

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Proceeding to  
Develop a Policy Statement Addressing  
Alternatives to Traditional Cost of  
Service Rate Making

DOCKET U-210590  
  
INTERIM POLICY STATEMENT  
ADDRESSING PERFORMANCE  
MEASURES AND GOALS, TARGETS,  
PERFORMANCE INCENTIVES, AND  
PENALTY MECHANISMS

**I. INTRODUCTION AND PROCEDURAL BACKGROUND**

- 1 Beginning January 1, 2022, Revised Code of Washington (RCW) 80.28.425 (MYRP Statute) requires electric and natural gas companies regulated by the Washington Utilities and Transportation Commission (Commission) to include in each general rate case filing a multiyear rate plan (MYRP). The statute further requires the Commission to determine a set of performance measures that will be used to assess a utility operating under a MYRP.
- 2 To that end, the Legislature directed the Commission, in Section 1 of Engrossed Substitute Senate Bill 5295,<sup>1</sup> to conduct a proceeding to develop a policy statement addressing alternatives to traditional cost of service rate making, including performance-based measures or goals, targets, performance incentives, and penalty mechanisms. The Legislature further directed the Commission to consider a number of factors as part of such a proceeding, including, but not limited to, lowest reasonable cost planning, affordability, increases in energy burden, cost of service, customer satisfaction and engagement, service reliability, clean energy or renewable procurement, conservation acquisition, demand side management expansion, rate stability, timely execution of competitive procurement practices, attainment of state energy and emissions reduction policies, rapid integration of renewable energy resources, and fair compensation of utility employees.
- 3 Pursuant to RCW 34.05.230 and WAC 480-07-920, the Commission may issue a policy statement, “to advise the public of its current opinions, approaches, and likely courses of action...” RCW 34.05.230(1). On July 30, 2021, the Commission opened Docket U-210590 to initiate this proceeding.

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<sup>1</sup> Laws of 2021, ch. 188. Section 1 of the bill was not codified in Chapter 80.28 RCW.

- 4 On December 30, 2021, the Commission provided an update to the Legislature on the progress of the proceeding to date, as well as its expected duration. The update included an appendix containing a proposed workplan consisting of five phases over the course of several years.<sup>2</sup>
- 5 During the ensuing year (2022), the Commission collaborated with the Regulatory Assistance Project (RAP) culminating in a briefing paper covering best practices and considerations as the Commission prepared to engage with the public.<sup>3</sup> Additionally, the Commission contracted with Great Plains Institute<sup>4</sup> to facilitate the extensive public participation and incorporate comments from those engagements to define regulatory goals, desired outcomes, and design principles, and to identify related metrics<sup>5</sup> as part of Phase 1.<sup>6</sup> Over the course of five comment periods, the Commission received written comments from Avista Corporation, dba Avista Utilities (Avista); PacifiCorp dba Pacific Power & Light Company (PacifiCorp); Cascade Natural Gas Corporation (Cascade); Northwest Natural Gas Company (NW Natural); Puget Sound Energy (PSE); Commission Staff (Staff); The Public Counsel Unit of the Washington Attorney General's Office (Public Counsel); Renewable Northwest (RNW); The Energy Project (TEP); Washington & Northern Idaho District Council of Laborers (WNIDCL); NW Energy Coalition (NWECC); Walmart Inc. (Walmart); Northwest & Intermountain Power Producers Coalition (NIPPC); Washington Clean Energy Coalition, and members of the public.
- 6 On January 12, 2023, the Commission issued a notice temporarily postponing its activities in this Docket given the press of business before the Commission, and the

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<sup>2</sup> UTC Legislative Report (Dec. 30, 2021). Available at <https://apiproxy.utc.wa.gov/cases/GetDocument?docID=30&year=2021&docketNumber=210590>; and <https://apiproxy.utc.wa.gov/cases/GetDocument?docID=29&year=2021&docketNumber=210590>.

<sup>3</sup> Elaine Prause & Jessica Shipley, *Performance-Based Regulation: Considerations for the Washington Utilities and Transportation Commission*, Regulatory Assistance Project (2022), Available at <https://apiproxy.utc.wa.gov/cases/GetDocument?docID=35&year=2021&docketNumber=210590>.

<sup>4</sup> A Sole Source Contract (Contract 23-SS-39) was executed and posted to the WEBS application and UTC website for public review on Mar. 23, 2022, <https://www.utc.wa.gov/search/contract> (last visited Mar. 25, 2024).

<sup>5</sup> The Commission uses metrics and performance measures (measures) interchangeably.

<sup>6</sup> Three workshops were held on: Apr. 19, July 25, and Nov. 7, 2022. Notice for comments were issued on May 2, Aug. 6, and Nov. 30, 2022; and Jan. 5 and Dec. 13, 2023.

resources necessary to consider issues and fiscal impacts from proposals in the 2023 legislative session.<sup>7</sup>

- 7 On December 13, 2023, the Commission issued a notice resuming work in this docket and seeking further public engagement and collaboration to refine necessary definitions and calculations as suggested by commenters in response to the notice issued on November 30, 2022.

## II. PARTICIPANT DEFINED PRINCIPLES, GOALS, OUTCOMES AND METRICS

- 8 Over the course of Phase 1 workshops and comment periods, the participants provided feedback resulting in 12 principles, four goals, 15 outcomes, and 32 metrics for consideration.<sup>8</sup> The resulting 12 guiding principles and their descriptions are provided in Table 1 below:

**Table 1: Participant Guiding Principles for Metric Development<sup>9</sup>**

<b>Principle</b>	<b>Description</b>
<b>Directly related to policy goals and the public interest</b>	All metrics will clearly communicate the regulatory goal and desired outcome and describe how the public interest will be met. Metrics can provide for outcomes that go beyond rule, statute, or regulatory requirements where said results are cost effective and in the public interest.
<b>Equity Forward</b>	Metrics will be used to advance equity. Equity has historically not been considered as a component of the public interest standard, but it is an essential element of performance-based regulation. Metrics will neither conceal nor obscure inequities.
<b>Outcomes-based</b>	Metrics should track outputs and outcomes, not inputs. While the Commission may consider in specific cases

<sup>7</sup> The 2023 legislative session included several proposed bills with potential impact on how the Commission regulated certain aspects of utility operations (*e.g.*, ESHB 1329 Preventing utility shutoffs for nonpayment during extreme heat, 2SHB 1032 Mitigating the risk of wildfires through electric utility planning, SSB 5165 Concerning electric power system transmission planning, and ESHB 1589 Supporting Washington’s clean energy economy and transition to a clean, affordable, and reliable energy future).

