

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of  
  
PUGET SOUND ENERGY,  
  
Petitioner,  
  
For an exemption from the filing  
deadline established by WAC 480-  
100-640(1) and for continuance of a  
filing deadline established by  
Commission order

DOCKET UE-210571

ORDER 01

GRANTING PETITION FOR  
EXEMPTION AND MOTION FOR  
CONTINUANCE SUBJECT TO  
CONDITIONS

**BACKGROUND**

- 1 On December 28, 2020, the Washington Utilities and Transportation Commission (Commission) entered General Order 601 in consolidated Dockets UE-191023 and UE-190698, which adopted rules that govern Clean Energy Implementation Plans and compliance with the Clean Energy Transformation Act. The rules adopted by the Commission include Washington Administrative Code (WAC) 480-100-640(1), which requires each electric utility to file a clean energy implementation plan (CEIP) by October 1, 2021, and every four years thereafter.
- 2 In General Order 601, the Commission observed that “in the beginning the CEIP will involve a new and significant process and document, one that the utilities have never prepared, and that stakeholders, and this Commission have never reviewed.”<sup>1</sup> The Commission therefore found it appropriate to require electric utilities to file drafts of their first CEIPs by August 15, 2021.<sup>2</sup>
- 3 On July 21, 2021, Puget Sound Energy (PSE or Company) filed with the Commission a Petition for Exemption from WAC 480-100-640(1) (Petition). PSE requests that the

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<sup>1</sup> *In the Matter of Adopting Rules Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act*, Dockets UE-191023 & UE-190698 (Consolidated), General Order 601 ¶ 25 (General Order 601) (December 28, 2020).

<sup>2</sup> *Id.*

Commission grant the Company an exemption from the rule by extending the deadline for filing its CEIP until December 17, 2021.

4 Also on July 21, 2021, PSE filed a Motion for Exemption of General Order 601 (Motion). Noting that General Order 601 requires the Company to file its draft CEIP by August 15, 2021, PSE requests that the Commission allow the Company to instead file its draft CEIP by October 15, 2021.

5 PSE argues that granting the relief requested in both the Company’s Petition and Motion is in the public interest because the extension will “allow additional time for the new Equity Advisory Group, as well as other advisory groups, to provide input” on the CEIP filings.<sup>3</sup> The Company also contends that the extension could allow PSE to “incorporate new and/or updated information” into its CEIP analysis.<sup>4</sup>

6 PSE filed letters of support from members of the Equity Advisory Group (EAG) in this docket on August 3 and August 12, 2021. Commission staff (Staff) reviewed the Company’s Petition, Motion, and supporting documentation, and believes that granting PSE’s request is in the public interest. Staff agrees that additional time will give PSE more opportunities to solicit, consider, and implement feedback related to the various components of the CEIP. Staff observes that substantial, useful feedback was provided by stakeholders approximately three weeks prior to the current draft CEIP deadline.

7 Staff observes, however, that the Motion and Petition do not contain any firm details about which tasks and activities PSE will undertake if the extension is granted. Following further discussions with the Company, Staff reports that PSE has agreed to update its CEIP Public Participation Plan filed in Docket UE-210297 by September 1, 2021.

8 On August 6, 2021, the Public Counsel Unit of the Attorney General’s Office (Public Counsel) filed written comments. Public Counsel believes it is critical for PSE to gather as much feedback as possible from stakeholders, particularly its EAG, and Public Counsel expects PSE to use the additional time afforded by the extension to engage with its EAG, provide context on issues that require clarification, and meaningfully extend its community engagement efforts. Public Counsel also expects PSE to promptly submit its

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<sup>3</sup> PSE Motion for Exemption, ¶6.

<sup>4</sup> *Id.*

CEIP by the new deadline to give stakeholders sufficient time to review it prior to the legislative deadline.

9 On August 6, 2021, the Northwest Energy Coalition (NWECC), Renewable Northwest (RNW), and the Washington Clean Energy Coalition (WCEC) (Joint Commenters) filed joint comments recommending the Commission grant the requested extension subject to the following conditions:

(1) PSE must host a joint Advisory Group workshop with stakeholders to discuss input on any proposed changes to targets and actions and to review the content of the CEIP; invitees should include members of PSE's IRP Advisory Group, Conservation Resources Advisory Group, and its Equity Advisory Group. The workshop should be required to address, at a minimum:

- a. The CEIP content required by WAC 480-100-640;
- b. Any proposed updates to the summer and winter load forecasts, and any impacts to proposed targets and actions;
- c. An updated forecast of PSE's ability to comply with CETA within the cost of compliance limits in WAC 480-100-660, and a description of any changes from the 2021 IRP;
- d. Any proposed updated to targets and actions generated from the RFP process;
- e. Any proposed updates to targets and actions generated from the CEIP process to date, including the results of applying Customer Benefit Indicators (CBIs) to all proposed actions and resources; and
- f. The results of a survey in which advisory group members are asked to prioritize the CBIs.

The Joint Commenters further propose parameters for the workshop agenda, materials, and noticing requirements.

