

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKET UG-230968

OPENING TESTIMONY OF

LAUREN MCCLOY

ON BEHALF OF

JOINT ENVIRONMENTAL ADVOCATES

July 18, 2024

**OPENING TESTIMONY OF LAUREN MCCLOY
Docket No. UG-230968**

Exh. LM-1T

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1 **I. INTRODUCTION AND SUMMARY**

2 **Q. Please state your name and position.**

3 A. My name is Lauren McCloy. I am the Policy Director of the NW Energy Coalition
4 (NWEC), an alliance of over 100 environmental, civic, and human service organizations;
5 utilities; businesses; and individuals in the Pacific Northwest. NWEC’s mission is to
6 advance clean, equitable, and affordable energy policies for Northwest communities.

7 **Q. Please describe your employment and education background.**

8 A. Prior to joining NWEC, I worked as Senior Policy Advisor to Washington State
9 Governor Jay Inslee, where I managed a broad range of issues in support of the
10 Governor’s energy agenda. Before that, I served in several capacities at the Washington
11 Utilities and Transportation Commission (UTC or Commission). I first worked as a
12 Compliance Investigator in the UTC’s Consumer Protection Division. Beginning in 2014,
13 I was a policy advisor to Commissioners on energy policy and legislative issues. I then
14 became the Legislative Director for the UTC, where I served as the Commission’s liaison
15 to the State Legislature and the Governor’s office and was responsible for developing and
16 coordinating the UTC’s legislative activities. Besides these roles, I have experience
17 working for the Washington State Senate Ways and Means Committee and several non-
18 profit organizations focused on renewable energy, energy efficiency, and consumer
19 advocacy. I hold a B.A. from the University of North Carolina at Chapel Hill and an M.S.
20 in International Development from Tulane University Law School.

21 **Q. Please state your experience with energy regulation and proceedings before public**
22 **utility commissions.**

1 A. I have approximately twelve years of experience reviewing, analyzing, and advocating
2 for local, state, and federal energy and climate policies and regulations. My work has
3 included analyzing how rate structures, in conjunction with state and local policies,
4 encourage or discourage the adoption of energy efficiency and clean energy resources. I
5 have participated in Commission proceedings both as UTC staff and as an advocate on
6 behalf of nonprofit clean energy organizations.

7 Of particular relevance to this proceeding:

- 8 • I have engaged in a number of Washington UTC proceedings, including intervening
9 and providing testimony in UE-210795 (PSE Clean Energy Implementation Plan),
10 UE-220066 / UG-220067 (PSE General Rate Case), and submitting comments in U-
11 230161 (Facilitation of a Commission-led workshop series on the Climate
12 Commitment Act.
- 13 • In Docket No. UE-210795, I provided testimony regarding PSE's first Clean Energy
14 Implementation Plan under the Clean Energy Transformation Act (CETA), and
15 recommended that PSE increase its targets for demand response, develop specific
16 actions to comply with CETA, and adopt new customer benefit indicators to measure
17 and track achievement of equity goals.
- 18 • In Docket No. UE-220066 / UG-220067, I provided testimony on CETA
19 implementation issues, Climate Commitment Act (CCA) and Gas Decarbonization
20 Issues, Distribution System Planning, Transportation Electrification, and Colstrip.

1 • In Docket No. U-230161, I provided joint comments with Megan Larkin of Climate
2 Solutions responding to the Commission’s questions concerning CCA
3 implementation issues.

4 **Q. What materials did you review in preparing this testimony?**

5 A. I have reviewed the opening testimony filed by PSE on April 25, 2024.

6 **Q. What is the purpose of your testimony, and how is your testimony organized?**

7 A. The purpose of my testimony is to dispute PSE’s approach to CCA compliance. First, I
8 elaborate the structure and purpose of the Climate Commitment Act (CCA). I explain
9 why PSE’s approach of passing through costs entirely to customers does not comply with
10 the language or intent of the CCA. Second, I explain that UTC’s role of ensuring just and
11 reasonable rates, and considering equity in rates, supports the requirement of risk-sharing.
12 Third, I endorse JEA’s alternative, as laid out in Will Gehrke’s testimony.

