric or metrics. Rather than defining metrics unique
9 to Tribes, PSE is finding it would be more appropriate to defer this consideration
10 until after PSE engages with each distinct Tribe, through its procedural justice
11 process, to understand their unique needs and identify which Customer Benefit
12 Indicators would be appropriate for them. This includes PSE’s work with the
13 Nooksack tribe on the Distributional Equity Analysis pilot to develop Customer
14 Benefit Indicators.²⁹

²⁶ Harmon, Exh. BLH-1T at 34:16–36:9.

²⁷ Harmon, Exh. BLH-1T at 32:4-5.

²⁸ Harmon, Exh. BLH-1T at 33:16.

²⁹ Dockets UE-220066 et. al., Distributional Equity Analysis Compliance Filing (July 19, 2024).

1 **Q. Does PSE agree with Harmon’s recommendation that the “Commission**
2 **should order PSE, through EAG input and consultation with Native nations,**
3 **provide evidence that PSE has incorporated Native nations’ priorities in**
4 **future filings, and that PSE is engaging with Native nations in a manner that**
5 **honors their dignity as sovereign nations”?**³⁰

6 A. As mentioned earlier, PSE has relationships with federally-recognized and non-
7 federally recognized Tribes within its service area. PSE also meets current
8 requirements by engaging with tribes, while respecting their tribal sovereignty.
9 PSE has integrated energy equity questions in its resource acquisition and Request
10 for Proposal (RFP) process³¹ in its pursuit to add new clean energy resources.
11 These questions enable PSE to assess equity across the four energy justice tenets³²
12 for resource acquisition projects. Questions include who are impacted and what
13 are potential environmental and social impacts (Recognition Justice), and if the
14 project has an engagement plan and who would be involved (Procedural Justice).
15 This takes into consideration priority population impacts, including tribal impacts.
16 Harmon’s recommendations are unnecessary at this time and the Commission
17 should allow PSE to continue forward and incorporate Tribal Nations’ priorities

³⁰ Harmon, Exh. BLH-1T at 6:6-9; 36:13-16.

³¹ Docket UE – 240433, *Petition for an Order Extending Filing and Reporting Requirements under RCW 19.405.060 and 19.280.030, an Exemption from the Requirements of WAC 480-90-238(4), 480-100-640(1) and 480-100-655(2)*, Attachment A, Work Plan at p. 14 (June 4, 2024).

³² See, e.g., PSE’s 2024 Voluntary All-Source RFP, <https://www.pse.com/en/pages/energy-supply/acquiring-energy/2024-Voluntary-All-Source-RFP> ; [Equity Form](#); and [Equity Rubric](#).

1 which it is already committed to doing so through engagements with Tribes and
2 its energy equity goals.

3 **Q. Are there other actions or efforts PSE has taken to better understand Tribal**
4 **Nations' priorities?**

5 A. Yes. A few years ago, PSE hired Lepwe, founded by Maranda Compton, a
6 nationally-recognized expert on Native American law and policy, to provide an
7 in-person dialogue on the history and cultural awareness on Tribal Relations with
8 PSE senior leaders. It was accompanied by a handbook titled "A Conversation on
9 Tribal Relations and Cultural Awareness".³³ PSE plans to update this handbook
10 (originally developed in 2019) later in 2024 so that it is a resource for PSE
11 employees who work with Tribes to be more informed and culturally aware. PSE
12 hopes to hold more in-person dialogues or conversations in the future to continue
13 further education and awareness.

14 Also, PSE has a "Cultural Resource Program" training module available to all
15 PSE employees, which defines cultural resources, types, their value, federal and
16 state laws associated with it, project impacts, and how to protect cultural
17 resources. In this course, the partnership between PSE and the Snoqualmie Indian
18 Tribe is mentioned, including placing interpretive signs throughout the boardwalk
19 of Snoqualmie Falls Park.

³³ See Hutson, Exh TAH-12.

1 **IV. DISTRIBUTIONAL EQUITY ANALYSIS**

2 **Q. Please describe PSE’s progress on its Distributional Equity Analysis.**

3 A. PSE appreciates Commission Staff’s acknowledgement that PSE has made
4 progress towards compliance.³⁴ Furthermore, the Joint Environmental Advocates
5 also mentions that “PSE has made considerable progress on its conditions related
6 to equity from the last GRC.”³⁵

7 As noted in my direct prefiled testimony,³⁶ PSE performed a Distributional Equity
8 Analysis (“DEA”) pilot on its Community Solar product, in partnership with the
9 Lawrence Berkeley National Laboratory. As a result of this effort, PSE was
10 featured in its DEA practical guide, published nationally in May 2024.³⁷

11 **Q. Do you have concerns with applying the methodology from the DEA pilot to**
12 **the entire 80 MW solar portfolio?**

13 A. Yes. PSE noted in its response to the Commission on July 19, 2024,³⁸ there is no
14 basis in the Order to require the pilot to apply a distributional equity analysis to
15 the entire 80 MW. As mentioned in PSE’s compliance filing on July 19, 2024,
16 PSE understood Commission Staff, and other interested parties (NW Energy

³⁴ See Franks, Exh. WF-1T at 11:12-14; Dockets UE-220066, UG-220067, UG-210918 (consolidated) Compliance Acknowledgement Letter, *In the Matter of Washington Utils. and Transp. Comm’n v. Puget Sound Energy, Final Order 24/10, Appendix A, Item 50* (July 15, 2024).

³⁵ Thuraisingham and Thompson, Exh. MT-CT-1T at 24:16-17

³⁶ Hutson, Exh. TAH-1T at 12:1-19.

³⁷ Lawrence Berkeley National Laboratory, *Distributional Equity Analysis for Energy Efficiency and Other Distributed Energy Resources: A Practical Guide* (May 2024), available at <https://emp.lbl.gov/publications/distributional-equity-analysis>.

³⁸ *WUTC v. PSE*, Docket UE-220066/UG-220067 and UG-210918, Letter filed to Commission (July 19, 2024) at 2.

1 Coalition) were in alignment to pilot the DEA methodology on a representative
2 sample.³⁹

3 Also conducting a DEA on the entire 80 MW portfolio of distributed solar would
4 be difficult, if not impossible, when “PSE had not procured nor fully determined
5 the customer program structure for the entire 80 MW portfolio of distributed solar
6 that was to be in place by the end of 2025 pursuant to the Clean Energy
7 Implementation Plan approved target.”⁴⁰

8 Furthermore, applying the DEA methodology may not be applicable in all
9 circumstances. For instance, some assets in the DER solar portfolio may be
10 developer-sited which provide system benefits as opposed to direct customer
11 benefits. If the intent of the DEA is to evaluate the distributional equity impacts
12 on DERs that directly impact named communities, applying this methodology in
13 this situation may not be entirely appropriate. Therefore, conducting a DEA on
14 the entire 80 MW portfolio of distributed solar would not result in delivering the
15 most meaningful impact to priority populations.