(2) Updates to load forecast and associated proposed targets and actions must incorporate reasonable consideration of the costs and risks of climate change (an environmental effect of carbon dioxide emissions) consistent with the definition of "lowest reasonable cost" in RCW 19.280.020;

(3) PSE must incorporate information and methods from the RFP workshops on market purchases and capacity contribution methodology into the CEIP as appropriate, or otherwise explain why it could not reasonably do so;

(4) PSE must incorporate relevant information and anonymized data from the RFI responses and RFP bids into, at a minimum, the specific targets and specific actions sections of the Company's CEIP, or explain why it could not reasonably do so; and

(5) PSE must respond to additional, outstanding issues raised by Advisory Group members about its Final Clean Energy Action Plan, which is the basis for its CEIP. The Joint Commenters request specific documentation and reporting on the resolution of the following outstanding issues:

- a. Social cost of greenhouse gas methodology and associated assumptions, including renewables pricing assumptions;
- b. Assumptions associated with upstream leakage of methane; and
- c. Assumptions associated with the cost and availability of biodiesel.

- 10 At the Commission's regularly scheduled open meeting on August 12, 2021, the Commission heard comments from Staff, PSE, Public Counsel, the Vashon Climate Action Group (Vashon), James Adcock, the Sierra Club Washington State Energy Committee (Sierra Club), RNW, NWEAC, and Front and Centered.
- 11 Public Counsel reiterated that PSE should be required to use its extension time wisely. Vashon and Sierra Club, both members of PSE's IRP Advisory Group, expressed frustrations about PSE's lack of transparency and refusal to make technical information available for its Advisory Groups to review. Both Vashon and Sierra Club noted that PSE has held few Advisory Group meetings related to its CEIP and has produced very little data and information to date. Vashon does not believe PSE will provide CEIP-related data unless the Commission requires it to do so, and Sierra Club supports granting the extension only if PSE is required to provide more transparent data and analysis and to correct underlying errors in its IRP.
- 12 RNW requested the Commission approve the extension with the recommended conditions that would require PSE to incorporate updated information, convene additional workshops in August and September, and test some of its modeling assumptions.
- 13 NWEAC expressed concerns related to PSE's failure to provide basic information about how it intends to comply with CETA, such as the Company's proposed interim targets, how much progress the targets will make towards 2030 and 2045 requirements, and

whether the resources proposed in the Company's CEIP are clean resources. NWECA argues that PSE's failure to provide foundational information impedes any meaningful dialogue with stakeholders and the Commission, which is necessary to ensure a successful public process.

- 14 Front and Centered also supports granting the extension subject to the conditions the Joint Commenters recommend. Front and Centered believes the engagement process should be more robust, and that PSE needs to provide direct responses to questions raised in advisory group meetings. Front and Centered expressed frustration that PSE is not clear about its position on many issues. Front and Centered also raised concerns about the lack of leadership and governance structure within the EAG.
- 15 James Adcock opposes the Company's request for an extension, attributing PSE's request to "decades of delay" and the Company's climate change denial.
- 16 In response to stakeholder comments, PSE reiterated its earlier commitment to file an update to its public participation plan by September 1, 2021. PSE further committed to discuss the actions in its CEIP – including contributions to the amount of clean energy delivered under the CEIP, Customer Benefit Indicators, and associated costs – with each of the Company's advisory groups prior to filing its draft CEIP.

### DISCUSSION

- 17 We grant PSE's Petition and Motion and require PSE to file its draft CEIP by October 15, 2021, and to file its final CEIP by December 17, 2021, subject to the condition that PSE provide certain information to its advisory groups as recommended by the Joint Commenters in subsection (1)(a)(i), (iii), (iv), (v), and (vi) of their Joint Comments.
- 18 Pursuant to WAC 480-07-110(1), the Commission may grant an exemption from any of its rules if doing so is consistent with the public interest, the purposes underlying regulation, and applicable statutes. Under WAC 480-07-385(2)(a), any party may request by oral or written motion a continuance of a deadline established by Commission order. The Commission will grant a continuance if the requesting party demonstrates good cause for the continuance and the continuance will not prejudice any party or the Commission. We find that the extension requested here meets each of these criteria.
- 19 As the Joint Commenters observe, allowing PSE additional time to prepare its CEIP will afford the Company the opportunity to gather critical feedback from stakeholders, particularly its EAG. We share Staff's and other stakeholders' concerns that the Petition and Motion do not contain details regarding which tasks PSE intends to pursue during the

extension period. To address these concerns, we adopt five of the conditions the Joint Commenters propose and acknowledge PSE's commitment to file an update to its CEIP Public Participation Plan by September 1, 2021. Specifically, we require PSE to provide the following information to each of its advisory groups with 30 days of the effective date of this Order:<sup>5</sup>

1. The CEIP content required by WAC 480-100-640.
2. An updated forecast of PSE's ability to comply with CETA within the cost of compliance limits in WAC 480-100-660, and description of any changes from its 2021 IRP.
3. Any proposed updates to targets and actions generated from the RFP process.
4. Any proposed updates to targets and actions generated from the CEIP process to date, including the results of applying Customer Benefit Indicators (CBIs) to all proposed actions and resources.
5. Share between all advisory groups answers to questions posed to advisory group members regarding the prioritization of CBIs, as well as the results from both the customer survey and the business customer survey.<sup>6</sup>

