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Received
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Aug 8, 2025

August 8, 2025

Filed Via Web Portal

Jeff Killip, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: Docket U-210590, Relating to the Commission's proceeding to develop a policy statement addressing alternatives to traditional cost of service rate making; Comments of Puget Sound Energy (August 8, 2025)

Dear Executive Director Killip,

Puget Sound Energy ("PSE") appreciates the opportunity to provide the following comments in response to questions posed in the Washington Utilities and Transportation Commission's ("Commission") Notice of Technical Workshop and Opportunity to Comment ("the Notice") issued in this Docket U-210590 on July 3, 2025.¹

PSE is filing these comments in response to Questions 1.a-d (Established Metrics) and Questions 2-3 (Goal 4 and GETs Metric proposal) posed in the Commission Notice. The Company is filing jointly with the Joint Utilities² on the remainder of the questions (Nos. 4-11 and 12-18).

I. Established Metric Clarification (Questions 1.a-d)

The UTC requested detailed information about any established reported performance metric, definition, or calculation.³ Accordingly, PSE's responses to the Established Metrics are included in Attachment A to these comments.

¹ Available here: <https://www.utc.wa.gov/casedocket/2021/210590/docsets>

² The Joint Utilities are PSE, PacifiCorp, Avista Utilities, Cascade Natural Gas, and NW Natural Gas Company.

³ Policy Statement Addressing Initial Reported Performance Metrics (Aug. 2, 2024) in [this docket](#).

II. Goal 4 and GETs Metric Proposals

2. *Interested parties proposed metrics for Goal 4 – Environmental Improvements during the policy-making process that led to the Interim Policy Statement.⁴ While the Commission did not reject the proposed metrics, it determined that further discussion was needed to evaluate utility performance in a meaningful way. The proposed Goal 4 metrics are attached as Appendix B.*

- a. *Do any parties currently propose adopting any of the proposed Goal 4 metrics? Please explain your response.*
- b. *Please provide any recommended modifications to the proposed Goal 4 metrics or submit proposals for other metric language, including calculation methodology and any necessary definitions.*

PSE is potentially open to the adoption of certain “Goal 4: Environmental Improvement” metrics after further discussions on the metrics included in Appendix B of the Commission Notice and offers the following comments on each proposed metric.

Under proposed “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:”

- **Metric #27 (Energy-related Air Quality Emissions):** PSE does not recommend adopting this metric as it is currently defined. There are several issues with using this metric that need broader consideration. First, this metric is not needed as PSE currently submits annual comprehensive emissions data to the Department of Ecology. There is also additional emissions reporting as part of other regular reports; for example, the Annual Progress Report and the Clean Energy Compliance Report for the Clean Energy Implementation Plan (“CEIP”). And with Clean Energy Transformation Act (“CETA”) goals requiring retail electric sales to be carbon free by 2025, this potential metric may not provide much value in addition to existing requirements and would be duplicative to emissions reporting that is already required.
If this metric were to be considered further, PSE agrees that this metric would need reworking through discussions with environmental impact experts, as well as subject matter experts at utilities who do this reporting already to the Department of Ecology. If this metric were to be considered further, PSE recommends further consideration of the following changes or outstanding questions:
 - Remove lead and mercury from natural gas resources (not present at measurable levels).
 - Remove ozone, this is a formation pollutant from NOx and VOC, it is not an emission.

⁴ Interim Policy Statement Addressing Performance Measures and Goals, Targets, Performance Incentives, and Penalty Mechanisms (Apr. 12, 2024), available on the Commission’s website in [this docket](#).

- Remove benzene from consideration. Benzene in natural gas is negligible (0.000012 lb./MMBtu).
 - Further discussion on if/how this metric should/would be calculated for named and non-named communities.
 - Further discussion on the establishment of one agreed upon methodology for resources outside service territory which are often contracted; and needs to be based on available and reliable data.
- **Metric #28 (Utility Fleet Tailpipe Emissions Reductions):** Overall, this does not appear to be a feasible or a worthwhile metric to develop. PSE does not recommend adopting this metric as it is currently written.
 - Fleet vehicles are used throughout PSE's service territory and are not limited to use within a Named Community. Therefore, it would be challenging to develop a reliable methodology to measure whether vehicles "may/regularly operate in Named Communities."
 - PSE is not familiar with how "other impact (e.g., noise)" would be measured.
 - PSE does not have the ability to measure noise reductions by fleet vehicles, not to mention by fleet vehicle type, not to mention by Named Community.