16 PSE views the recommendation by Staff and JEA to move forward with applying
17 the DEA methodology to the rest of the 80 MW distributed solar portfolio as an
18 indication PSE’s DEA methodology, thus far, is sound, which is important to its

³⁹ *WUTC v. PSE*, Docket UE-220066 *et al.*, Distributional Equity Analysis Compliance Filing (Jul. 19, 2024).

⁴⁰ *WUTC v. PSE*, Docket UE-220066 *et al.*, Letter filed to Commission (July 19, 2024) at 2.

1 overall implementation of distributional justice. In addition, PSE welcomes
2 feedback on its methodology.

3 **Q. Do you agree with Franks and JEA’s recommendation to conduct a DEA on**
4 **the entire 80 MW distributed solar portfolio?**⁴¹

5 A. No. Franks’ acknowledges the need for the “Commission Staff-led process” and
6 approval.⁴² However, in PSE’s 2022 GRC Order, the Commission changed this
7 condition to no longer be staff-led: “Instead of the process the Settling Parties
8 have agreed to (that Staff will direct this process and select a facilitator for PSE to
9 hire), we determine that the Commission should establish a broad, Commission-
10 led collaborative process to establish methods and standards for distributional
11 equity analysis and that PSE should be required to participate, as should all
12 Washington investor-owned utilities.”⁴³ PSE reinforces the language from the
13 Condition 50 requirement, which currently states that following the pilot DEA,
14 PSE needs to participate in a Commission-led process to refine the methods for a
15 distributional equity analysis. “At the end of this process, PSE will request
16 Commission approval of its methods for a distributional equity analysis going
17 forward and, when approved, apply these methods as detailed in the Corporate
18 Capital Planning and Delivery System Planning sections of this stipulation.”⁴⁴

⁴¹ Franks, Exh WF-1T at 2:21-23, 3:1-8; Thuraisingham & Thompson, Exh. MT-CT-1T at 27:10-20.

⁴² Franks Exh. WF-1T at 9:17-21, 10:1-4

⁴³ See *WUTC v. PSE*, Dockets UE-220066 *et. al.*, Order 24/10 (Dec. 22, 2022) at ¶ 236.

⁴⁴ *WUTC v. PSE*, Dockets UE-220066 *et. al.*, Order 24/10, Appen. A ¶ 51 (Revenue Requirement Settlement) (Dec. 22, 2022).

1 **Q. What recommendation do you have to the Commission on this matter?**

2 A. PSE is committed to advancing its maturity in energy equity and meeting its
3 regulatory commitments. PSE recommends that the Commission remove or
4 amend the “Commission-led process” and “request Commission approval”
5 requirements. This will allow PSE to continue to refine its DEA methodology and
6 applying it in other areas that will be more impactful to PSE’s priority populations
7 rather than potentially delay that process.

8 **Q. Do you agree with Franks’ recommendation to conduct a DEA on PSE’s**
9 **proposed targeted electrification pilot (“TEP”) Phase 2 and “file the findings,**
10 **results, and any learnings from the DEA within this docket no later than**
11 **January 31, 2027, and incorporate them into the Company’s first ISP”?**⁴⁵

12 A. No. A DEA is not needed on the Targeted Electrification Pilot because there is
13 already an evaluation planned for Phase 1 and 2, as mentioned in John Mannetti’s
14 testimony. One of the aims of the evaluation is to identify barriers to heat pump
15 adoption for low-income customers, named communities, and energy burdened
16 customers.⁴⁶ Per the terms of the Docket UE-220066 Settlement, PSE will
17 publish a report summarizing the results of the TEP, no later than January 2025.
18 Also, PSE plans to evaluate TEP Phase 2 after 2025 with results, at a minimum, to
19 be shared with relevant advisory groups.⁴⁷ Therefore, we find this

⁴⁵ Exh. WF-1T at 3:14-16, 26:4-6.

⁴⁶ Exh-JM-1T 7:8-19.

⁴⁷ Exh-TAH-15.

1 recommendation to be largely redundant to what is already stipulated in PSE's
2 Docket UE-220066 Settlement terms.

3 **V. PSE EQUITY METRICS**

4 **Q. Does PSE agree with Harmon's recommendation for PSE to commit to**
5 **ongoing improvements in data analysis regarding vulnerable populations?⁴⁸**

6 A. PSE does not agree because it is already committed to ongoing improvements in
7 data analysis related to named communities as part of maturing our energy equity
8 practice. The following are just a few examples where PSE has and continues to
9 evolve its data analysis:

- 10 • PSE discusses its evolution in its methodology of defining vulnerable
11 populations, deepest need customers, and Customer Benefit Indicators
12 (CBIs) in its CEIP Biennial Update.⁴⁹
- 13 • PSE collaborated with the UW Center for Health and Global Environment
14 (CHanGE) and utilized its Climate Health and Risk Tool (CHaRT) to
15 mature PSE's customer health and extreme heat risk data, which is one of
16 the vulnerability factors in PSE's Vulnerable Populations classification
17 methodology.
- 18 • PSE is currently engaging with the University of Washington Center for
19 Environmental Health Equity to improve on our community health metric.
20 This is one of PSE's Customer Benefit Indicators, to illustrate how PSE's
21 customers benefit from the clean energy transition and document progress
22 over time.

⁴⁸ Harmon, Exh. BLH-1T at 22:16-20.

⁴⁹ 2023 PSE Biennial CEIP Update: Chapter 1, Section 4 (Complying with Commission Order 08), Section 5 (Embedding Equity), and 6 (Delivering equitable and meaningful engagement), and Chapter 3 (Equity), Appendix I: Vulnerable Populations and Deepest Need Methodologies.