13 **II. PSE IS IMPROPERLY ALLOCATING ALL CCA COMPLIANCE RISKS TO**
14 **RATEPAYERS.**

15 **A. *THE STRUCTURE AND PURPOSE OF THE CLIMATE COMMITMENT ACT.***

16 **Q. What is the Climate Commitment Act?**

17 A. Passed by the Washington legislature in 2021, the CCA elaborates a pathway to meet
18 Washington’s ambitious statewide emissions reduction goals.¹ The statewide cap
19 decreases every three years, with the eventual target of net-zero carbon footprint and a
20 95% reduction from 1990 emissions levels by 2050.²
21

¹ ESSB 5126, 67th Leg. 316 (Wash. 2021).

² RCW 70A.45.020.

1 The CCA directs the Governor to establish an implementing governance structure
2 to ensure accountability, coordinated climate resilience approaches, equity and inclusivity
3 in the clean energy economy, clear policy directives, and financial mechanisms to
4 achieve the CCA’s goals.³

5 The CCA also directs the Department of Ecology (Ecology) to implement a
6 greenhouse gas (GHG) emissions cap and invest program to reduce GHG emissions from
7 covered entities pursuant to the statewide emissions goals.⁴ Entities that emit 25,000 or
8 more metric tons of carbon dioxide equivalent are “covered entities” that are required to
9 register to participate in the cap and invest program.⁵ The CCA requires that Ecology
10 determine an emissions baseline that establishes the covered entities’ share of GHGs in
11 proportion to the total GHG emissions of the state. Ecology must then adopt annual
12 allowance budgets for covered entities for each four-year compliance period. Ecology
13 must distribute these allowances through auctions.⁶ Ecology must also revisit the
14 program in certain years to evaluate whether adjustments are needed to ensure that
15 covered entities “achieve their proportionate share” of statutory emissions reduction
16 limits.⁷

17 **Q. Why did the legislature enact the Climate Commitment Act?**

³ RCW 70A.65.050.

⁴ RCW 70A.65.060.

⁵ RCW 70A.65.080.

⁶ RCW 70A.65.070.

⁷ RCW 70A.65.070(3).

1 A. The legislature found that climate change is “an existential crisis” that poses “one of the
2 greatest challenges facing our state and the world today.”⁸ In Washington, the effects of a
3 global climate change are already present: increased wildfire danger, increased drought,
4 reduced snowpack, reduced water supplies, and a rising ocean. Those effects—while
5 widespread—do not impact Washingtonians evenly. Often, they disproportionately affect
6 communities that are already disadvantaged.

7 The legislature stated that meeting the state’s GHG emissions limits would
8 “require coordinated, comprehensive, and multisectoral implementation of policies,
9 programs, and laws, as other enacted policies are insufficient to meet the limits.”⁹ The
10 legislature found that by exercising leadership in addressing climate change, the economy
11 and its actors would be positioned to benefit from national and international efforts to
12 reduce GHGs,¹⁰ and environmental justice impacts—both past environmental
13 overburdening and future economic transition due to decarbonization—could be better
14 addressed and mitigated.¹¹ For these reasons, the legislature enacted the CCA.

15 **Q. What is the role of the CCA’s cap-and-invest program?**

16 A. In the CCA, the legislature directed Ecology to implement a GHG cap and develop a
17 program to track, verify, and enforce compliance “[i]n order to ensure that greenhouse
18 gas emissions are reduced by covered entities.”¹² The program must define covered

⁸ RCW 70A.65.005(1).

⁹ RCW 70A.65.005(2).

¹⁰ RCW 70A.65.005(6).

¹¹ RCW 70A.65.005(7).

¹² RCW 70A.65.060(1).

1 entities, establish annual allowance budgets, distribute emissions allowances, provide for
2 the transfer of compliance instruments, and create a climate investment account to
3 deposit receipts from the distribution of emissions allowances. This account in turn can
4 be used for projects and programs that further the goals of the CCA, including climate
5 resilience, climate and environmental equity, clean energy, and energy efficiency.¹³

6 **Q. What are the responsibilities of covered entities under the CCA?**

7 A. Covered entities are enrolled in the cap-and-trade program and have compliance
8 obligations. As the CCA establishes, the primary goal of the Act is to achieve statewide
9 emissions reduction goals. The cap and invest program that implements the GHG
10 reduction targets is expressly intended to ensure that covered entities reduce their
11 emissions¹⁴; that is, these emitters are considered “responsible” for meeting the GHG
12 reduction targets.¹⁵ The CCA also includes a price containment mechanism to ensure
13 prices of allowances do not drop too low so as to ensure covered entities have the
14 financial incentives to achieve their proportionate share of emissions reductions.¹⁶

15 **Q. Is PSE a covered entity under the CCA?**

¹³ RCW 70A.65.250-.270.