<sup>8</sup> Over 200 proposed metrics were submitted by participants. Commission Policy Staff eliminated duplicates, consolidated similar metrics, and selected the 32 proposed metrics that were a best fit to the principles and goals.

<sup>9</sup> As documented in the Notice for Opportunity to Comment (Aug. 5, 2022).

	metrics that track inputs, the proponent must demonstrate clearly that such metrics are appropriate.
<b>Clearly defined, articulated, and understandable</b>	The method for calculating metrics and specific data used for such calculations should be unambiguous and not subject to interpretation, to provide meaningful comparison and protect against disputes. Metrics should be accessible and understandable to the public.
<b>Use reasonably available data</b>	Metrics will use data that can be reasonably obtained or developed to reduce the administrative burden and the costs associated with implementing metrics. However, through this iterative process, it will be important to identify ways to refine the way data is being collected and or categorized, and identify additional data needed going forward. Further, the development and collection of data should not materially increase rates.
<b>Allow for comparison</b>	Metrics will be designed to allow for comparisons over time and across different utilities, recognizing that there are differences among utilities.
<b>Data transparency</b>	Metrics will be based on clear, measurable, and verifiable data. Data should be transparent and easily verifiable by Commission staff and external interested persons. Metrics should not use confidential data or proprietary models that reduce the transparency and accessibility of data. If proprietary models are used, provide access to that model, or rerun the model using information from interested persons.
<b>Accessible reporting format</b>	Utilities will ensure metric reporting is communicated to customers and the public in an equitable and accessible way, including attention to readability and translation, as well as consistent with Commission desired reporting formats (to be addressed in this proceeding) and using native document formats ( <i>i.e.</i> , if it was created in Excel, do not convert to pdf) when communicating with the Commission (WAC 480-07-140(6)).
<b>External influences</b>	Metrics will seek to measure factors that are reasonably affected by the utility's actions and not be entirely based on external influences ( <i>i.e.</i> , market prices, weather, mean area

	median incomes, etc.) without limiting the Commission's authority and to the extent this doesn't hinder the advancement of equity and energy justice.
<b>Evaluated Periodically</b>	This is an iterative process, and it will be necessary from time to time to revisit the portfolio and design of metrics with the expectation that adjustments may be needed. The Commission acknowledges that consistency over time can be helpful to identify trends.
<b>Accommodate regular reporting</b>	Metrics should be designed to accommodate regular ( <i>e.g.</i> , yearly) reporting, including use of data that can be updated in a timely manner.
<b>Efficiency</b>	The number of metrics should be no greater than that necessary to measure performance towards the goals and outcomes while ensuring the ability to obtain valuable data in the public interest.

9 The participants proposed four overarching goals: (1) A “resilient, reliable, and customer-focused distribution system;” (2) “Customer affordability;” (3) “Advancing equity in utility operations;” and (4) “Environmental improvements.” Each goal contained a subset of outcomes, as provided below, from which metrics were developed.

10 The first goal, Resilient, reliable, and customer-focused distribution system, consisted of three outcomes:

1. Ensure utility responsiveness to customer outages and restoration times;
2. Utilities are prepared for and respond to outages and other impacts caused by cyber-attacks, significant events, wildfires, storms, extreme weather events, and other natural disasters; and
3. Resilient infrastructure and service, including distributed energy resources, to enable customers to maintain essential functions during times of potential outages.

11 The customer affordability goal contained five outcomes:

1. Reduce energy burden for customers experiencing high energy burden, especially those in Highly Impacted Communities, Vulnerable Populations, and low-income customers;
2. Maximize utilization of cost-effective distributed energy resources and grid-enhancing technologies;

3. Maximize the benefit and efficiency of the energy assistance process so that support can be provided to customers based on the program resources available;
4. Lowest reasonable cost compliance with public policy goals and environmental requirements; and
5. Increase awareness of and equitable access to utility services, assistance, education, and benefits for all customers, with a focus on Highly Impacted Communities, Vulnerable Populations, and low-income customers.

12 The third goal, Advancing equity in utility operations, entailed four outcomes:

1. Equitable and diversity-focused utility hiring, promotion, and vendor selection practices;
2. Ensure that utility operational and investment decisions promote equitable service that does not unfairly harm or disadvantage Highly Impacted Communities, Vulnerable Populations, and low-income customers;
3. Equitable access to all utility energy programs, including those related to energy efficiency, demand response, and distributed energy resources; and
4. Ensure active and meaningful utility engagement with communities, including Highly Impacted Communities, Vulnerable Populations, and low-income customers such that their input is considered in utility planning processes.<sup>10</sup>

13 Finally, the environmental improvements goal contained three outcomes:

1. Reduce pollution burden and pollution exposure with a focus on communities with elevated exposures to health hazards, including Highly Impacted Communities, Vulnerable Populations, and low-income customers;
2. Cost-effective alignment of load with clean energy generation and storage through load management, energy efficiency measures, and demand response; and
3. Accelerate the cost-effective achievement of Commission or state public policy goals and statutes, including the reduction of greenhouse gas emissions.

14 A robust discussion occurred during the workshop held on November 7, 2022, regarding the 32 metrics. Feedback during that workshop overwhelmingly indicated the need for

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<sup>10</sup> No metrics were selected during Phase 1 for this objective. It was decided to hold any metrics for a future policy statement; however, the Commission believes coordination with its Equity Docket (A-230217) will provide valuable insight into potential PBR metric development in this proceeding.

additional discussion regarding definitions for a multitude of terms used within the metric titles and draft calculations. Further, comments received in response to the notice issued on November 30, 2022, indicated varying levels of alignment, disagreement, and expressed continued concern about certain calculation methodologies and need for the development of common terminology and definitions.<sup>11</sup> A list of the 32 metrics with comments and concerns as raised during the November 7 workshop is provided in Appendix A.

### III. STATEMENT OF COMMISSION POLICY

#### A. Preliminary Remarks

- 15 The Commission extends its appreciation to all participants and partners of the Phase 1 work in this docket to date. This work required countless hours synthesizing ideas, thoughtful evaluations of concepts, drafting written responses, and contributing to valuable workshop discussions. These efforts establish a foundation for performance-based regulation in Washington state based on robust public process.
- 16 Performance-based regulation (PBR) provides a framework that includes a suite of tools intended to better align utilities' financial interest with state policy, and both customer and societal interests. These tools are needed to incentivize or discourage behavior, address a utility lack of action, or to achieve cost containment goals. PBR is not a one-size-fits-all solution, does not require all available tools to be implemented, and no statutory mandate exists to fully replace traditional cost of service ratemaking. Indeed, early adopters of PBR continue to work through the evolution of the framework in their respective jurisdictions.<sup>12</sup>
- 17 Additional complexity exists in Washington state for developing a PBR framework with the layering of legislative requirements (*e.g.*, MYRPs, the Clean Energy Transformation Act (CETA) of 2019, decarbonization requirements under the Climate Commitment Act (CCA) of 2021; and the Washington Decarbonization Act for Large Combination

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<sup>11</sup> Several additional metrics were submitted for consideration in comments received after the workshop. We do not include those metrics here as other interested parties have not had opportunity to respond.

