

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of MYRP Report Metrics  
Compliance**

**DOCKETS UE-220066, UG-220067, and  
UG-210918**

**COMMISSION STAFF COMMENTS  
ON MYRP REPORT PBR METRICS COMPLIANCE**

**June 30, 2023**

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## Staff Comments on Puget Sound Energy's General Rate Case Performance-Based Metrics

### INTRODUCTION

Staff appreciates the opportunity to offer comments on Puget Sound Energy's (PSE or Company) metrics as required by the Final Order 24/10 in the Company's general rate case (GRC).<sup>1</sup>

Per Final Order 24/10,<sup>2</sup> PSE was required to file on March 31, 2023, various metrics provided for in paragraph 60 of the Revenue Requirement Settlement (Settlement) that resolved PSE's 2023 GRC. Those metrics include those proposed by Company witness Mark Lowry<sup>3</sup> in his prefiled direct testimony and numerous additional metrics agreed to by the signatories to the Settlement. PSE timely made that filing, with its metrics reporting joined with its reporting on the capital additions it made in 2022.

These comments focus specifically on the performance metrics filed March 31 and updated June 15, 2023, which require "feedback and recommendations"<sup>4</sup> from the signatories, and *not* on a review of PSE's actual 2022 investments, for which compliance review is due July 31. The updated metrics filed June 15 include the following: separate distributed energy resource (DER) and energy efficiency metrics by fuel type; reported metrics for Named Communities (NCs), meaning Highly Impacted Communities (HICs)<sup>5</sup> and vulnerable populations (VPs),<sup>6</sup> separated by high, medium, and low vulnerability; public charging stations; and 2022 environmental metrics. Staff offers these comments in line with the feedback Staff provided on Avista's general rate case performance-based metrics report.<sup>7</sup>

In general, Staff commends Puget Sound Energy's work both to introduce performance incentive mechanisms into their business practice before their MYRP,<sup>8</sup> and to present this thorough filing. Staff recognizes great collaborative effort from the participating parties, with leadership from the

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<sup>1</sup> See *Wash. Utils. & Transp. Comm'n v. Puget Sound Energy*, Dockets UE-220066, UG-220067, & UG-210918, Order 24/10, 31 ¶ 104 (Dec. 22, 2022) (Final Order).

<sup>2</sup> Final Order at ¶ 89.

<sup>3</sup> See Lowry, Exh. MNL-1T at 23, Table 2 (Jan.31, 2022) (Lowry).

<sup>4</sup> Final Order at ¶104.

<sup>5</sup> Highly impacted community is any census tract with a 9 or 10 overall rank on the Environmental Health Disparities (EHD) map identified by the Washington State Department of Health. Source: Clean Energy Transformation Act – Cumulative Impact Analysis | Washington State Department of Health

<https://doh.wa.gov/data-statistical-reports/washington-tracking-network-wtn/climate-projections/clean-energy-transformation-act>. See WAC 480-100-605.

<sup>6</sup> Vulnerable populations are communities that experience a disproportionate cumulative risk from environmental burdens due to adverse socioeconomic conditions and biological factors. WAC 480-100-605.

<sup>7</sup> See *Wash. Utils. & Transp. Comm'n v. Avista Corp. d/b/a Avista Utilities*, Dockets UE-220053, UG-220054, & UG-210854, Staff Comments (Mar. 30, 2023).

<sup>8</sup> See Lowry at 24, lines 2-5.

Company, as an important step towards more equitable and publicly transparent energy regulation, following the guidance of the Clean Energy Transformation Act (CETA) and Engrossed Substitute Senate Bill 5295 (the MYRP law). The Company’s work on structuring, gathering, and presenting the metrics proposed in the Settlement is substantial, particularly given the quantity of information required on an abbreviated timeline. Staff appreciates the clear explanation of metric calculations, color coding, thorough notes, and process, and the use of links.

The remainder of Staff’s comments are structured as follows. Staff first offers comments that pertain to the metrics generally, then according to the categories of metrics as indicated in Table 1 below. Staff then offer concluding thoughts and next steps.

### **SUMMARY OF REQUIRED METRICS AND GENERAL COMMENTS**

The provided metrics are summarized in the document within the filing entitled PSE Settlement Metrics Reporting<sup>9</sup> and reproduced below in Table 1.

**Table 1. Summary of Required Metrics**

<b>Metric Category</b>	<b># of Metrics</b>
Service Quality and Safety	15
Demand-Side Management	10
Electric Vehicles	14
Advanced Metering Infrastructure (AMI)	10
Environmental Improvements	7
Customer Affordability	25
Advancing Equity	38

Due to the nature of data and its various levels of granularity, Staff proposes the Company consider presentation in a more publicly accessible format, such as an interactive Data Visualization tool. Public dashboards would allow for more transparency and greater engagement. Staff also sees benefit in presenting some of the data in an interactive map on the Company’s website.

Additionally, Staff finds Attachment A does not lend well to data analysis in present form. The June 15 update, though it provided some additional information, made the data analysis more difficult because the new data was inserted as a separate sheet. Additionally, Staff sees no viable option through which data from 2023 and beyond would be added. As one of the goals of performance-based regulation is to encourage companies to improve over time, Staff is

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<sup>9</sup> See *Wash. Utils. & Transp. Comm’n v. Puget Sound Energy*, Dockets UE-220066, UG-220067, & UG-210918, Dockets UE-220066, UG-220067, & UG-210918, PSE-2022-Annual-MYRP-Rpt-Attach-A (Attachment A - Settlement Metrics Reporting), filed March 31, 2023.

especially interested in future filings displaying data in easily scrollable, period-by-period formats accessible to the public.