- 1 • PSE is developing a methodology to better measure community
2 engagements in named communities in a more qualitative, meaningful
3 way, rather than through quantitative metrics.
- 4 • PSE will continue to further refine its understanding of deepest need
5 customers and complete its energy burden analysis for the 2023 calendar
6 year, as mentioned in PSE’s Work Plan.⁵⁰
- 7 • PSE continues to improve its data for its Energy Burden Analysis
8 (“EBA”). For example, PSE updated the Department of Energy (“DOE”)
9 Low-Income Energy Affordability Data Tool data used in its analysis to
10 reflect more current data that the DOE recently released. PSE also
11 developed mechanisms to calculate the contribution of Bill Discount Rate
12 program enrollment, as well as other energy assistance, on reducing
13 energy burden. JEA supports PSE’s 2022 EBA, mentioning how it serves
14 as an example for other utilities to follow.⁵¹

15 **Q. Does PSE agree with Harmon’s recommendation for PSE to quantify the**
16 **benefits and reductions of burdens to named communities?**⁵²

17 A. No. The quantification of benefits and burdens to named communities are already
18 defined by various statutes: Energy Burden Analysis and biennial report,⁵³
19 Customer Benefit Indicators tracking energy and non-energy benefits,⁵⁴ and 30
20 percent minimum energy benefit designations to Named Communities.⁵⁵

⁵⁰ Dockets UE-240433 and UG-240434, Attachment A: Planning Transition Work Plan, p. 12 (June 5, 2024).

⁵¹ See Thuraisingham and Thompson, Exh. MT-CT-1T at 22:13-17.

⁵² Harmon, Exh. BLH-1T at 22:19-20.

⁵³ RCW 19.405.120.

⁵⁴ WAC 480-100-640(4)(c).

⁵⁵ *WUTC v. PSE*, Docket UE-210795, Order 08 (June 6, 2023) (Condition 20: “PSE will...designate for Named Communities a minimum of 30% of the energy benefits of its DER solar, DER storage, DR, and EE programs, with benefits measured across each tranche of resources.”)

1 **Q. Has PSE’s position on proposed equity metrics from your testimony**
2 **changed?**

3 A. Yes. I proposed two new metrics, energy burden efficacy and energy burden
4 delivery depth,⁵⁶ and subsequently provided a modification to the energy burden
5 efficacy metric calculation a data request response. However, as Matt
6 Steuerwalt’s rebuttal testimony, Exh. MS-4T, points out, PSE proposes to adopt
7 the metrics from the policy statement issued by the Commission in the PBR
8 Docket U-210590.⁵⁷ Colton mentions that “equity and affordability goals
9 applicable to PSE should be based on an ongoing review of the full set of equity
10 and affordability metrics that PSE only recently began to report”.⁵⁸ However,
11 many of the metrics from PSE’s GRC may need re-evaluation based on the
12 Commission’s basic design principles for metrics⁵⁹: outcome-based, non-
13 duplicative, clear, measurable, and meaningful, and evaluated regularly.
14 Therefore, I withdraw my proposed metrics, in favor of adopting these equity-
15 related metrics shown in Table 1, which come from the PBR Docket.

16 **TABLE 1**

Goal Title	Goal Description/Calculation
Average Energy Burden [Electric and Natural Gas]	Annual residential bill divided by area median income by census tract for all customers, comparing outcomes in Named and Non-named Communities. For dual fuel utilities, electric and natural gas service should be stated separately calculated both before and after

⁵⁶ Hutson, Exh TAH-1T at 41-42.

⁵⁷ Steuerwalt, Exh. MS-4T.

⁵⁸ Colton, Exh. RDC-1T at 52:15-17.

⁵⁹ Regulatory Assistance Project: Performance Based Regulation Report, pp 17-18, available at <https://apiproxy.utc.wa.gov/cases/GetDocument?docID=35&year=2021&docketNumber=210590>

	energy assistance. Also provide the number and percentage of customers experiencing high energy burden by census tract.
Workforce Diversity [Electric and Natural Gas]	Percentage of employees and senior management (separately identifying: (a) C-suite employees, (b) directors and employees more senior than directors, and (c) the remaining workforce who identify as: (i) a person of color; and/or (ii) a woman or non-binary; Percentage of total employees that opt out from providing information either through HR data or surveys.
Supplier Diversity [Electric and Natural Gas]	Percentage of suppliers that self-identify as owned by people of color, women, veteran, and other marginalized groups, and total dollar amount and percentage of total company spend to those suppliers.

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While I withdraw my proposed metrics in favor of the metrics in the Commission’s policy statement, the next several questions address my response to equity-related metrics from the testimonies from Harmon, Colton, McGuire, and Stokes.

Q. Does PSE agree with Harmon’s recommendation that the “Commission should order PSE to Adopt $Z_i = 1 - (Bill_i - E_{Ai}) / Bill_i$ ” as the calculation of Energy Burden Efficacy”?⁶⁰

A. No. PSE commends Harmon’s scrutiny in identifying a mistake in PSE’s initial proposed calculation of the Energy Burden Efficacy metric.⁶¹ While Harmon's critique that PSE could focus its Energy Assistance supply on customers near the

⁶⁰ Harmon, Exh. BLH-1T at 27:4-9.

⁶¹ Harmon, Exh. BLH-1T at 24:5–26:11.

1 high Energy Burden threshold (more than 6%) and improve the Energy Burden
2 efficacy metric has merit, his proposed calculation of Energy Burden Efficacy, Z_i
3 $= 1 - (\text{Bill}_i - \text{EA}_i) / \text{Bill}_i$, does not measure Energy Burden. This proposed
4 calculation, when simplified, yields " $Z_i = \text{EA}_i / \text{Bill}_i$ ", which instead measures the
5 percentage of the bill that Energy Assistance is resolving. Since Harmon's
6 proposed calculation simplifies to $Z_i = \text{EA}_i / \text{Bill}_i$, maximizing this value could
7 theoretically be achieved by selecting energy burdened customers with the lowest
8 bills. Such a strategy would be at odds with the spirit of energy assistance, since it
9 would penalize customers for having higher bills. In contrast, PSE's proposed
10 calculation simplifies to $Z_i = \text{EA} / \text{Income}$. Maximizing that expression could be
11 achieved by selecting customers with the lowest *incomes*, which is in keeping
12 with the goal of assisting customers who have the greatest depth of burden.