<sup>12</sup> See Little, D., et.al., *Next Generation Performance-Based Regulation (Vol. 1)*(2017), National Renewable Energy Laboratory (NREL/TP-6A50-68512), retrieved from [www.nrel.gov/publications](http://www.nrel.gov/publications); See Trabish, H.K., (Dec. 9, 2021), *New York's landmark Reforming the Energy Vision framework remains both vital and unfinished, analysts say*, <https://www.utilitydive.com/news/new-yorks-landmark-reforming-the-energy-vision-framework-remains-both-vita/610015/>; See Hawaii Public Utilities Commission (Docket 2018-0088), information and filings available at <https://puc.hawaii.gov/energy/pbr/>; See Michigan Public Service Commission Press Release (Aug. 30, 2023), available at <https://www.michigan.gov/mpsc/commission/news-releases/2023/08/30/mpsc-seeks-comment-on-proposal-to-connect-utility-earnings>.

Utilities of 2024 (ESHB 1589), and other factors such as: increased frequency and severity of extreme weather events, geopolitical issues, greater focus of equity and energy justice, and development of regional electricity markets. Innovation is required to meet these requirements, expectations, and developments. It is illogical to expect utilities and their regulators to rely solely on traditional cost of service regulation and historic utility practices for a successful transformation of the energy sector.

- 18 With these complexities in mind, the Commission believes the PBR framework we develop here must be both scalable and flexible to implement recent and future legislation, address ratemaking needs, and other exogenous factors. Additionally, to maintain financial stability for utilities and mitigate unintended rate consequences to customers, an incremental and intentional approach is necessary to first establish priorities and identify baseline data. Further, it is appropriate to limit the number of metrics to a handful of significant, quantifiable, and objective measures at the inception of this regulatory evolution.
- 19 We also find it important to avoid conflating PBR solely with the use of Performance Incentive Mechanisms (PIMs). The Renovate Initiative described PIMs as “regulatory mechanisms that provide incentives for utilities to achieve certain outcomes...with a financial reward or penalty tied to their achievement or lack thereof by the utility. They can operate incrementally to traditional cost of service ratemaking or as an element of a PBR framework...”<sup>13</sup> It may be that PIMs are not always the best incentive for utility action as there may be other motivators such as legal liability or reputational risk that provide adequate intrinsic motivation not advanced by an additional financial reward or penalty. It is imperative that a shift in regulatory paradigm promote efficiency and avoid overburdening the regulator, utilities, customers, or other impacted groups.
- 20 The remainder of this policy statement provides Commission guidance, preferences, and expectations for baseline performance measures within near-term MYRP filings. This guidance is not intended to dissuade any utility or interested party from proposing additional metrics or revisions to the metrics addressed within this statement. However, later in this policy statement, the Commission provides a detailed metric proposal process for MYRP proceedings to facilitate well-developed proposals and maintain a reasonable number of metrics evaluated through the rate setting process until future phases of this proceeding are complete.

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<sup>13</sup> Smart Electric Power Alliance, *Renovate Best Regulatory Practices “Toolkit” Series: Performance-Based Regulation – Part 3* (2020) at 9, retrieved from <https://sepapower.org/resource/renovate-best-regulatory-practice-toolkit-series-performance-based-regulation-part-iii/>.



## B. GUIDING PRINCIPLES

21 The development of guiding principles received considerable attention throughout Phase 1 of this docket. This included the workshops held on April 19, 2022, and July 25, 2022, with written comment opportunities provided on May 2, 2022, and August 5, 2022.

22 These discussions proffered an excellent collection of principles for the Commission's consideration. We find opportunity exists for consolidation, minor refinements, and title changes for clarity. The Commission hereby establishes the following initial guiding principles for the purpose of creating performance measures:

1. *Directly related to policy goals and the public interest*

All metrics will clearly communicate the regulatory goals and desired outcome and describe how the public interest will be met. Metrics can provide for outcomes that go beyond rule, statute, or regulatory requirements where said results are cost effective and/or in the public interest.

2. *Equity Forward*

Metrics will be used to advance equity. Equity has historically not been considered as a component for the public interest standard, but it is an essential element of performance-based regulation. Metrics will neither conceal nor obscure inequities.

3. *Outcomes-based*

Metrics should track outputs and outcomes, not inputs. While the Commission may consider in specific cases metrics that track inputs, the proponent must demonstrate clearly that such metrics are appropriate.

4. *Use reasonably available and verifiable data with clearly defined calculations<sup>14</sup>*

Metrics will use data that can be reasonably obtained, is transparent, and easily verifiable by Commission staff and external interested persons including the public. Metrics should not use confidential data or proprietary models that reduce the transparency or accessibility of data. If proprietary models are used, those relying on models should provide access to the models or rerun the models using information from interested persons. The method for calculating metrics and input data used should be

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<sup>14</sup> This principle consolidates the following proposed principles: Clearly defined, articulated, and understandable; Data transparency; Use reasonably available data. We do not restrict the use of models to the utility but expand the description to any participant relying on models.

unambiguous and not subject to interpretation to provide meaningful comparison and protect against disputes.

5. *Allow for regular, consistent, accessible reporting and periodic evaluation*<sup>15</sup>

Metrics should be designed to accommodate regular reporting (e.g., annually). Utilities will ensure metric reporting is communicated to customers and the public in an equitable and accessible way, including attention to readability and translation, in a manner consistent with Commission rules, specifically WAC 480-07-140(6).<sup>16</sup>

6. *Reasonably within the utility's control*<sup>17</sup>

Metrics will seek to measure factors that are reasonably affected by the utility's actions and not be entirely based on external influences (i.e., market prices, weather, and mean area median incomes) without limiting the Commission's authority and to the extent they do not hinder the advancement of equity and energy justice.

7. *Promote regulatory efficiency*<sup>18</sup>

The number of metrics should be limited and no greater than necessary to measure performance towards major goals and outcomes while ensuring the ability to obtain valuable data in the public interest.

### C. GOALS

23 Goal development was a significant focus of the workshop held on April 19, 2022. Subsequently, the Commission issued a Notice of Opportunity to File Written Comments on June 13, 2022, to elicit additional feedback and develop draft regulatory goals. These draft goals were then a topic of discussion during the workshop held on July 25, 2022, and refined after another round of written comments as requested in the Notice issued on August 5, 2022.