Staff further notes that the lack of certain fundamental information significantly hampered its ability to evaluate a large portion of the filing. For example, in metric 90 (§64.g. Remote switch success rate for highly impacted communities and vulnerable populations), it would be helpful to also have the remote switch success rate for all customers and for non-NC customers. As another example, metrics counting the “number of customers” enrolled in something, as opposed to a percentage, will only be helpful in the context of a target or future data, or in relation to the total eligible population. Further, targets will be necessary in order to establish which direction indicates a desired trend.

### **NAMED COMMUNITIES**

The metrics in this report provide one of the first opportunities to evaluate equity in PSE's service territory, in particular where named communities (NCs) are implicated.

Staff are hesitant to draw any conclusions on equity in the Company's service territory from this data due to the questions around the methodology of defining NCs. Staff notes that from the cover letter submitted in the filing, the Company seems aware of the methodological shortcomings and will address them in subsequent filings. To this end, Staff points to the testimony of witness Snyder<sup>10</sup> and the Commission's recent order accepting PSE Clean Energy Implementation Plan, where the Commission clarified various conditions and expectations for NCs.<sup>11</sup> As an example of a potential methodological problem, all of PSE's 1.15 million customers belong to one of the vulnerable populations' groups,<sup>12</sup> which could be said to contradict the fundamental principle that these key groups are relative to other customers. As a fix for this specific issue, Staff recommends collecting the next iteration of data such that HIC, High VP, Medium VP, and Low VP can be identified separately, and then combined into HIC+HighVP, HIC+MediumVP, and HIC+LowVP groups.

### **COMMENTS SPECIFIC TO METRICS OR CATEGORIES OF METRICS**

In this section, Staff offers comments on selected metrics from Attachment A, according to the categories into which they are grouped.

#### **SERVICE QUALITY AND SAFETY**

Staff commends PSE's effort to track and improve customer service quality, which is noticeable throughout most of the metrics, with PSE only failing to meet its target on metric 4, calls

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<sup>10</sup> *In re PSE's Clean Energy Implementation Plan*, Docket UE-210795, Snyder, Exh. JES-1T at 30-35 (Oct. 10, 2022).

<sup>11</sup> *In re PSE's Clean Energy Implementation Plan*, Docket UE-210795, Order 08, 26-38 ¶¶ 112-154 (June 6, 2023).

<sup>12</sup> 2021 PSE Clean Energy Implementation Plan Corrected, February 1, 2022, at 62, Table 3-5.

answered by a live representative within 60 seconds of request, and metric 11, SAIDI Excluding Major Events.

Staff notes that the reported SAIDI and SAIFI metrics should be interpreted with caution given the problems with NC identification described above. Staff notes SAIDI Excluding Major Events did not meet its target (metric 11). Because safety and reliability are pivotal metrics, Staff looks forward to improved tracking and target achievement in the future, potentially in the context of the recently filed Electric Service Reliability Monitoring and Reporting Plan.<sup>13</sup>

#### DEMAND-SIDE MANAGEMENT

In the initial filing, the DER tracked was community solar penetration, but energy efficiency was added in the June 15 update. In the future, Staff looks forward to seeing more comprehensive DER metrics tracked, and to conversations about how other conservation reporting requirements would intersect with MYRP reporting.

#### ADVANCING EQUITY

Apart from the general caution expressed around NC definition above, Staff notes that the estimated percentage of PSE suppliers that are minority-owned, women-owned, or veteran-owned, in metric 87, is 3.27 percent, which is very low.

The income-based data, such as that used in metric 82, is somewhat skewed in that there are only 37,498 known low-income customers (defined as customers who received PSE HELP or LIHEAP in the last 24 months) in PSE's service territory, out of 1,147,383 total residential customers. Staff look forward to further discussions about how to identify and define low-income customers more comprehensively in the future.

Generally, Staff notes that the data seem to show that customer participation in programs in general, and among NCs and low-income customers in general, is low. With the same caveat of methodological challenges, the NCs share of the clean energy transition benefits also seems low. Staff highlights the following data points, focusing on high vulnerability level and on highly impacted communities separately.

- 64.k., row 24 within "Advancing Equity Update 0615" tab: Electric DER programs (net metering) have an annual cumulative nameplate capacity of 0.3MW, in comparison to PSE's total nameplate capacity of 3.5GW.
- 64.k., cell S26 within "Advancing Equity Update 0615" tab: 0 MW of nameplate capacity were generated in High VP from community solar.
- 64.i.1, cell J27 within "Adv Eq by DER prog Update 0615" tab: .15 percent of customers participated in community solar, and 10.35 percent of customers participated in energy efficiency in 2022.

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<sup>13</sup> See generally *in re PSE's Elec. Serv. Reliability & Reporting Plan*, Docket UE-230522.

## **CONCLUSION**

In sum, Staff praises the thorough work evidenced by this first step, but notes a number of ways the Company and interested parties will need to engage in further work to produce meaningful data: refining the definition of named communities, identifying more low-income customers, and improving format and accessibility, among others. Staff hopes that this feedback helps chart the course forward and looks forward to this work.