¹⁴ RCW 70A.65.060(1).

¹⁵ RCW 70A.65.050(2)(b); *see also* RCW 70A.65.060(2) (annual allowance budget is intended to limit emissions from covered entities).

¹⁶ RCW 70A.65.070(2); *see also* remarks of Sen. Cushing explaining that price containment mechanisms “ensure the price of allowances available for auction remains sufficient to incentivize reductions in greenhouse gas emissions.” [Public Hearing, January 19, 2021, Senate Environment, Energy, and Technology Committee](#), at 5:14.

1 A. Yes, PSE is a covered entity. The CCA definition of “covered entities” includes natural
2 gas utilities.

3 **Q. Are there special provisions in the CCA for natural gas utilities?**

4 A. Yes, utilities are subject to certain distinct provisions regarding allowances. Specifically,
5 Ecology determines an allocation schedule for natural gas utilities to receive a certain
6 quantity of emission allowances at no cost based on the utility’s baseline emissions, for
7 each compliance period. Ecology has established that in the first compliance year, gas
8 utilities receive allowances to cover 93% of their emissions allocation baseline.¹⁷ Utilities
9 receive fewer no-cost allowances over time proportionate to the declining statewide cap,
10 and eventually stop receiving no-cost allowances after 2045.¹⁸

11 In addition, beginning in the first compliance period, gas utilities must auction
12 65% of the no-cost allowances they receive. The percentage required to be auctioned
13 increases by 5% each year until it reaches 100%.¹⁹

14 **Q. Why must gas utilities auction a defined proportion of the no-cost allowances they**
15 **receive?**

16 A. The text of the CCA provides that the revenues from auctioning these allowances is
17 intended to benefit customers.²⁰ At a minimum, this means eliminating additional cost

¹⁷ WAC 173-446-240(2).

¹⁸ RCW 70A.65.120(d).

¹⁹ RCW 70A.65.130(2)(a).

²⁰ RCW 70A.65.130(1).

1 burdens to low-income customers that may result from implementation of the CCA, in
2 the form of bill credits, weatherization, or energy efficiency services.²¹

3 **Q. Does the CCA require that customers be charged for a utility’s CCA compliance**
4 **costs?**

5 A. No. The CCA does not state that customers are solely responsible for the cost of
6 obtaining allowances or the financial risks of the utility’s compliance methods. Rather,
7 covered entities are responsible for compliance costs. This Commission recognized that
8 in its order to PSE to develop a risk-sharing mechanism, stating that “CCA costs are
9 imposed *on the utility* and are mandatory.”²²

10 **Q. Does the CCA provide that allowance auction revenues, intended to mitigate**
11 **burdens to customers, can only be used to recoup the cost of purchasing allowances?**

12 A. No. The language in the Act reflects legislators’ practical understanding that compliance
13 with the CCA will require covered entities to spend money to decarbonize. The CCA
14 directs implementation of a program to reduce emissions reduction statewide, on a
15 proportional basis among sectors. Thus compliance by covered entities to meet the
16 CCA’s goals is achieved primarily through emissions reductions. As PSE has recognized
17 in public testimony to the Senate Ways and Means Committee in support of the CCA, the
18 “cap will drive deep and swift reductions in natural gas and the current structure ensures

²¹ RCW 70A.65.130(1)(d). Electric utilities may be subject to a similar required auction of allowances, but the Department is only required to set that amount starting in October 2026. RCW 70A.65.120(3)(b).

²² UG-230470 Order 01, Allowing Tariff Revisions to Become Effective Subject to Conditions, at ¶ 22 (Aug. 3, 2023).