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<sup>15</sup> This principle consolidates the following proposed principles: allow for comparison; accessible report format; evaluated periodically; and accommodate regular reporting.

<sup>16</sup> While this is an iterative process, it will be necessary from time to time to revisit the portfolio and design of metrics. The Commission acknowledges that consistency over time can be helpful to identify trends and allow for comparison both within a utility and across regulated utilities while recognizing differences among utilities.

<sup>17</sup> This is a title change only from External influences.

<sup>18</sup> This is a title change only from Efficiency.

24 The Commission recognizes that extensive participant involvement culminated in the four proposed goals. We find these goals provide opportunity for a variety of data collection relevant to the varying interests of the participants while not encompassing the entirety of utility operations. This supports our preference to maintain a manageable number of performance measures to establish baseline data during this nascent stage of our PBR journey.<sup>19</sup>

25 We therefore accept the four goals proposed by participants in this docket, contained in paragraphs 9 through 13, with one minor change. The Commission amends Goal 3 to read, “Equitable Utility Operations.” Future iterations of this docket may result in further expansion or refinement of these goals.

#### **D. PERFORMANCE MEASURES (METRICS)**

##### *i. Overview*

26 A performance measure, or metric, is a quantitative measure to assess a utility’s progress toward a desired goal or target. However, a target usually requires a known baseline from historical data or objective data sets from a readily available source.<sup>20</sup> There are generally three levels of performance metrics: (1) reported metrics, (2) scorecard or target metrics, and (3) performance incentive metrics.<sup>21</sup> The Commission provides the following metric-type descriptions to better standardize categorization of metrics.

27 Reported metrics are useful to establish baselines and trends (data sets), provide transparency in utility operations, and assist the Commission in evaluating utility operational efficiency and financial health during MYRPs. There is no financial reward or penalty attached to reported metrics, however, there may be intrinsic motivation to improve performance under these metrics.

28 Target metrics rely on the reported metric data sets or other readily available sources to establish an acceptable range of results. As with reported metrics, there is no financial reward or penalty attached. These targets are intended to: allow for comparability against

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<sup>19</sup> Renewable Northwest recommended a new goal of “Grid Modernization” in its written response submitted on Feb. 7, 2024. However, as this proposal has not been discussed with a wider audience, the Commission will not include this recommendation in this interim policy statement. This is not intended as a rejection of the concept but leave it as a potential discussion in future goal iterations.

<sup>20</sup> Little, D., et al., *Next Generation Performance-Based Regulation (Vol. 1)* (2017), National Renewable Energy Laboratory, at 39 and 46.

<sup>21</sup> Regulatory Assistance Project, Elaine Prause & Jessica Shipley, *Performance-Based Regulation: Considerations for the Washington Utilities and Transportation Commission* (2022), at 14.

a desired outcome or across utilities (scorecards); help determine an upper and/or lower threshold for incentives (reward or penalty); and continue to promote transparency in utility operations.

29 Performance incentive metrics, or PIMs, tie utility performance to a portion of its revenue. There are various methods available to establish a PIM (*e.g.*, savings sharing mechanisms, equity adders, specified dollar rewards or penalties, symmetrical or asymmetrical structures, upside-only or down-side only). The Commission believes that PIMs with rewards are intended to recognize exemplary performance or incent innovative solutions toward the state’s energy sector goals, and generally, that PIMs should avoid addressing “business as usual” activities.

30 All Phase 1 metrics of this proceeding shall be considered reported metrics until such time that an adequate baseline of data is obtained, and the Commission determines, either through this proceeding or a MYRP, that advancement to the target level is appropriate. The Commission also recognizes that not all metrics will advance beyond the reported metric stage. Finally, it is the Commission’s preference that all reported metrics be readily available, easily located, and presented in an organized and accessible fashion on the utilities’ respective websites.

*ii. Metric Development Process to Date*

31 On August 5, 2022, the Commission issued a Notice of Opportunity to File Written Comments that requested proposed metrics to evaluate utility performance under each of the goals and outcomes. In response, the Commission received 265 proposed metrics, with significant overlap or similarity in metric conceptualization. The list of metrics was consolidated to 32 draft metrics across the four goals. These metrics were discussed at length during the workshop held on November 7, 2022, with participants providing significant feedback, including proposed adjustments, and identifying challenges regarding definitions or the need for further clarification. The Commission issued another Notice of Opportunity to File Written Comments on November 30, 2022, to receive additional feedback on the changes proposed during the workshop.

32 Further, in December 2022, the Commission issued its final orders in the first general rate cases (GRCs) filed by Avista Corporation and Puget Sound Energy under the MYRP statute, in parallel to the efforts in this docket. Both rate cases resulted in settlements with a considerable number of performance measures, and a single PIM related to Demand Response for PSE, specifically.<sup>22</sup> However, the Commission found the agreed upon

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<sup>22</sup> *WUTC v. Avista Corporation, d/b/a Avista Utilities*, Docket Nos. UE-220053 and UG-220054 (consolidated), Order 10/04 (Dec. 12, 2022) (Avista Final Order) and *WUTC vs. Puget Sound*

metrics did not satisfy the requirements of RCW 80.28.425(7). Specifically, “[t]he Commission must, by law, “determine a set of performance measures that will be used to assess a gas or electrical company operating under a multiyear rate plan.”<sup>23</sup> Therefore, the Commission required 10 additional metrics to satisfy its legal obligations for MYRP evaluation metrics under the MYRP statute.

33 In the Notice issued on December 13, 2023, the Commission asked participants to respond to a foundational question, “[w]hat connection should be made, if any, between the work in this docket and the performance measures in the Multi-Year Rate Plan (MYRP) as required under RCW 80.28.425(7)?”

34 The utilities filed a joint response providing that the metrics under development in this docket are “too prescriptive and granular” to evaluate within the context of a MYRP. Additionally, the joint utilities argue the recent settlements resulted in metrics that are “too voluminous and complex for any customer transparency objectives,” while also expressing concern regarding duplicative reporting with other processes. Further, they recommend the Commission establish a foundation for goals and metrics within the context of this proceeding and direct utilities to determine a limited number of metrics to demonstrate performance of each goal within their future respective MYRP filings.

35 All other responding participants provided comment, generally, that this docket should directly inform and affect the performance measures and any PIMs in MYRPs.<sup>24</sup> Specifically, TEP notes that rate filings, “are the single-most important proceeding to holistically assess the utility’s operations and performance”, while Sierra Club requests “clear direction in this docket...[for] a shared framework for proposing metrics [to] increase likelihood for approval.”