13 Energy burden and energy burden reduction requires all three variables:
14 household energy bills, energy assistance, and income. PSE would need to retain
15 its present Energy Burden Efficacy calculation ($Z_i = (\text{Bill}_i / \text{Inc}_i) - (\text{Bill}_i - \text{EA}_i) / \text{Inc}_i$) using all three of those variables to measure movement towards CETA
16 Energy Burden reduction goals.
17

1 **Q. Does PSE agree with Roger Colton’s recommendation that the energy**
2 **burden efficacy and energy burden delivery metric should be modified?**⁶²

3 A. No. PSE will report on average energy burden by census tract for all customers,
4 comparing Named and non-named Communities, as defined in the Commission’s
5 Policy Statement from the PBR Docket. However, in response to Colton’s
6 recommendation, this recommendation should be rejected for the following two
7 flaws in its logic:

8 1) This claim [that combining all Energy Burden results into one median metric
9 combines widely disparate results by geography into a single number being
10 applicable to few, if any, of the individual components which underlie it] is
11 incorrect because PSE’s calculation of energy burden, as well as reduction in
12 burden due to energy assistance, is already conducted at the individual customer
13 level. Therefore, energy burden is calculated at the highest level of granularity
14 possible.

15 2) Focusing on a finer-granularity geography does not resolve the problem that
16 there is still substantial intra-geography variation in energy burden / energy
17 burden reduction within any given geographic unit. The purpose of a metric is
18 not to resolve every heterogeneity between different customer groups, but rather
19 to aggregate the effects of all those differences to a level that quantifies the
20 overall change in the metric across PSE’s service area. That is, if PSE tracks a

⁶² Colton, Exh. RDC-1T at 44:23–45:10.

1 value for each Census Tract year over year, there is no way to quantify whether
2 PSE has made progress overall since there is no metric to summarize the
3 contributions of changes for each Census Tract to overall progress.

4 **Q. Should PSE adopt Colton’s recommendation of measuring gradations of**
5 **energy burden?⁶³**

6 A. There is no need to invent new classifications when high Energy Burden, defined
7 as more than 6%, and Severe Energy Burden, defined as more than 10%, are
8 established in CETA and by the American Council for an Energy-Efficient
9 Economy as industry standards.

10 **Q. Should PSE adopt Harmon’s recommendation to measure standard**
11 **deviation of energy burden efficacy metric?**

12 A. No. Harmon contends that adding standard deviation would “improve the
13 measurement of energy burden efficacy.”⁶⁴ The main issue with this metric is that
14 Energy Burden Efficacy, Z_i , is inherently a measure of change before and after
15 providing energy assistance. As such, the standard deviation of Z , $\text{stdev}(Z)$,
16 measures whether there is variation in the change in energy burden of customers.
17 However, it is not clear whether a higher or lower value of $\text{stdev}(Z)$ is more
18 indicative of successful reduction in energy burden. Consequently, calculating the
19 metric does not guide PSE or interveners on actions to take to improve energy

⁶³ Colton, Exh. RDC-1T at 43:7-10.

⁶⁴ Harmon, Exh. BLH-1T at 26:14-15.

1 burden efficacy. Harmon’s proposal is meant to ensure that the metric for
2 efficacy targets customers with the greatest need. But a higher value of stdev(Z)
3 would be no indication that such customers received assistance; only that the
4 amount of assistance received varied widely among customers.

5 **Q. What is your response to Stokes, Colton, and McGuire’s recommendation to**
6 **keep certain equity-related metrics that PSE proposed to eliminate from its**
7 **2022 GRC?**

8 A. My response is based on 1) our premise that PSE will adopt the metrics from the
9 Commission’s Policy Statement from the PBR docket and 2) the design principles
10 for metrics I referenced above. Table 2 lists the equity-related metrics that have
11 been recommended for PSE to continue to report on, who provided the
12 recommendation, and PSE’s response:

13 **TABLE 2**

Metric Proposed in Response Testimonies (Metric#⁶⁵)	From	PSE’s Response
(Metric #20,92-104) For each DER program: number and percentage of residential customers, known low-income customers, known customers in highly impacted communities and vulnerable populations taking part in each of PSE’s DER programs; and average energy savings per home for each of these customer groups. The term “DER programs” is defined to include energy efficiency	TEP Stokes, Exh. SNS-1T at 47:18-19.	This metric will be reported as “Equity in DER Programs” metric from the Commission’s Policy Statement from the PBR docket.

⁶⁵ 220066-67 PSE 2023 Metrics – MYRP Report, Attachment A (March 29, 2024).

(Metric #25): Percentage of low-income customers that participate in DR, DER, or renewable energy utility programs	TEP Stokes, Exh. SNS-1T at 48:1-3.	This metric will be reported as “Equity in DER Programs” metric from the Commission’s Policy Statement from the PBR docket.
(Metric #105) The amount of PSE DER program capacity sited in areas of highly impacted communities and vulnerable populations	TEP Stokes, Exh. SNS-1T at 47:18-19	This metric should be removed. We defer to the “Equity in DER Programs” metric as it is a more meaningful metric that measures direct customer benefits.
(Metric#114-119): Number and percentage of households with a high-energy burden (>6%), separately identifying known low income and highly impacted communities and vulnerable populations, separately for gas and electric by census tract.	TEP Colton, Exh. RDC-1T at 58:18-20 TEP Stokes, Exh. SNS-1T at 48:7-9 UTC Staff McGuire, Exh. CRM-1Tr at 19:16-18	This metric will be reported as “Average Energy Burden [Electric and Natural Gas]” metric in the Commission’s Policy Statement from the PBR docket.
(Metrics #80-81) Average excess energy burden per household, separately for electric and gas.	TEP Stokes, Exh. SNS-1T at 48:7-9 WUTC Staff McGuire, Exh. CRM-1Tr at 19:19	This metric should be removed because the average energy burden metric (Commission’s Policy Statement from the PBR docket) and the funding levels needed to meet 60%, 90% energy assistance need (from low-income energy assistance report to the Department of Commerce) provide sufficient meaningful data on energy burden.
(Metric #84): The number of customers in highly impacted communities and vulnerable populations taking service through benefitting from PSE’s EV tariffs electric transportation spending.	TEP Stokes, Exh. SNS-1T at 46:2	This metric will be reported as part of “Equity in Distributed Energy Resource Programs” and “Equity in Distributed Energy Resource Program Spending” metrics from the PBR docket.