20 We decline to require PSE to convene a joint stakeholder workshop in the short timeframe the extension affords. Although the workshop would be an efficient way to gather input, requiring PSE to schedule such a workshop with enough lead time to inform the draft, let alone the final, CEIP, would presume that schedules outside of PSE's

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<sup>5</sup> The Joint Commenters also propose that PSE should be required to provide "any proposed updates to the summer and winter load forecasts, and any impacts to proposed targets and actions." At the August 12, 2021, open meeting, however, PSE explained it has not yet developed summer and winter load forecasts that account for climate change, and that such load forecasts will not be available until 2022. Accordingly, PSE is currently unable to fulfill this proposed requirement.

<sup>6</sup> The Joint Commenters proposed the workshop should cover "the results of a survey in which advisory group members are asked to prioritize CBIs." Although no such survey exists, Advisory Group members were asked a similar line of questions and their answers were recorded. This requirement was modified to reflect the information in PSE's possession.

control can be aligned. Instead, we require PSE to provide the information the Joint Commenters recommended for discussion at the workshop to its advisory group members, which will ensure that stakeholders receive critical data that will allow them to provide meaningful feedback.

21 Although this docket is not the appropriate forum to address PSE's IRP process, stakeholder comments regarding PSE's lack of transparency and poor communication with its IRP Advisory Group continue to be a source of frustration. Unfortunately, we heard from multiple stakeholders in this proceeding that similar issues are impeding PSE's development of its CEIP. To address these concerns, the Commission will work with stakeholders to explore changes to the public participation process. In the coming months, the Commission plans to facilitate discussions on topics such as advisory group leadership and governance, maintaining adequate advisory group staffing to increase real time engagement, eliminating communication barriers between utilities and advisory group members, and improving information sharing, data sharing, and data analysis between utilities and advisory group members. The Commission hopes to work collaboratively with regulated companies and stakeholders to improve the public participation process for all participants.

22 Overall, the Commission finds that granting PSE's Petition and Motion to extend the deadlines for filing its draft and final CEIP is in the public interest because it will allow the Company time to provide critical information to its Advisory Groups and obtain feedback responsive to that information. Incorporating this feedback into the CEIP's development is consistent with the purposes underlying regulation and applicable statutes. Finally, PSE has demonstrated good cause for the extension, and granting the extension will not prejudice the Commission or any party. Accordingly, the Commission concludes the Petition and Motion should be granted.

### FINDINGS AND CONCLUSIONS

- 23 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including electric companies.
- 24 (2) Puget Sound Energy is an electric company and a public service company subject to Commission jurisdiction.
- 25 (3) WAC 480-100-640(1) requires electric utilities to file their first CEIP by October 1, 2021.

- 26 (4) General Order 601 in consolidated Dockets UE-191023 and UE-190698 requires electric companies to file draft CEIPs by August 15, 2021.
- 27 (5) Under WAC 480-07-110(1), the Commission may grant an exemption from any Commission rule if doing so is consistent with the public interest, the purposes underlying regulation, and applicable statutes.
- 28 (6) Under WAC 480-07-385(2)(a), any party may request by oral or written motion a continuance of a deadline established by Commission order. The Commission will grant a continuance if the requesting party demonstrates good cause for the continuance and the continuance will not prejudice any party or the Commission.
- 29 (7) On July 21, 2021, Puget Sound Energy filed a Petition requesting an exemption from WAC 480-100-640(1) and a Motion for continuance requesting that the Commission allow the Company until October 15, 2021, to file its first draft CEIP and until December 17, 2021, to file its first final CEIP.
- 30 (8) This matter came before the Commission at its regularly scheduled meeting on August 12, 2021.
- 31 (9) After reviewing Puget Sound Energy's Petition and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the requested exemption is in the public interest, consistent with the purposes underlying the regulation and applicable statutes, and that it should be granted subject to the conditions set out in paragraph 19, above.
- 32 (10) After reviewing Puget Sound Energy's Motion and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the continuance will not prejudice any party or the Commission and that it should be granted subject to the conditions set out in paragraph 19, above.

## ORDER

### THE COMMISSION ORDERS:

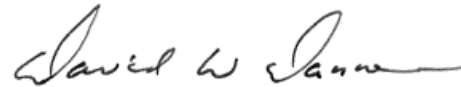
- 33 (1) Puget Sound Energy's Petition for exemption and Motion for exemption are granted subject to the conditions set out in paragraph 19 of this Order. Puget Sound Energy must meet the conditions set out in paragraph 19 of this Order within 30 days of the effective date of this Order.



- (2) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to effectuate the provisions of this Order.

Dated at Lacey, Washington, and effective August 19, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



DAVID W. DANNER, Chair



ANN E. RENDAHL, Commissioner



JAY M. BALASBAS, Commissioner