### iii. *Interim Metric Selection*

36 The Commission shares the utilities’ concern regarding the number of metrics at this preliminary stage of the PBR proceeding and within the MYRPs filed under RCW 80.28.425. We recognize that the data collection and necessary analysis requires

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*Energy*, Docket Nos. UE-220066 and UG-220067 (consolidated), Order 24/10 (Dec. 22, 2022) (PSE Final Order).

<sup>23</sup> PSE Final Order at ¶ 106, Avista Final Order at Table 8. The Commission recently ordered 14 additional metrics in the MYRP for PacifiCorp. *WUTC v. PacifiCorp d/b/a Pacific Power and Light Company* (consolidated) Docket No. UE-230172, Order 08/06 (Mar. 19, 2024).

<sup>24</sup> Responses were received from NVEC, RNW, Sierra Club, TEP, and Walmart. Commission Staff did not submit formal comments as this proceeding is not an adjudication. Commission Staff will work directly with Policy Staff and the Commissioners on behalf of the Commission for the remainder of this proceeding.

substantial utility, Commission staff, and interested party resources; however, we must balance this concern with the need for transparency in utility operations and progress in meeting the state's clean energy and equity goals. It is also important to factor in the concern of investors and credit ratings agencies regarding the uncertainty of PBR in Washington state related to potential utility financial risk until such time that tangible outcomes and results are realized.<sup>25</sup>

37 It is the Commission's preference to reduce the number of draft metrics to those that: are best aligned with the guiding principles, received a majority of participant support for the conceptualized metrics, appear applicable to all utilities for comparison purposes, utilize data that appear available to the utilities, and are ideally ripe for future target metrics. The Commission applied these criteria when reviewing the 32 proposed metrics to achieve a reasonable number of metrics for further discussion at this phase of the proceeding. As we discuss below, concerning metrics for each goal, we believe further discussion is required.

38 Due to the timing of the GRC proceedings and PBR activities, there was not an opportunity to include, nor did any party in the PBR proceeding recommend inclusion of, the 10 Commission-ordered MYRP evaluation metrics in this proceeding. Therefore, we affirm our decisions regarding performance metrics in the 2022 GRCs and expect utilities to report on those 10 metrics as discussed below to satisfy the MYRP Statute requirements.

39 The Commission appreciates the initial responses regarding the potential connection between this docket and other proceedings. While we are not prepared to provide final guidance, we identify Phase 2A (Reporting and Review) as an appropriate avenue for further discussion. In the interim, we find that the MYRP process offers an efficient opportunity for parties to propose new metrics, propose revisions to metrics, or recommend cessation of metrics in a timely and efficient manner while we work through the remaining PBR phases. Until Phase 2A is complete, we find an annual reporting of approved metrics is appropriate as part of the provisional plant review process, which also evaluates the financial performance of a utility. If metrics are deemed to be 'reported' on a more frequent basis, the Commission prefers that data be made available on the utilities' websites with a letter filed with the Commission confirming the data availability and link to appropriate location(s) on its website.

*iv. Metric Proposal, Revision, or Cessation Interim Process*

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<sup>25</sup> Fitch Ratings Action Commentary, Post: *Fitch Rates Hawaiian Electric Co.'s Revenue Bonds 'A-'* (Sept. 25, 2019), <https://www.fitchratings.com/research/corporate-finance/fitch-rates-hawaiian-electric-co-revenue-bonds-a-25-09-2019>.

40 We expect future proposals for metrics within MYRPs to embody the guiding principles contained in this policy statement, and for each proposed metric, that proponents identify: the applicable goal; the need and benefit(s) of the data collection; requested format; and applicability to electric and/or gas service; the availability of data through existing mechanisms (*i.e.*, other utility filings with the Commission or other entity); and the preferred reporting cycle. Further, the proposing party must be prepared to demonstrate how the data is actively used, or will be used, and the benefits of its analysis in subsequent filings to continue the required reporting.

41 In response to interested party proposals, the utilities are expected to provide a substantive response if opposing or modifying a proposed metric. A utility should not simply state the data is unavailable but provide any alternative data sets that may partially satisfy the requested measure, be accompanied with testimony providing cost estimates and timeframe to satisfy the requested measure with supporting documents, or alternatively provide substantial explanation of why the utility is unable fulfill the request.

42 The utilities and interested parties may also request a metric be revised or eliminated using this same process, but the Commission discourages frequent changes that may limit trend analysis or future PIM development. This policy statement does not negate any performance metrics previously established through rate cases; however, parties may use the guidance in this statement to propose modification or elimination as deemed necessary. Finally, the Commission expressly reinforces the need to maintain a reasonable number of performance metrics while we gain experience, understanding of the collected data, and continue establishing the PBR framework.

v. *Commission Preferred Metrics*

43 Goal 1 includes metrics to demonstrate resilient, reliable, and customer-focused utility distribution systems. Nine draft metrics were proposed by participants.<sup>26</sup> At this time, the Commission prefers to focus on the following metrics for this goal:

1. Equity in Reliability: length of power outages (Metric 3);
2. Historically Worst Performing Circuits (Metric 4);
3. Customers Experiencing Multiple Interruptions (CEMI) for Named and Non-named Communities (Metric 8); and
4. Customers Experiencing Long Duration Outages (CELID) for Named and Non-named Communities (Metric 9).

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<sup>26</sup> Public Counsel proposed an additional focus for cyber-security but did not put forward a specific metric.

44 Goal 2 includes metrics related to customer affordability. The participants proposed 11 draft metrics with TEP proposing an additional metric in its December 2022 comments. The Commission prefers to focus on the following metrics for this goal:

1. Arrearages by month (Metric 10);
2. Percent of Customers in Arrears with Arrearage Management Plans (Metric 11);
3. Average Energy Burden (Metric 13);
4. Net Benefits of DERs and GETs (Metric 14);
5. DER Utilization (Metric 15);
6. Percent of Utility Assistance Funds Dispersed (Metric 16);
7. Customers Who Participate in One or More Bill Assistance Programs (Metric 20); and
8. Revenues associated with riders or other mechanisms outside of the MYRP (TEP Proposed).

45 Goal 3 promotes metrics to evaluate equity in utility operations. Six draft metrics were evaluated by participants to date, with WNIDCL proposing three additional metrics in its December 2022 comments.<sup>27</sup> The Commission prefers to focus on the following metrics:

1. Workplace Diversity (Metric 21);
2. Supplier Diversity (Metric 22);
3. Equity in DER Program Enrollment (Metric 25); and
4. Equity in DER Program Spending (Metric 26).