(Metric #85): Percentage of utility transportation electrification spending that is intended to benefit highly impacted communities and vulnerable populations through PSE’s programs.	TEP Stokes, Exh. SNS-1T at 46:4	This metric will be reported as part of “Equity in Distributed Energy Resource Programs” and “Equity in Distributed Energy Resource Program Spending” metrics from the PBR docket.
(Metric #86): Percentage of utility-owned and supported EVSE by use case located within or intended to provide direct benefits and services to highly impacted communities and vulnerable populations	TEP Stokes, Exh. SNS-1T at 46:16	PSE disagrees with continuing to report on this metric. The DER program and spending equity metrics already provide enough meaningful data to show benefits to these communities.
(Metric #40-41): AMI bill read success rate for highly impacted communities and vulnerable populations [electric and gas]	TEP Stokes, Exh. SNS-1T at 47:12-13	PSE disagrees that this metric should be kept as it is not a meaningful metric that measures direct benefits to named communities
(Metric #42): Remote switch success rate for highly impacted communities and vulnerable populations.	TEP Stokes, Exh. SNS-1T at 47:12-13	PSE disagrees that this metric should be kept as it is not a meaningful metric that measures direct benefits to named communities
(Metric #43): Reduced energy consumption from voltage regulation for highly impacted communities and vulnerable population	TEP Stokes, Exh. SNS-1T at 47:12-13	PSE disagrees that this metric should be kept as it is not a meaningful metric that measures direct benefits to named communities. Also, a Conversation Voltage Regulation metric, at the program level, is reported in PSE’s Annual Conservation Report and Biennial Conservation Report.

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1 **VI. ADVISORY GROUP COLLABORATION**

2 **Q. Does PSE currently engage with its EAG and LIAC at various public**
3 **participation levels contrary to Intervenor's assertions?**

4 A. Yes, PSE already engages at all of these levels of the IAP2 spectrum, both
5 proactively and in some cases, in response to Commission direction. Since
6 forming the EAG, PSE has established a collaborative spirit with the members
7 and engaged them in a wide range of topics at all levels of the spectrum. As
8 already required by rule, the most recent of these engagements, topics, and
9 feedback are captured in our 2023 Biennial CEIP Update. This includes specific
10 activities that engage EAG members more deeply (further to the right on the IAP2
11 spectrum) such as forming a steering committee to guide EAG functions (2022),
12 inviting EAG members to actively score and partner in selecting Green Power
13 Solar Grant awards (2022, 2023, 2024), forming a planning committee to drive
14 design of equity forums in 2023 and 2024, and soliciting and receiving letters of
15 recommendation for federal IIJA grant applications (2023 and 2024).

16 Building off its collaborative experience working with the EAG, in 2023, PSE
17 developed and implemented a dual track approach to IRP engagement, forming a
18 Resource Planning Advisory Group (RPAG), and implementing distinctly
19 separate public engagement. In its efforts to continuously improve, PSE more
20 explicitly leveraged the IAP2 spectrum, expanded feedback tracking, and will
21 further improve on this approach for the 2027 Integrated System Plan.

1 When planning and conducting engagement using the IAP2 Spectrum it is
2 important to consider and reflect on the purpose and intent as defined by IAP2
3 themselves.

4 **Q. Should the Commission order “PSE to engage with the Equity Advisory and**
5 **Low-income Advisory groups, as well as Commission Staff, at the Consult,**
6 **Involve, Collaborate, or Empower public participation levels”?**⁶⁶

7 A. No, PSE does not need the Commission to order it to commit to engaging with the
8 EAG and LIAC at all levels of the spectrum because the levels are not a
9 progression instead there should be flexibility to choose the level that is right for
10 the project/decision. Additionally, PSE has already engaged in substantial work
11 with the EAG and LIAC in a manner that does not necessitate additional
12 mandates. As described earlier, PSE recognizes the need and opportunity to
13 engage customers at all levels of the spectrum and has and will continue to
14 demonstrate its commitment to engage customers in decisions that will affect
15 them.

⁶⁶ Harmon, Exh. BLH-1T at 18:9-12

1 **Q. Do you agree with JEA’s recommendation that PSE should “work with its**
2 **relevant advisory groups and stakeholders to better identify measures for**
3 **tracking success in each phase of the [DER empowerment] pilot?”⁶⁷**

4 A. PSE has and will continue to work with the Equity Advisory Group and
5 Conservation Resources Advisory Group on the DER empowerment pilot. In
6 addition, we believe it is critical to engage those that are participating in the pilot
7 directly in measuring success. Our goal is for those participants to feel
8 empowered and enabled by this process. Therefore, PSE plans to engage pilot
9 participants at multiple milestones to measure success to date and inform how it
10 might measure success going forward. We agree that one measure of success is
11 whether the process considers and reflects participant feedback, and PSE intends
12 to ask that very question as we measure our success.

13 **Q. What is your response to Commission Staff Harmon’s suggestion that PSE**
14 **should “work with the EAG to build its capacity to engage in PSE dockets**
15 **such that its members feel encouraged, and competent to submit comments**
16 **to UTC’s dockets”?⁶⁸**

17 A. PSE is considering working with the EAG to build its capacity to engage in PSE
18 dockets so they feel informed and empowered to provide comments to the
19 Commission. In 2024, PSE informed EAG members about the Commission’s
20 equity docket proceeding (A-230217) and invited them to participate in the

⁶⁷ Thuraisingham & Thompson, Exh. MT-CT-1T at 31:9-11.

⁶⁸ Harmon, Exh. BLH-1T at 17:10-12.

1 Procedural Justice public workshop held on April 30, 2024. The nature and scope
2 of this recommendation or how it could materialize is still unclear, and Harmon
3 does not provide specifics regarding this suggestion. Whatever the possible scope
4 may be, it is currently not in EAG's charter, so this would require additional
5 conversations among the EAG itself.

6 VII. GOALS AND EQUITY MATURITY

7 **Q. Do you agree with Harmon’s recommendation that the Commission order**
8 **PSE to “develop more consistent communication of its 30 percent equity**
9 **distributive goals”?**⁶⁹

10 A. No. PSE recognizes there are differing goals:

- 11 • Justice40 Initiative: 40 percent of the overall benefits flow to
12 disadvantaged communities;
- 13 • Climate Commitment Act: at least 35 percent of funds be invested in
14 projects that benefit overburdened communities, and a minimum of 10
15 percent going to tribal support;
- 16 • PSE’s CEIP: a minimum of 30 percent of the energy benefits of its DER
17 solar, DER storage, DR and EE programs, with benefits measured across
18 each tranche of resources, must flow to Named Communities.⁷⁰

19 The relevant goals for the Commission should be those that are statutorily
20 required, and the Commission should be wary of ordering a utility to develop an
21 internal communication plan. With respect to energy efficiency programs,
22 customers in named communities already received over 30 percent of energy

⁶⁹ Harmon, Exh. BLH-1T at 4:12-13.

⁷⁰ *WUTC v. PSE*, Docket UE-210795, Order 08, Condition 20 (June 6, 2023).