Under proposed "Outcome 2: Cost-effective alignment of load with clean energy generation and storage through load management, energy efficiency measures, and demand response:"

- **Metric #29 (Utility Electric Load Management Success):** Overall, PSE is open to adopting this metric but would like to note several things and suggest several modifications and clarifications to be further discussed and determined:
 - This metric would be/should be applicable only for the electric business (not applicable to gas).
 - It will be important to indicate the units and clarify nuances, for example, such that MW reported would be for capacity available to be shifted, and MWh would be the actual load shifted by load management programs.
 - For both MW-based and MWh-based metric, it will be important to ensure clear definitions and methodologies for calculation of the numerator (shifted) and the denominator (load/capacity) if this metric will be selected for reporting and comparing percentages.
 - PSE recommends that energy efficiency is excluded from this metric, as well as from Outcome 2 description. Energy efficiency is related to energy conservation and has its own EIA-directed target-setting, UTC-overseen biennial reporting, evaluation and enforcement processes, and a separate annual pass-through funding mechanism. PSE publishes estimates of energy and capacity of load impacts for its energy efficiency programs in its annual conservation report.
 - For "storage," it is important to clarify what type/what kind of storage is meant here. Need clear definitions for which type of storage projects are in the scope of the metric and which would not be. For example, the CR-102 CETA Use Rules published on

- April 1, 2025, propose changes in WAC 480-100-650(3)(1)(v) where, effective July 1, 2026, PSE would have to report MWh for “The total amount of energy storage resource charging and dis-charging, for supply-side resources owned or contracted by the utility, categorized by resource type.” Therefore, depending on what is defined as storage here, there could potentially be an overlap with the proposed metric and what is in the CETA Use Rules.
- PSE has existing reporting requirements for demand response – as part of the CETA Annual Progress Report, PSE reports on MW and MWh of demand response programs, which embed demand/customer-side storage/batteries that the utility can manage (e.g., Flex Batteries program). To note, demand response should be reported in aggregate (defined by tranche) of customer settlement MW achievement and not by individual DR program. Therefore, PSE foresees leveraging this CETA reporting for this proposed metric here for consistent data to be reported for demand response programs.
 - Regarding the inclusion of management of transportation electrification loads, including bidirectional charging capabilities, PSE has the following suggestions.
 - This measure should not be about measuring how well PSE has managed electric vehicle (“EV”) loads. PSE does not separately meter all EV charging loads in its Electric Service area and so cannot accurately measure the degree to which all EV charging load has been managed. However, PSE may separately record the EV charging load of customers participating in some of its Transportation Electrification Plan portfolio (“TEP”) of products & services, as well as the FlexEV demand response programs, so could measure the level of load management for those programs, where available, and reported as part of periodic reporting associated to the Company’s TEP.
 - This measure should only include EV charging load as a method of shifting energy (or reducing and shifting capacity), not as a method of reducing energy as the EV is an appliance that increases energy consumption. That consumption can be shifted to more optimal times but not reduced overall.
 - This measure should include EV charging load as a method of shifting energy and capacity of total company load but not include bidirectional charging capabilities at this time. EV load management (especially Vehicle-to-Everything (V2X)/bidirectional charging) is a flexible load that may be well suited to load management. However, PSE is currently conducting several V2X technology demonstrations to establish technical requirements and communication protocols, identify qualified interoperable equipment and vehicles compatible with PSE’s Virtual Power Plant, standardize and streamline V2X interconnection processes, assess peak demand reduction and dispatchable capacity potential, and evaluate customer preferences, future compensation mechanisms, and value stacking opportunities to inform future capabilities. The learnings from these demonstrations will inform future V2X products & services, thus will provide more assurance in potential load shifting that can be measured. Until those V2X

products or services are available for customer enrollment, bidirectional charging capabilities should not be included in this measurement.