46 Goal 4 includes metrics that are related to environmental improvements. There were six metrics drafted by participants, however, given the concerns raised by the participants in their comments, the Commission believes there are significant challenges to further developing these metrics at this time. These challenges include a lack of clarity and agreement on what is being measured, the need for staff expertise to evaluate the environmental impacts, reliance on data reported to other agencies with direct oversight of greenhouse gas emissions, and lack of specificity regarding the purpose of incentives. Again, these metrics are not rejected, but we believe considerably more discussion is required prior to expending resources on data collection to evaluate utility performance in a meaningful way.

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<sup>27</sup> The Commission recognizes that other participants in this proceeding have not been afforded an opportunity to discuss WNIDCL's three supplier metrics related to diversity, equity, and compensation issues. We are uncertain if the data required to satisfy the proposed calculations is readily available to the regulated utilities. WNIDCL may also propose such metrics in respective utility MYRP filings given the guidance contained in this policy statement.



47 As the parties have communicated the need for additional discussion on metric calculations and certain definitions, we do not provide specific guidance at that granular level within this policy statement. These discussions will continue as we refocus on the remaining issues of Phase 1 in the future. A workshop will be held in May 2024 to finalize Phase 1 and update the remainder of the PBR docket workplan.

### E. OTHER CONSIDERATIONS

48 The Commission offers additional guidance for consideration as Phase 1 of this docket resumes. First, we expect that utilities with advanced metering infrastructure will leverage the technological capabilities to further support the goals and data needs for PBR.<sup>28</sup> Further, utilities should continue to evaluate future technology that minimizes any current operational challenges to support resilience, decarbonization, and modernization efforts that are inherently linked to Washington state's clean energy transition.<sup>29</sup>

49 Next, we address workshop discussions regarding locational data, zip code versus census tract. While we maintain the need for flexibility, the Commission believes it is necessary for utility customer information systems to include the capability of census tract reporting. This will enable a cohesive ability to overlay utility data with the Washington Department of Health Disparity Map<sup>30</sup> and the U.S. Department of Energy Justice40 map.<sup>31</sup>

50 Further, there are a few specific metrics about which the Commission desires additional focus as we continue to discuss and refine metric definitions and calculations. Specifically, the Commission requires additional details on how best to incorporate the Bill Discount Programs recently authorized in utility tariffs, consider an alternative metric for the grid enhancing technologies (GETs) portion of Metric 14 (*e.g.*, an

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<sup>28</sup> Trabish, H.K., *97% of smart meters fail to provide promised customer benefits. Can \$3B in new funding change that?* (Oct. 5, 2022), <https://www.utilitydive.com/news/97-of-smart-meters-fail-to-provide-promised-customer-benefits-can-3b-in/632662/>.

<sup>29</sup> Utility Dive Sponsored Post, *Falling out of love with AMI: Why we need a new approach to smart metering* (Feb. 13, 2023), <https://www.utilitydive.com/spons/falling-out-of-love-with-ami-why-we-need-a-new-approach-to-smart-metering/642212/#:~:text=For%20instance%2C%20a%202022%20analysis,AMI%20data%20to%20improve%20their>.

<sup>30</sup> Washington State Department of Health Disparity Map, <https://doh.wa.gov/data-and-statistical-reports/washington-tracking-network-wtn/washington-environmental-health-disparities-map>.

<sup>31</sup> Climate and Economic Justice Screening Tool, <https://www.arcgis.com/home/item.html?id=ee9ddbc95520442482cd511f9170663a>, last visited Mar. 26, 2024.

independent metric related to technologies and programs supporting electric vehicles), and refine or consolidate the various DER metrics.

51 Finally, as various participants have noted during Phase 1, the Commission recognizes a tangential connection to other active dockets beyond MYRPs and other required utility filings. Particularly, the Commission believes this docket will help inform or be informed by the work underway in the Administrative Burden Docket (U-210151), Equity Docket (A-230217), Supplier Diversity Docket (UE-210837), and Cost-Effectiveness Test Docket (U-210804). We encourage utilities, Commission staff, and other participants to bring forward any identified connections or opportunities which promote regulatory efficiency as these dockets proceed in parallel.

#### **IV. CONCLUSION**

52 The Commission issues this Policy Statement pursuant to RCW 34.05.230 and WAC 480-07-920. This statement contains interim guidance related to performance-based measures or goals, targets, performance incentives, and penalty mechanisms, as required by Engrossed Substitute Senate Bill 5295. This Policy Statement does not constitute an order binding upon either the Commission or the parties that may come before it in future activities within this docket or formal proceedings, nor is this Policy Statement an enforceable rule.

DATED at Lacey, Washington, and effective April 12, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

MILT H. DOUMIT, Commissioner

Appendix A | Draft Metrics

Goal 1: Resilient, reliable, and customer-focused distribution <del>grid</del> -system		
Outcome 1: Ensure utility responsiveness to customer outages and restoration times.		
1	Equity in Reliability (SAIDI <a href="#">and CAIDI</a> ) for Named Communities and Non-named Communities.	Sum all customer interruption minutes, for interruptions greater than 5 minutes <a href="#">(?)</a> , for one year and divide it by the average annual customer count. Provide this calculation for the service territory as a whole and separately for Named Communities. <a href="#">Not applicable to gas. With and without major event days?</a>
2	Equity in Reliability (SAIFI <a href="#">and CAIDI</a> ) for Named Communities and Non-named Communities.	Sum the total number of all customer interruptions, for interruptions greater than 5 minutes <a href="#">(?)</a> , for one year and divide it by the average annual customer count. Provide this calculation for the service territory as a whole and separately for Named Communities. <a href="#">Not applicable to gas. With or without major event days.</a>
3	Equity in Reliability: length of power outages	Average and median length (in minutes) of power outages per year, separately calculating Named and Non-named Communities for comparison. <a href="#">Not applicable to gas. With and without major event days.</a>
4	Historically Worst Performing Circuits	The 10 worst performing circuits in any given year separately by both frequency and duration. In addition, of the 10 worst performing circuits (separately by frequency and duration), the number of years over the past five years that a circuit has appeared on the list. <a href="#">Not applicable to gas.</a>
Outcome 2: Utilities are prepared for and respond to outages and other impacts caused by cyber-attacks, significant events, wildfires, storms, extreme weather events, and other natural disasters.		
5	Wildfire Avoidance	Number of utility-caused wildfires, ignitions (that do not result in wildfires but could have), and risk events (event with probability of ignition <a href="#">need definition</a> ). <a href="#">Not applicable to gas. Maybe worth including input metrics. CA has a wildfire mitigation handbook with definitions: WA does not. Maybe worth measuring events that increase wildfire risk.</a>