1 benefits in 2022 and 2023 through their participation, as demonstrated in the
2 Biennial CEIP Update filing and recent Annual Conservation Report. PSE is
3 working diligently to continue meeting all of these requirements. Additionally, as
4 articulated in my prefiled direct testimony, PSE has set a broader company-wide
5 goal of directing at least 30 percent of the energy benefits to Named
6 Communities, and where possible, in other areas of PSE not directly covered by
7 the CETA requirement, such as Delivery System Planning and efforts to
8 implement PSE's Targeted Electrification Pilot.

9 There are slightly different language variations of the 30 percent goal, depending
10 on the context and program, yet they all complement the overall company-wide
11 goal of directing at least 30 percent energy benefits to Named Communities. We
12 appreciate Harmon identifying some of the differences in wording but those
13 wording differences are not a basis for the Commission to order PSE to
14 communicate in a specific manner. PSE understands the regulatory obligations it
15 needs to meet since they are stated in the relevant statutes. Therefore, it is not
16 necessary for the Commission to order PSE to do this.

17 **Q. What is your response to Colton’s recommendation that PSE should not wait**
18 **for Commission direction to modernize its equity practices?**⁷¹

19 A. PSE is modernizing its equity practices and strives to be an industry leader. But,
20 PSE should not be penalized, nor should additional costly burdens be mandated

⁷¹ Colton, Exh. RDC-1T at 5:8-10.

1 without clear Commission direction. Colton mentions “PSE’s progress towards
2 providing more equitable and affordable service should not be contingent [on] the
3 Commission providing direction PSE thinks is explicit or timely enough.” Since
4 Washington state expanded the public interest standard to include equity and
5 PSE’s General Rate Case Order issued on December 22, 2022⁷², PSE has made
6 substantial progress in its energy equity journey and continues to improve and
7 modernize its equity practices in the last two years. This includes, but is not
8 limited to, creating and staffing a centralized energy equity team, progressing on
9 and meeting PSE’s equity-related regulatory commitments, increasing its maturity
10 in each of the four energy tenets, and incorporating energy equity in its operations
11 that are beyond specific regulatory requirements. Examples include incorporating
12 equity in PSE's Wildfire Mitigation and Response plan and PSE’s substation
13 maintenance and security. PSE continues to incorporate energy equity in our
14 operations without guidance from the Commission.

15 Another example is PSE’s partnership with Lawrence Berkeley National
16 Laboratory in 2023. Not only did PSE partner with LBNL to develop and pilot a
17 Distributional Equity Analysis methodology on two community solar programs,
18 but a DEA was conducted on PSE’s 2022 Energy Efficiency portfolio. This
19 analysis, and other PSE work on energy equity was featured in the DEA Practical

⁷² See *WUTC v. PSE*, Dockets UE-220066 *et. al.*, Order 24/10 (Dec. 22, 2022).

1 Guide, published nationally in May 2024.⁷³ Notably, Commission Staff
2 references this publication for PSE to consult best practices.⁷⁴

3 PSE continues to partner with Lawrence Berkeley National Laboratory in 2024
4 and plans to start to conduct a “system wide equity analysis” with them, as
5 mentioned in my prefiled direct testimony.⁷⁵

6 **Q. What is your response to JEA’s recommendation to “Incorporate witness
7 Martinez’s recommendations. We propose a modification to witness
8 Martinez’s third recommendation such that the UTC should provide specific
9 guidance in this rate case as well as the Equity docket”?**⁷⁶

10 A. There is no need for Martinez’s third recommendation to be changed. As
11 mentioned above, PSE is progressing on its energy equity practices and are
12 incorporating Martinez’s recommendations, including further understanding of
13 priority populations, continued community engagements, and setting goals for
14 each of the four equity tenets. Another example of PSE progressing in energy
15 equity is in 2023, PSE participated in E-Source’s first Energy Equity Maturity
16 benchmarking survey with other utilities that measures a utility maturity in
17 several areas, such as Vision, Measurement, Engagement, Program Design &

⁷³ Distributional Equity Analysis for Energy Efficiency and Other Distributed Energy Resources: A Practical Guide (May 2024, available at: <https://emp.lbl.gov/publications/distributional-equity-analysis>).

⁷⁴ Franks, Exh. WF-1T at 2:23, 3:1-3.

⁷⁵ Hutson, Exh. TAH-1T at 32:5-10: a system-wide equity analysis aims “to evaluate and understand the equity impacts at PSE. This will help PSE (a) identify existing equity issues on the utility system, (b) develop recommended actions for how to address those issues, (c) monitor changes in equity over time, and (d) recommend new actions for addressing equity issues as they become better understood over time.”

⁷⁶ Thuraisingham & Thompson, Exh. MT-CT-1T at 42:6-9.

1 Implementation, and Evolution. In 2024, PSE completed this same maturity
2 survey, with results pending. PSE plans to use this survey to benchmark itself to
3 other utilities; PSE strives to be in the first quartile of energy equity maturity.

4 PSE continues to push itself in energy equity, but to set a consistent regulatory
5 framework, Commission guidance should be provided in the Equity Docket (A-
6 23027).

7 VIII. LANGUAGE

8 **Q. What has PSE done to increase and meet language need to its customers who**
9 **speak a language other than English, as identified in Stokes testimony?**⁷⁷

10 A. PSE has begun to improve language access services. PSE has made substantial
11 efforts to provide materials in other languages besides English.⁷⁸ For example,
12 Matt Steuerwalt’s prefiled direct testimony, Exh-MS-1T at 11:15-17, points to
13 PSE's efforts during the Bill Discount Rate program outreach, where program
14 outreach materials are available in Spanish, Vietnamese, Mandarin, Korean,
15 Russian, Marshallese, and Khmer.

16 For energy efficiency-related information pieces alone, PSE has grown its
17 materials and webpages available in other languages from 69 pieces of unique
18 collateral in 2022 to 869 pieces in 2023. PSE will continue creating translated
19 informational material for more programs and services that we offer.

⁷⁷ Stokes, Exh. SNS-1T at 34:17–35:5.

⁷⁸ See Wallace, Exh. CLW-1T at 8:18–9:19.

1 PSE now offers interpretation services in Spanish and Vietnamese for select
2 virtual events where information is shared about PSE’s voluntary renewables,
3 electric vehicle, energy efficiency, and bill assistance programs. In-person
4 outreach and events are staffed by multi-lingual team members in geographies
5 where audiences could benefit from increased language access. For example, from
6 December 2023 to March 2024, PSE held eight events at Latino markets in South
7 King County to increase participation in PSE’s Community Solar program.
8 Outreach materials were provided in Spanish and English, and staff members at
9 the events communicated in Spanish, resulting in a 57 percent enrollment rate
10 across the events.