1 those do not harm our customers.”²³ In the interim, utilities can meet compliance
2 obligations through obtaining allowances or offsets. But the overall quantity of
3 allowances and the amount of no-cost allowances received decreases significantly each
4 compliance period, a further indicator that compliance is primarily to be achieved
5 through emissions reduction.

6 Utilities seeking to decarbonize their business may therefore incur various
7 expenses beyond simply purchasing allowances, such as investing in pilot studies,
8 obtaining alternative fuels, spending on energy efficiency or weatherization methods, and
9 so forth. Some portion of those expenses and capital investments might be recoverable in
10 rates. Those, too, would be costs that could be mitigated through allowance auction
11 revenue. Therefore, it would be wrong to read these provisions of the CCA narrowly as
12 justification for a 100 percent pass-through of cost and risk of purchasing allowances
13 onto customers.

14 ***B. PSE’S RISK SHARING MODEL REMOVES ITS INCENTIVE TO COMPLY***
15 ***WITH THE CCA’S EMISSIONS REDUCTION GOALS.***

16 **Q. In light of the text and structure of the CCA, what are your concerns about PSE’s**
17 **position on the CCA tariff in this docket?**

18 A. PSE’s primary position is that it should not be required to risk share. PSE’s risk-sharing
19 document indicates that it believes “it is premature to design an equitable, fair and
20 reasonable risk-sharing mechanism, if any at all.”²⁴ Yet this Commission ordered PSE to

²³ Janet Kelly, Director of PSE Government Affairs, [Public Hearing, March 15, 2021, Senate Ways & Means Committee](#), at 1:25.

²⁴ Compliance Filing of Puget Sound Energy, UG-230470 (Oct. 31, 2023), p. 2.

1 develop a risk-sharing mechanism proposal, noting that PSE’s “proposed tariff
2 inappropriately places all the risks associated with CCA compliance through allowances
3 on PSE’s natural gas customers.”²⁵ In the alternative, PSE has proposed a mechanism
4 that, as indicated in Will Gehrke’s testimony, is highly unlikely to result in any risk-
5 sharing.

6 It appears, in part, that PSE believes the CCA is structured so that pass-through of
7 allowance costs is a matter of course. PSE’s position does not follow from the language
8 and structure of the CCA.

9 **Q. Please elaborate upon JEA’s position that PSE’s approach does not follow from the**
10 **language and structure of the CCA.**

11 A. First, the CCA does not direct 100% pass-through of costs. The CCA simply notes that
12 costs for customers *may* increase, and revenues from selling allowances must go to
13 alleviate any such cost burden. Costs may increase because of various reasons, as
14 discussed above: costs a utility might incur to reduce its emissions or that it incurs to
15 obtain compliance instruments. Recognizing increased costs for a utility and, potentially,
16 its customers does not mean that customers automatically shoulder the entirety or the
17 majority of those costs. And, by extension, it does not mean that customers bear the entire
18 or majority of the risk of their utility’s CCA compliance plans.

19 Second, if PSE’s interpretation were correct, there would be no need to require an
20 auction of the no-cost allowances. Utilities could simply be allocated no-cost allowances

²⁵ UG-230470 Order 01, Allowing Tariff Revisions to Become Effective Subject to Conditions, at ¶ 22 (Aug. 3, 2023).

1 to utilities without requiring the auction of those allowances. But the legislature enacted a
2 more nuanced compliance pathway, requiring that an increasing percentage of the no-cost
3 allowances be auctioned. This indicates that the CCA’s provisions are structured to
4 require covered entities 1) primarily to reduce emissions and, in the interim, 2) to
5 consider the financial logic of covering emissions with allowances that must be
6 purchased from an ever-decreasing supply while being allocated fewer no-cost
7 allowances each year, in comparison to pursuing long-term lower-cost decarbonization
8 options.

9 Third, utilities are covered entities, customers are not. A large emitter like PSE
10 has capital, technological, organizational, and human resources at its disposal to enact
11 complex plans to reduce its emissions. If covered entities can avoid any sort of financial
12 effect of avoiding emissions reductions because they can foist those risks onto customers,
13 then the purpose of the CCA is nullified. The CCA was intended to send price signals to
14 *covered entities* to promote decarbonization, not to allow business as usual funded by
15 utility customers. This Commission agreed as much when it ordered PSE to develop a
16 risk sharing mechanism proposal, stating that the CCA is “meant to serve as a price signal
17 to both utilities and their customers, encouraging both to modify their behavior to reduce
18 carbon emissions.”²⁶ PSE claims that it would be unfair to impose risk-sharing because
19 various factors that might affect the cost of compliance are not within PSE’s direct
20 control, but that ignores the fact that decarbonization is typically not within many

²⁶ Docket UG-230470, Order 01, August 2, 2023 at § 22.