6	Response Time to Natural Gas System Emergencies	Average and median length (in minutes) from customer call to arrival of field technician in response to natural gas system emergencies. <a href="#">Maybe worth including input metrics (e.g., # employees attending emergency response training)</a> . <a href="#">Suggestion to add outage duration.</a>
NEW	Related to cyber-security	Not specific by Public Counsel
<b>Outcome 3: Resilient infrastructure and service, including distributed energy resources, to enable customers to maintain essential functions during times of potential outages.</b>		
7	Equity in Resilience Investments	Percent of proposed resilience projects in Named Communities that are completed every year, compared to a proposed projects list that is approved/ <a href="#">communicated (need definition/process)</a> by the Commission. <a href="#">3 numbers - numerator, denominator, and percentage. Suggest to measure % spending in named communities instead of % projects. Focus is impact of projects and spending.</a>
8	Customers Experiencing Multiple Interruptions (CEMI) for Named and Non-named Communities	Average number of outages for customers experiencing multiple interruptions. Total number of customers that experience more than three sustained interruptions divided by the total number of customers served. Provide this calculation for the service territory as a whole and separately for Named Communities. <a href="#">Suggest range of values, similar to Metric 9.</a>
9	Customers Experiencing Long Duration Outages (CELID) for Named and Non-named Communities	Number of customers experiencing more than X hours of interruptions per year/total number of customers served, providing separate calculations for X = 0 through X = 8. Provide this calculation for the service territory as a whole and separately for Named Communities. <a href="#">Need to define what X should be. Suggest multiple values; consider a "X days" value.</a>

<b>Goal 2: Customer Affordability</b>		
<b>Outcome 1: Reduce energy burden for customers experiencing high energy burden, especially those in Highly Impacted Communities, Vulnerable Populations, and low-income customers.</b>		
10	Arrearages by Month (reported quarterly)	Arrearages by month, by class, measured by zip code - to include 30+, 60+, and 90+ days arrears for total company, and electric and natural gas stated separately for dual fuel utilities. <a href="#">Suggest census tracts rather than zip codes.</a>

11	Percent of Customers in Arrears with Arrearage Management Plans	Number of residential customers, by zip code, in arrears with arrearage management plans (AMPs)/Total customers in arrears 60+ days ( <u>90+, 30+?</u> ). <u>Suggest census tracts rather than zip codes.</u>
12	Customer Disconnections and Reconnections	Number and percentage ( <u>need both</u> ) of (1) disconnect notices, (2) residential disconnections for nonpayment, and (3) reconnection, each broken out by month and zip code, for known low-income households, Highly Impacted Communities, and Vulnerable Populations, for total company, and electric and natural gas service stated separately ( <u>challenge to do this</u> ) for dual fuel utilities. <u>Suggest census tract rather than zip codes.</u>
13	Average Energy Burden	Annual residential bill/average area median income by zip code for all customers, comparing outcomes in Non-named Communities with Named Communities, with electric and natural gas service stated separately for dual fuel utilities. <u>Suggest also % or # customers experiencing high energy burden. Suggest measuring excess burden. Consider burden as total of all fuel sources (electric and gas) for dual-fuel; but suggest separate reporting by fuel is still needed. Suggest census tracts rather than zip codes.</u>
<b>Outcome 2: Maximize utilization of cost-effective distributed energy resources and grid-enhancing technologies.</b>		
14	Net Benefits of DERs and GETs	Net <u>present value of</u> benefits ( <u>need definition of benefits</u> ) and <u>cost-effectiveness ratio</u> of distributed energy resources and grid-enhancing technologies ( <u>need definitions</u> ), as measured through a Commission approved cost-benefit analysis (e.g., docket 210804).
15	DER Utilization	Count of MWh and MW provided by each <u>cost-effective</u> DER programs, and Percentage of MWh and MW provided by each <u>cost-effective</u> DER program as a total of MW demand. <u>Suggest there may be reasons to deploy DER other than cost-effectiveness. Clarify enrollment vs utilization (suggest we need both).</u>  <u>Revised: Energy and capacity of all applicable DERs and percentage of that energy and capacity utilized annually.</u>

Outcome 3: Maximize the benefit and efficiency of the energy assistance process so that support can be provided to customers based on the program resources available.		
16	Percent of Utility Assistance Funds Dispersed	Utility <del>rate-based</del> <u>customer-funded</u> assistance funds spent/Annual budget for utility <del>rate-based</del> <u>customer-funded</u> assistance. <u>May need to be presented with context; may be good reasons for a decrease year-over-year.</u>
Outcome 4: Lowest reasonable cost compliance with public policy goals and environmental requirements.		
17	Incremental Cost	For electric, as calculated and reported in utility filed CEIP. For natural gas, lowest reasonable cost of compliance with CCA. <u>Suggest metric on geographic distribution of costs. May need to incorporate equity at some point.</u>
NEW	Revenues associated with riders and other mechanisms outside MYRP (recommended by TEP - no title provided or recommended outcome)	<p>Total revenue occurring through riders and associated mechanisms not captured in the MYRP by customer class (electric and gas). At a high-level, this is calculated by summing all revenue collected through riders and other regulatory mechanisms that are not included in the MYRP revenue.</p> <p>Percentage of customers' rate increase that occur outside the MYRP by customer class (electric and gas). At a high-level, this is calculated by dividing the incremental revenue attributed to riders and mechanisms outside of the MYRP by the total incremental revenue collected through the MYRP.</p>
Outcome 5: Increase awareness of and equitable access to utility services, assistance, education, and benefits for all customers, with a focus on Highly Impacted Communities, Vulnerable Populations, and low-income customers.		
18	Availability of Materials in Multiple Languages	Percentage of utility engagements <u>(needs more definition/too broad)</u> — including workshops, mailers, and community meetings — offered in multiple languages or with translation services. <u>Suggestion to measure quality/meaningfulness of engagement.</u>
19	Customer Awareness of Services/Assistance	Percent of customers in Named Communities stating that they are “somewhat aware of” or “very aware of” utility specific utility services and assistance programs. <u>Would need new survey/tool - comes at a cost; suggest it should be recoverable.</u>