- **Metric #30 (DER GHG Reductions):** PSE does not recommend adopting this metric as is currently written. This metric is not necessary and would be too complex and burdensome, if not impossible, to calculate. Instead, total greenhouse gas (“GHG”) reporting-based metric, as proposed in #32 could make more sense. Regarding “reporting all programs in aggregate, or split out by program type” – indeed, there are a lot of potential issues for determining how to measure such data for each individual program, PSE recommends focusing on total emissions calculations in metric 32.
 - For Distributed Energy Resources installed behind the meter, it is difficult to measure total energy output to calculate total resulting GHG reductions. Without installing a second meter to measure production from those resources, it is impossible for the utility to know exactly how much of the onsite energy was offset by the distributed energy resource, i.e., solar. To address this, utilities could be allowed to calculate based on the expected performance of the resource.
 - Another example of complexities would be, if energy efficiency (EE) were ultimately included in the potential metric, the calculations would have added complexity of EE measures lasting for years, while most of our reporting is only on first year energy savings, not cumulative.
 - There are existing reporting mechanisms on greenhouse gas reductions from electric vehicles: as part of PSE’s Transportation Electrification Plan, acknowledged by the Commission in 2021 under Docket UE-210191, PSE committed to provide regular reporting which includes carbon abatement metrics; see [210191-PSE Q3 2024 Transportation Electrification Detailed Report.pdf](#).

Under proposed “Outcome 3: Accelerate the cost-effective achievement of Commission or state public policy goals and statutes, including the reduction of greenhouse gas emissions:”

- **Metric #31 (Greenhouse Gas Reductions per Dollar):** Overall, outcome 3 is the focus of utility resource planning processes and does not need to be further addressed here as it would duplicate efforts.
 - Assessment of identifying the most cost-effective emission reduction programs and/or investments is done as part of PSE’s resource planning. Existing reporting in utility resource planning should be considered to ensure efforts are not duplicated and to determine usefulness of this metric in this proceeding.
 - As it is currently defined, this metric is not clear. If this metric continues to be considered, it needs further discussions, such as defining measurement methods.
 - It is also not clear to PSE what is meant by “linear glidepath” and comparison to it.
- **Metric #32 (Total Greenhouse Gas Emissions):** Overall, total GHG emissions are already being reported as part of an annual comprehensive report to the Department of

Ecology. PSE recommends developing a reporting requirement for total GHG emissions consistent with this reporting to the Department of Ecology.

While it seems potentially more feasible and useful than the proposed Metric #30, this metric as it is currently defined has several issues that would need to be reconsidered and discussed further:

- CO₂e per customer is not a meaningful metric. It represents the average of all energy consumption (less Green Direct and Voluntary Renewables) for all customer classes (Ind, Comm, Res). Recommend reporting intensity only (CO₂e/MWh) based on retail supplied energy.
- CO₂e/MW is not a meaningful metric.
- Market purchases cannot be quantified accurately or reliably as the source for these is not always known so the precise CO₂e is not known.
- Known PPAs are included as part of existing GHG reporting to Ecology.
- Department of Ecology developed established rules and methodologies to address the potential leakage and this not an issue in WA – all imported, exported, and wheeled energy transactions that cross the border is e-tagged data and reported are reported by all WA EPEs (per CCA) to the Department of Ecology.
- The GHG data being submitted under the CCA to Ecology is comprehensive and is audited and verified by a third party.