11 PSE has also conducted and continues to conduct research and community
12 listening with customers whose primary language is not English. Findings from
13 these engagements enable PSE to provide and improve language access.

14 Further work can be found in PSE’s 2023 Biennial Update Chapter 4: Public
15 Participation.⁷⁹

16 **Q. What has PSE learned about language accessibility during its engagements**
17 **with customers?**

18 A. Through PSE’s engagements with customers and furthering our procedural justice
19 practices, some of PSE’s learnings include the following:

⁷⁹ PSE’s 2023 Biennial Update Chapter 4 at 4.2-4.4, available at <https://www.cleanenergyplan.psc.com/library>.

- 1 • PSE learned that, while individuals can speak multiple dialects and languages,
2 they may have a preferred language of choice. For example, through PSE's
3 engagements held in Skagit County, PSE learned that for many of the
4 farmworkers who are from Mexico, while they may speak other Mexican
5 languages, such as Mixteco, these communities utilize Spanish as a lingua
6 franca, as their preferred language for formal communication.

7 Focus group research conducted in June 2024 with PSE customers who are
8 proficient in languages other than English yielded additional helpful information:

- 9 • While translating some energy terminology – such as “electrification” -- into
10 non-English native languages can improve awareness and understanding of
11 those ideas, there are some specialized terms like “carbon footprint” or
12 “demand response” that are not well understood by these audiences, even
13 when translated.
- 14 • Offering in-person events, engagement, and outreach with interpretation in
15 native languages or in-group staff would make customers more likely to
16 engage with PSE representatives.
- 17 • Reaching customers with messages through online and offline media is
18 effective when done in their native language. While mainstream social media
19 platforms are frequently used, these audiences also commonly use specialized
20 platforms like WeChat, Weibo, and Line to receive information and connect
21 with others.
- 22 • An overarching learning is that creating translated outreach materials and
23 holding in-language events are themselves not sufficient to meet language
24 access needs. They are an important step to enhancing language access;
25 however, forming trusting relationships with community members and
26 improving PSE program delivery and customer experience must also be
27 thoughtfully managed to fully extend language access.

1 **Q. What are PSE’s future plans to increase language accessibility?**

2 A. PSE appreciates Stokes’ recommendation on developing a language access plan.⁸⁰

3 PSE recognizes the need for improved language accessibility across various
4 channels of communications. While PSE does not have a formal language access
5 plan, PSE continues to improve on language accessibility. As mentioned in CLW-
6 10T, PSE is working to determine a timeline for developing a language access
7 plan.

8 PSE will continue to gather information about language access needs among
9 customers and communities, so that it can improve program accessibility and
10 outreach from a language access standpoint.

11 **Q. Does PSE agree with Harmon’s recommendation that the Commission**
12 **should order PSE to provide more non-English accessible materials both in**
13 **print and online?”⁸¹**

14 A. No; as mentioned above, PSE is already providing non-English materials both in-
15 print and online.

⁸⁰ Stokes, Exh. SNS-1T at 36:14-16.

⁸¹ Harmon, Exh. BLH-1T at 17:6.

1 **Q. Does PSE agree with Stokes' recommendation that the "Commission should**
2 **order PSE to begin meeting its customers' language access needs by tracking**
3 **preferences, providing information and communication in customers'**
4 **preferred languages when available, and developing a language access plan**
5 **in partnership with its Advisory Groups?"⁸²**

6 A. This is unnecessary. As mentioned in Exh CLW-10T, PSE plans to collect
7 customer language preference data this year and will use this data to target in-
8 language marketing communications and engagement in customers' stated
9 preferred language through PSE-owned channels. PSE acknowledges the
10 importance of a language access plan. While PSE does not have a formal
11 language access plan, PSE has a plan, and tracks customers' preferred language.
12 This is part of the plan to increase language accessibility and plan to create a
13 formal language access plan in 2025.

⁸² Stokes, Exh. SNS-1T at 5:1-5.

1 **IX. OTHER EQUITY DISCUSSIONS (WEBSITE, HIRING, FINANCIAL)**

2 **Q. Do you agree with Harmon’s recommendation that the Commission should**
3 **order PSE to “[p]ost guidelines, instructions, and templates on the**
4 **company’s CEIP, IRP, and ISP webpages for interested parties to effectively**
5 **participate in company proceedings?”⁸³**

6 A. No. PSE already has strategies and approaches in place to invite participation in
7 resource planning activities. This includes separate IRP and CEIP web pages and
8 email lists, regular newsletters announcing meetings and engagement
9 opportunities with detailed participation instructions, and formal and informal
10 comment periods on specific topics related to resource planning. PSE also uses
11 these tools to encourage participation in Commission proceedings such as CEIP
12 and IRP related open meetings and comment periods.

13 Where specific, topical feedback is requested, we also provide an online form and
14 related instructions. PSE also maintains email accounts and a toll-free voicemail
15 where members of the public may leave comments or questions and receive a
16 response. In addition, PSE is committed to continuous improvement and will soon
17 be launching an updated ISP website that integrates and streamlines participation
18 in this new process and facilitates new participants engaging in this process.

19 Given what is already in place, it is not necessary for the Commission to order
20 additional requirements in this context because PSE already has and will continue

⁸³ Harmon, Exh. BLH-1T at 17:3-5.

1 to demonstrate its commitment to creating more and more accessible spaces for
2 our customers to engage with us directly.

3 **Q. What is your response to JEA’s Thuraisingham & Thompson**
4 **recommendation that “PSE should provide updates and information about**
5 **its pilots — time varying rate pilot, distributional equity analysis pilot, and**
6 **targeted electrification pilot— on its website and other public-facing**
7 **platforms and communications for easy customer access”?**⁸⁴

8 A. PSE will explore the feasibility and customer interest of providing this content on
9 its website. As demonstrated below, when PSE undertakes these projects, it has a
10 public engagement strategy. Without evidence the strategy is not working,
11 mandating PSE include this information at this time is an unnecessary additional
12 requirement that lacks specific outcomes to justify the additional increase in
13 workload and seems more appropriate for the Equity Docket.

14 **Q. What is your response to JEA’s Thuraisingham & Thompson**
15 **recommendation that “PSE provide updates and information about the DER**
16 **public engagement pilot on its website and other public-facing platforms and**
17 **communications for easy customer access”?**⁸⁵

18 A. PSE will provide updates to relevant advisory bodies and interested parties who
19 advise us as we implement this pilot. A pilot, by its nature, is a test case that

⁸⁴ Thuraisingham & Thompson, Exh. MT-CT-1T at 27:5-9.