1 customers' control (particularly residential customers) and thus these customers should
2 *also* not bear the entire risk.

3 The text, structure, and purpose of the CCA undermine PSE's position on how
4 risks of compliance pathways are to be shared between the utility and the customer.

5 **Q. Are there other reasons to be concerned with PSE's proposal?**

6 A. PSE also states other reasons for refusing to elaborate a risk sharing mechanism that are
7 not persuasive. It states that it already bears all the risk, and—somewhat in tension with
8 that position—that taking on some of the risk away from customers would counter the
9 goals of the CCA.²⁷

10 PSE states it already bears all the risk under state law because it bears the risk of
11 noncompliance through CCA statutory penalties or through UTC disallowance of
12 compliance investments.²⁸ PSE doesn't mention, however, that the risks associated with
13 PSE's compliance plan fall squarely on customers because it relieves PSE of any
14 financial incentives to decarbonize. By structuring its tariff as a 100% pass through, PSE
15 is not financially affected by the allowance auctions and therefore has no reason to ensure
16 it is constantly evaluating short-, medium-, and long-term options to decarbonize as
17 compared to purchasing allowances. This approach nullifies the structure and function of
18 the CCA because no price signals are sent to the covered entity that is capable of
19 structuring and implementing a decarbonization plan. In that sense, the pass-through acts
20 like a power cost adjustment, as I elaborate below.

²⁷ See Compliance Filing of Puget Sound Energy, Docket UG-230968 (Oct. 31, 2023).

²⁸ *Id.* at p. 9.

1 PSE also argues that a risk-sharing mechanism would diminish price signals to
2 customers and therefore undermine the goals of the CCA. PSE indicates that it is
3 customers who are responsible for a transition to alternative fuels or electrification, and
4 their choices will be affected by price signals on their bills.²⁹ It is true that some large
5 industrial customers could potentially transition their own processes and fuel needs, and
6 some other residential and commercial customers could potentially adjust their fuel type
7 and usage. However, a significant proportion of residential customers cannot effectuate a
8 transition on their own that would meaningfully reduce emissions. Low- and middle-
9 income residential customers lack the means to transition, and renters cannot simply
10 overhaul the energy system in their rental. For these customers, price increases do not act
11 as “signals” because they do not change behavior, they only impose a financial burden
12 that must be shouldered. PSE, having the capacity and agency to decide between
13 statutory compliance options, can have its incentives aligned with statute and its actions
14 affected by price signals. In light of this, and the other factors discussed above, risk-
15 sharing is an important way to meet CCA goals.

16 **Q. Does a risk-sharing mechanism differ from a power cost adjustment?**

17 A. Yes. Power cost adjustments are based on market values for energy at the time of the
18 filing. Costs can increase or decrease based on what the costs of gas or electricity are on
19 regional market. That’s a very different calculation from determining whether purchasing
20 credits is the most cost-effective way to comply with the requirements of the CCA and

²⁹ *Id.* at p. 9-10 (“[T]he primary purpose of the costs under the CCA is to send a price signal to customers to encourage them to make the transition.”).

1 whether that strategy appropriately balances risks and equity between the utility and its
2 customers. Locking into a tariff that automatically includes the costs of credits and
3 directly bills them to customers prevents a review of the prudence of purchasing credits
4 versus investing in weatherization, electrification, and other means to meet the CCA’s
5 emissions reduction goals. A pass-through structure like a power cost adjustment would
6 also encourage PSE to continue investing in gas system growth, rather than shrinking the
7 system.