3. *Interested parties proposed metrics regarding GETs during the policy-making process that led to the Policy Statement Addressing Initial Reported Performance Metrics.³ The Commission declined to include these metrics in the policy statement, in favor of fully developing GETs metrics through a collaborative process. The proposed GETs metrics are attached as Appendix C.*

a) *Which Goal would be best suited to incorporate GETs metrics?*

Current Goals are:

- (1) Resilient, reliable, and customer-focused distribution system,***
- (2) Customer affordability,***
- (3) Advancing equity in utility operations, and***
- (4) Environmental improvements.***

b) *Do any parties currently propose adopting any of the proposed GETs metrics as provided in Appendix C? Please explain your response.*

c) *Please provide any recommended modifications to the proposed GETs or submit proposals for other metric language, including calculation methodology and any necessary definitions.*

- a) GETs metrics would be most appropriately incorporated under Goal 1: Resilient, reliable, and customer-focused distribution system. Grid-enhancing technologies are primarily deployed to optimize existing grid infrastructure to enhance capacity and improve system reliability. However, we note that while technologies may be commercially available,

many GETs are still in pilot or early-phase deployment and that any GETs metrics should only be considered when technologies to which they apply have reached sufficient maturity and cost-effectiveness to be broadly deployed at scale by utilities.

- b) PSE does not currently recommend adopting any GETs metrics as GETs technologies are not yet at a level that can be deployed at scale by utilities; as well as the proposed metrics seem similar in nature to the DER metrics already established and to other existing reporting for PSE.

PSE does not support adopting the proposed GETs metrics as currently formulated, for the following reasons:

- **Metric 16 (GETs Utilization):** PSE recommends rejecting this proposed metric currently. Grid-enhancing technologies are not yet deployed at sufficient scale to warrant performance-based metrics. Technologies presented in the cited Brattle study broadly remain in pilot and study phases with foundational investments in grid management systems still required for successful enablement of GETs. With a multi-year timeline before potential operational deployment is readily achievable, establishing performance metrics that evaluate the extent of deployment and utilization of emerging technology is premature at this time.
 - **Metric 17 (Deployment of storage and hybrid resources):** While PSE supports tracking storage system deployments in principle, this metric does not appropriately belong under a GETs category.
 - If storage is defined here as customer-side storage, then these storage systems are more appropriately categorized under existing load management metrics (such as Metric 29: Utility electric load management success) rather than as grid-enhancing technologies. The Brattle study referenced in the proposal focuses on Advanced Power Flow Control, Dynamic Line Ratings, and Topology Optimization - notably excluding storage systems.
 - In addition, as part of PSE's annual CEIP progress reports, PSE already reports on MW and MWh of various programs, which embed customer-side storage/batteries (BESS) that the utility can manage (e.g., PSE's Flex Batteries program).
 - However, depending on what is defined as storage in metric #29 and here, in metric #17, further discussions would be needed on the appropriate place for storage programs (customer-sited or utility-owned?) related metrics.
- c) PSE supports a measured approach that avoids premature metric implementation while remaining open to future consideration as technologies mature and demonstrate clear utility-scale benefits.
- **Metric 16 (GETs Utilization):** PSE recommends deletion of this metric due to technology immaturity. PSE would be open to revisiting GETs metrics in the

future when these technologies mature and demonstrate proven operational benefits at scale. If pursued in the future, metrics should focus on capacity improvements such as additional MW capacity enabled rather than dollar-based calculations of deferred investments, which would be difficult to standardize across utilities and subject to significant variability.

- **Metric 17 (Deployment of storage and hybrid resources):** This metric should be relocated to the appropriate category under existing load management metrics rather than GETs. The outcome language should be modified to change "Increase grid safety and flexibility" to "Increase grid resiliency and flexibility." The Commission should clarify the scope by defining whether customer-owned systems accessible to utility operations are included in utility reporting.

Conclusion and Contacts

PSE appreciates the opportunity to provide these comments and responses to Commission's questions ahead of the technical workshop on September 4, 2025. Please contact Kelima Yakupova in PSE Regulatory Policy at Kelima.Yakupova@pse.com, for additional information about these comments, and Anan Sokker, GRC Rate Case Manager, at Anan.Sokker@pse.com, for questions on Attachment A. If you have other questions, please contact me.

Sincerely,

/s/ Wendy Gerlitz

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Attachment:

Attachment A – PSE detailed comments on Appendix A Established Metrics