⁸⁵ Thuraisingham & Thompson, Exh. MT-CT-1T at 30:9-11.

1 engages a very specific set of participants. It would be counter-productive to
2 market or otherwise elaborate on the engagement publicly when participation is
3 limited to a small, highly engaged set of customers from named communities.
4 PSE will document this work and prepare a summary of the project that will be
5 shared publicly following completion of the pilot.

6 **Q. Do you agree with Colton’s suggestion about posting metrics for**
7 **transparency?**

8 A. PSE will explore the feasibility and customer interest of providing this content on
9 its website.

10 **Q. Do you agree with Harmon’s recommendation that the Commission should**
11 **order PSE to “draft clearer contract terms with vendors more clearly**
12 **articulating the equity related expectations and goals” and the processes for**
13 **achieving those goals?⁸⁶**

14 A. PSE disagrees with this recommendation. First, it is unclear what equity contract
15 terms Harmon proposes PSE include. Considering contracts are legal documents,
16 often subject to negotiation between parties, the Commission should be
17 particularly hesitant to require such provisions. Additionally, PSE plans to report
18 on the supplier diversity metric as defined in the Commission’s Policy Statement
19 addressing Performance Metrics⁸⁷: percentage of suppliers that self-identify as

⁸⁶ Harmon, Exh. BLH-1T at 22:20–23:3.

⁸⁷ Commission’s Policy Statement Addressing Initial Reported Performance Metrics, Docket U-210590 (August 2, 2024).

1 owned by people of color, women, veteran, and other marginalized groups, and
2 total dollar amount and percentage of total company spend to those suppliers.

3 **Q. Does staff witness McGuire, introduce equity concerns in his evaluation of**
4 **PSE’s CWIP [Construction Work in Progress] in rate base proposal?**

5 A. McGuire points out that “PSE’s analysis does not examine the cost implications
6 from the perspective of PSE’s lower-income customers – who tend have a higher
7 opportunity cost of capital than the average person – and whether those customers
8 would be made worse off if CWIP were included in rate base.”⁸⁸

9 **Q. How do you respond?**

10 A. I want to reiterate that the Commission declined providing “specific
11 programmatic guidance”⁸⁹ as energy equity is the start to a long evolution and
12 journey. As mentioned at the start of my testimony, PSE is prioritizing equity in
13 areas of the organization that make the most meaningful impact to our customers,
14 including ensuring we meet the 30 percent minimum designation for Named
15 Communities.

16 While I appreciate McGuire’s comment to apply an equity lens on the proposal to
17 include CWIP in rate base, the Commission should evaluate PSE’s approach and
18 progress on equity in a holistic manner.

⁸⁸ McGuire, Exh. CRM-1Tr at 93:11-14.

⁸⁹ See *WUTC v. PSE*, Dockets UE-220066 *et. al.*, Order 24/10 (Dec. 22, 2022) at ¶ 228.

1 **Q. What is your response to Kaufman’s claim that PSE’s depreciation proposal**
2 **creates equity issues by creating cross subsidization, and that non-switching**
3 **schedules should not pay for stranded costs?**⁹⁰

4 A. Kaufman mentions that the “Commission should consider equity across gas
5 distribution schedules and between gas and electric customers.”⁹¹ To the extent
6 this is interpreted as referring to energy equity, PSE disagrees that such an
7 analysis is necessary at this point. PSE is focused on meeting our regulatory
8 commitments, including delivering energy benefits to Named Communities, and
9 continuing to develop and mature our understanding of the four energy tenets.
10 PSE is not at that level of maturity at this point to be able to apply an equity lens
11 in this specific scenario.

12 **Q. What is your response to Harmon’s recommendation that “the Commission**
13 **order PSE to examine its hiring and employment practices to identify any**
14 **inequities” and, “[i]f inequities are identified, then PSE should develop and**
15 **implement a plan to remedy those inequities”?**⁹²

16 A. As discussed earlier, PSE has created an equity-focused team and continues work
17 internally to educate its workforce on equity related issues. Harmon’s
18 recommendation is based on the assertion that PSE lacks “goals, strategies or
19 timelines for assessing hiring or employment practices.”⁹³ Harmon does not

⁹⁰ See Kaufman, Exh. LDK-1T at 6:4-20.

⁹¹ Kaufman, LDK-1T at 6:1-3.

⁹² Harmon, Exh. BLH-1T at 29:1-4.

⁹³ Harmon, Exh. BLH-1T at 28:10-11.

1 explain how he expects PSE to assess hiring or employment practices, what that
2 assessment should entail, or what is meant by “employment practices” in the
3 context of energy equity. Harmon appears to be concerned with purely the
4 demographics of PSE employees,⁹⁴ but does not tie these assertions to the equity
5 work PSE is currently doing. The Commission should not implement this
6 recommendation. Furthermore, this could be an issue better suited for the Equity
7 Docket.

8 **Q. Does PSE follow equitable hiring and employment processes?**

9 A. Yes, PSE already follows federal requirements for equal employment and non-
10 discrimination practices and reports annually via the Equal Employment
11 Opportunity reporting process and Affirmative Action Plans filed with the Office
12 of Federal Contract Compliance Programs. Additionally, the Commission has
13 recently added a demographic reporting measure, which PSE supported and will
14 be providing in the future. Without additional details from Harmon’s proposal,
15 PSE cannot evaluate whether the proposal aligns with federal law.

⁹⁴ Harmon, Exh. BLH-1T at 28:14-17.

1 **Q. What is your response to Harmon’s comment that “the demographics of**
2 **employees has clear distributional implications in terms of which**
3 **communities benefit from utility employment”?**⁹⁵

4 A. Harmon does not provide any support or citations for this statement. Regardless,
5 PSE plans to report on employee demographic data through the workplace
6 diversity metric from the policy statement issued by the Commission in the PBR
7 Docket:

8 *Percentage of employees and senior management (separately identifying:*
9 *(a) C-suite employees, (b) directors and employees more senior than*
10 *directors, and (c) the remaining workforce) who identify as: (i) a person*
11 *of color; and/or (ii) a woman or non-binary;*

12 PSE provided the recommendation to add a third category to capture the
13 remaining workforce, which the Commission adopted in its policy statement.

14 **X. CONCLUSION**

15 **Q. Does that conclude your prefiled rebuttal testimony?**

16 A. Yes, it does.

⁹⁵ Harmon, Exh. BLH-1T 28:14-17.