20	Customers Who Participate in One or More Bill Assistance Programs	Unique number of low-income customers who participate in at least one bill assistance program/vetted <a href="#">(definition?)</a> estimate of total number of low-income customers that qualify for bill assistance. <a href="#">Consider participation in other programs/services as a result of awareness and access.</a>
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Goal 3: Advancing equity in utility operations		
Outcome 1: Equitable and diversity-focused utility hiring, promotion, and vendor selection practices.		
21	Workplace Diversity	Percentage of employees and senior management (separately identifying: (a) C-suite employees and (b) directors and employees more senior than directors) who identify as: (i) a person of color; and/or (ii) a woman or non-binary.
22	Supplier Diversity	Percentage of suppliers that <a href="#">are self-identified as</a> owned by people of color, women, and other marginalized groups <del>certified with the Washington State Office of Minority and Women’s Business Enterprises</del> , and total dollars awarded to suppliers <a href="#">self-identifying as</a> owned by people of color, women, and other marginalized groups <del>certified with the Washington State Office of Minority and Women’s Business Enterprises</del> . <a href="#">Suggest also including veteran-owned businesses (utilities do track this). Percentage of dollars awarded to suppliers self-identifying as owned by people of color, women, and other marginalized groups of total dollars awarded to suppliers.</a>
NEW	Supplier Workforce Diversity (Recommended by WNIDCL)	For utility construction contractors, total number of (1) BIPOC and (2) female or non-binary construction employees, and percentage of total workers identifying as BIPOC and female or non-binary.
NEW	Supplier Workforce Equity (Recommended by WNIDCL)	The number of construction contractors, as well as percent of total construction contractors, who have policies and practices that promote fair compensation practices, and family-sustaining jobs.

NEW	Supplier Workforce Compensation (Recommended by WNIDCL)	Total number of utility construction contractor employees, as well as percentage of total workforce, who are eligible for low-income energy assistance, and other public assistance programs such as TANF, SNAP, and Medicaid by compensation practices and family-sustaining jobs.
<b>Outcome 2: Ensure that utility operational and investment decisions promote equitable service that does not unfairly harm or disadvantage Highly Impacted Communities, Vulnerable Populations, and low-income customers.</b>		
23	Annual Incremental Investment Spending	Total amount of capital or operational expenditures that benefit Highly Impacted Communities or Vulnerable Populations in the current year/the amount of capital or operational expenditures that benefit Highly Impacted Communities or Vulnerable Populations in the previous year. <a href="#">Would need definition/process for how to determine which dollars go to HIC or VP; may be difficult to do. Suggestion to redefine on a per customer basis. Does this include non-enrollment transportation electrification investments?</a>
24	Percentage of Non-pipeline and Non-wires Alternative Spending	Total investment in non-pipeline or non-wires alternative programs targeted in Highly Impacted Communities or on Vulnerable Populations/Total investment in non-pipeline or non-wires alternative programs, separately calculated for dual fuel utilities. <a href="#">Suggest total projects or total # of wired solutions deferred.</a>
<b>Outcome 3: Equitable access to all utility energy programs, including those related to energy efficiency, demand response, and distributed energy resources.</b>		
25	Equity in DER Program Enrollment	Number of customers in Named Communities or low-income customers enrolled in each utility distributed energy resource programs (providing a separate calculation for energy efficiency, electric <a href="#">vehicle transportation</a> , net metering, and demand response)/total customers enrolled in each program. <a href="#">Add # of customers enrolled/# of eligible customers for additional context. May need electric and gas specific definitions for DER programs.</a>



26	Equity in DER Program Spending	Separately calculated percentage of utility spending on distributed energy resources for energy efficiency, electric vehicle, net metering, demand response, and renewables that benefits Named Communities as compared to Non-named Communities. <a href="#">May need electric and gas specific definitions for DER programs.</a>
<b>Outcome 4: Ensure active and meaningful utility engagement with communities, including Highly Impacted Communities, Vulnerable Populations, and low-income customers such that their input is considered in utility planning processes.</b>		
	None selected – Hold for Policy Statement - <a href="#">EEP Report and Justice 100 may have reportable metric that could be included.</a>	

<b>Goal 4: Environmental improvements</b>		
<b>Outcome 1: Reduce pollution burden and pollution exposure with a focus on communities with elevated exposures to health hazards, including Highly Impacted Communities, Vulnerable Populations, and low-income customers</b>		
27	Energy-related Air Quality Emissions	Annual criteria air pollutant (CO, Pb, NOx, O3, PM10, PM2.5, and SO2) and toxic air pollutant (Hg) emissions associated with utility generation, transmission, and distribution operations (including customer direct use) for the following geographies: <ul style="list-style-type: none"> <li>• Across the utility’s service territory,</li> <li>• By census tract within the utility’s service territory, and</li> <li>• In Named vs. Non-named Communities within the utility’s service territory.</li> </ul> <a href="#">Suggest this needs reworking through discussion with environmental impact experts. Should also consider generation sources located outside service territory but serving load in territory. Also consider benzene from gas use.</a>
28	Utility Fleet Tailpipe Emissions Reductions	Utility vehicle fleet tailpipe emissions <a href="#">and other impact (e.g., noise)</a> reductions by vehicle type (light-, medium-, and heavy-duty) that may <a href="#">regularly (need definition; could include whole fleet)</a> operate in Named Communities, according to the utility’s adoption of low- and zero-emissions vehicles, using the utility’s 2022 <a href="#">(suggest different year due to COVID impacts; could use "previous year")</a> fleet composition as baseline. <a href="#">Report total and reduction compared to baseline?</a>
<b>Outcome 2: Cost-effective alignment of load with clean energy generation and storage through load management, energy efficiency measures, and demand response.</b>		

29	Utility Electric Load Management Success	Energy and capacity of load reduced or shifted, and percent of load reduced or shifted, through load management, <a href="#">storage, energy efficiency, and demand response</a> activities conducted by the utility, by activity (e.g., demand response versus energy efficiency). <a href="#">May need separate definitions for electric and gas. Should include management of transportation electrification loads, including bidirectional charging capabilities.</a>
30	DER GHG Reductions	Greenhouse gas reductions from DER programs (energy efficiency, electric vehicle, net metering, and demand response). <a href="#">Reporting all programs in aggregate, or split out by program type? Method for measuring this could be difficult. Consider cumulative versus incrementally.</a>
<b>Outcome 3: Accelerate the cost-effective achievement of Commission or state public policy goals and statutes, including the reduction of greenhouse gas emissions.</b>		
31	Greenhouse Gas Reductions per Dollar	Greenhouse gas reductions per dollar spent on programs and investments that reduce greenhouse gas emissions. <a href="#">Need definition of qualifying programs. Suggest comparison to linear glidepath.</a>
32	Total Greenhouse Gas Emissions	Carbon intensity by CO <sub>2</sub> e (metric tons of CO <sub>2</sub> and CO <sub>2</sub> -equivalent emissions) and CO <sub>2</sub> e/customer associated with utility generation, transmission, and distribution operations (including customer direct use), and CO <sub>2</sub> e/therm for gas utilities and in CO <sub>2</sub> e/MWh and CO <sub>2</sub> e/MW for electric utilities (dual-fuel utilities must report both separately). <a href="#">Suggestion to edit to include PPAs and market purchases. Also specify to include leakages for gas utilities.</a>