8 **III. PSE'S POSITION ON RISK SHARING IS INCONSISTENT WITH THE PUBLIC**
9 **INTEREST.**

10 **Q. By what standard are utility rates judged?**

11 A. I am not a lawyer, and I provide the below information for context only. In Washington,
12 the UTC is charged with ensuring that rates are in the public interest and are just, fair,
13 reasonable, and sufficient.³⁰ The Commission’s consideration of the public interest
14 includes considerations such as “environmental health and greenhouse gas reductions,
15 health and safety concerns, economic development, and equity, to the extent such factors
16 affect the rates, services, and practices” of a regulated utility.³¹

17 **Q. Does the consideration of equity potentially affect the electric and gas rates, services,**
18 **and practices of the Company?**

³⁰ RCW 80.28.010.

³¹ RCW 80.28.425 (relating to multiyear rate plans but indicating that consideration of the public interest is applicable to other rate filings).

1 A. Yes. The Company’s decision-making and implementation processes directly affect its
2 rates, services, and practices. Considering equity in this tariff, for instance, potentially
3 affects the rates charged to customers.

4 **Q. Does the CCA discuss the public interest and elements of equity?**

5 A. The CCA puts environmental justice and equity at the center of climate policy, making
6 sure communities that bear the greatest burdens from air pollution today see cleaner,
7 healthier air as the state cuts greenhouse gases.³² The CCA includes the following
8 findings and intent:

9 [W]hile climate change is a global problem, there are communities that have
10 historically borne the disproportionate impacts of environmental burdens
11 and that now bear the disproportionate negative impacts of climate change.
12 Although the state has done significant work in the past to highlight these
13 environmental health disparities, beginning with senator Rosa Franklin's
14 environmental equity study, and continuing through the work of the
15 governor’s interagency council on health disparities, the creation of the
16 Washington environmental health disparities map, and recommendations of
17 the environmental justice task force, the state can do much more to ensure
18 that state programs address environmental equity.³³

19
20 The CCA also specifically incorporates equity into the governance structure for
21 implementing the Act³⁴ and directs funding from the carbon emissions reduction
22 account³⁵ and the climate investment account³⁶ to address equity.

³² Department of Ecology, *Environmental Justice* (last accessed July 16, 2024),
<https://ecology.wa.gov/About-us/Who-we-are/Environmental-Justice>.

³³ RCW 70A.65.005.

³⁴ RCW 70A.65.050(3)(c).

³⁵ RCW 70A.65.240(1).

³⁶ RCW 70A.65.250(1)(b).

1 **Q. Should the Commission consider equity when determining whether a risk-sharing**
2 **mechanism is in the public interest?**

3 A. Yes. JEA recommend the Commission consider equity as part of the approval of a risk-
4 sharing mechanism because such consideration supports the authorization of fair and just
5 rates and is consistent with the shift in overall state policy toward an inclusion of equity
6 analysis in state agency decisionmaking.³⁷

7 **Q. How can those standards apply in the present docket?**

8 A. The Commission’s discretion to consider various matters of customer and public interest,
9 alongside statewide goals and guidance, means it has latitude to determine who should
10 bear risk and how. Because of the serious public interest and equity factors at play in this
11 matter concerning the environment and public health, the utility’s responsibility and
12 organizational capacity to comply with the CCA, and the importance of aligning
13 incentives to promote compliance with state statutes, the Commission could choose to
14 allocate the majority of risk to PSE. JEA’s risk-sharing mechanism is a moderate
15 proposal in comparison to what the Commission could require.

16 **Q. In light of your testimony, what action should the Commission take?**

³⁷ Besides the CCA, consider also other statutes such as the Clean Energy Transformation Act, RCW 19.405.040(8) (“In complying with this section, an electric utility must, consistent with the requirements of RCW 19.280.030 and 19.405.140, ensure that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency.”).

1 A. The Commission should reject PSE's proposed risk-sharing mechanism and adopt JEA's
2 proposed mechanism, as elaborated in Will Gehrke's testimony. JEA propose a modest
3 mechanism that triggers risk-sharing under certain conditions, specifically where PSE
4 resorts to high-cost allowances to comply with the CCA.

5 **IV. CONCLUSION**

6 **Q. What are your recommendations to the Commission?**

7 A. I recommend that PSE be required to adopt JEA's risk-sharing mechanism. In addition,
8 the Commission should issue penalties for PSE's violation of Commission order to
9 propose a risk-sharing mechanism when filing its tariff.

10 **Q. Does this conclude your direct testimony?**

11 A. Yes.