**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

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| In the matter of the<br><br>Proceeding to Develop a Policy Statement Addressing Alternatives to Traditional Cost of Service Rate Making | Docket U-210590 |

**ELEVENTH COMMENTS OF THE ENERGY PROJECT ON PERFORMANCE-BASED REGULATION IN WASHINGTON**

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## I. Introduction and Summary

On July 3, 2025, the Commission issued a Notice of Workshop and Opportunity to Comment (Notice). The Notice included several questions relating to the development of performance metrics, cost containment strategies, performance incentive mechanisms (PIMs), rates of return for utility approval of power purchase agreements (PPAs), and other topics. TEP answers the questions posed by the Commission and offers recommendations, including that the Commission should:

- Clarify key terms in its arrearage and energy burden metrics;
- Post performance metric data on a public website in files that include previous years' data;
- Maintain equity components to Goal 4 metrics that measure environmental benefits and burdens;
- Define core standards as safety, reliability, affordability, and compliance with regulations and laws, and treat core standards differently depending on each standard's nature, incentive effects, and relationship to existing legal obligations;
- Adopt a tiered approach to metrics and limit PIMs to cases where financial incentives are necessary to counter utility disincentives, not to reward legal compliance;
- Ensure that PIMs provide measurable benefits to customers and the public interest;
- Accelerate its work on cost containment strategies to ensure that upcoming 2026 multi-year rate plans (MYRPs) meaningfully control customer costs;
- Prioritize developing an externally indexed revenue cap MYRP and explore complementary cost containment mechanisms to better protect customers; and

- If electing to offer guidance on a rate of return for PPAs, adopt principles that protect ratepayers and support the public interest.

## II. The Commission should clarify key terms in arrearage and energy burden metrics.

The Commission has requested detailed information about any established metric, definition, or calculation requiring clarification.[1] As currently drafted, two metrics are unclear and would benefit from further refinement.

### A. The Commission should refine its arrearage assistance metric from "customers in arrears with arrearage management plans" to "customers who received arrearage assistance" in the reported quarter.

First, the Commission should clarify its Arrearage Management Plan metric to guarantee consistency and applicability across utility arrearage programs. The Interim Policy Statement establishes the quarterly measurement of residential customers "in arrears <u>with arrearage management plans</u> divided by total customers in arrears."[2] The phrase "with arrearage management plans" is unclear and could lead to different standards across utility reporting.

There are two types of arrearage assistance available to customers in Washington: arrearage management plans (AMPs) and arrearage forgiveness grants. In an AMP, a participating low-income customer receives partial forgiveness of past due amounts for each on-time payment. Typically, in an AMP, after one year (or twelve months) of on-time payments, the entire past-due amount is forgiven. By contrast, arrearage forgiveness grants are a one-time forgiveness of a past-due amount up to a specific cap.

The current language could be read to exclude arrearage forgiveness grants because it only mentions arrearage management plans. Some utilities, like PacifiCorp and Cascade Natural

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[1] Notice at 2.

[2] Interim Policy Statement, Appendix A at 2 (emphasis added).

Gas, only offer arrearage forgiveness grants and not AMPs. Avista and NW Natural offer arrearage forgiveness grants for the customers in the lowest income tiers, and AMPs for other low-income customers in higher income tiers.

Utilities would also benefit from the Commission clarifying when to count a customer as participating in an AMP. For example, a customer may enroll in an AMP but fail to make a monthly payment necessary to receive past debt forgiveness under the AMP. Additionally, many utility AMPs reduce arrearages on a monthly basis, but the metric requests quarterly data. It is unclear how a utility should report a customer whose AMP status changes over the course of a quarter.

TEP recommends that the Commission refine its metric by shifting from "customers in arrears with arrearage management plans" to "customers who received arrearage assistance" in the reported quarter. This would include all low-income customers who received either partial arrearage forgiveness through an AMP or a grant from an arrearage forgiveness program in the identified quarter. As long as the customer received some form of arrearage assistance in the quarter, the customer would count towards the metric, whether or not the customer participated in the AMP for the whole quarter or not. The new definition preserves the aim of the original metric while standardizing reporting across scenarios and utility programs.

### B. The Commission should refine its energy burden metric to properly account for energy burdens among all customers.

The Commission should also refine its definition of "high energy burden." The Interim Policy Statement establishes an Average Energy Burden metric, which includes a separate calculation for customers with a high energy burden. The metric specifically calls for the "number and percentage of customers experiencing high energy burden by census tract."[3]

In prior comments, TEP recommended defining high energy burden for single-fuel utility customers as 6 percent for customers with electric heating, or 2 percent gas burden and 4 percent electric burden for customers with natural gas heat.[4] This recommendation is based on expert analysis of customer energy burdens, which are disproportionately comprised of electric costs.[5]

In the Interim Policy Statement, the Commission chose to initially define high energy burden as "greater than 6 percent for both single and dual fuel customers."[6] The Commission explained that it was hesitant to adopt TEP's proposal until other docket participants could offer analysis and feedback.[7] Without further clarification, the current definition will cause confusion by underreporting energy burdens for utility customers that receive gas and electric service from different utilities, in particular customers who take gas service from one utility and electric service from another. This confusion will undermine the metric's purpose and utility in energy burden analysis.

The Commission should take this opportunity to solicit party feedback on the clarification previously recommended by TEP. Specifically, TEP proposes to define high energy burden as follows:

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[3] Interim Policy Statement, Appendix A at 2.

[4] TEP Ninth Comments on Performance-Based Ratemaking (June 4, 2024) at 4.

[5] *Id*. at 4. As those comments stated, TEP reviewed average annual bill data for Avista and Puget Sound Energy and "selected a 2% gas burden and 4% electric burden instead of 3% because natural gas bills typically make up slightly less than half of total energy burden, and electric bills typically make up slightly more than half of total energy burden. Further, TEP consulted with affordability expert Roger Colton, who recommends performing energy burden assessments using the 2% gas and 4% electric thresholds when considering an overall energy burden of 6%."

[6] Interim Policy Statement ⁋ 41.

[7] *Id*.

- for electric customers with electric heating: 6 percent electric burden; and
- for customers with non-electric heating: 2 percent gas (or other fuel) burden and 4 percent electric burden.

These standards will enable the Commission to properly measure energy burdens across customer scenarios.

## III. The Commission should require utilities to report performance metrics in an online, comparable fashion.

The Commission asks whether parties have faced any challenges in interpreting established metrics and whether format guidance or templates would be helpful for established metric reporting.[8] TEP witnesses have conducted and submitted expert analysis using performance metrics and other data provided to the Commission by utilities.[9]

This type of expert analysis is impeded by the way that utilities provide the data to the public. Utilities regularly choose to provide performance data in a form that requires users to undertake the time-intensive, expensive process of pulling and compiling data.

First, TEP strongly recommends that the Commission host all reported metric data on its website in a centralized and accessible format, with downloadable spreadsheets and visual dashboards where possible. The reported metrics should not live solely within the dockets where it is nearly impossible for the public to find, but on the Commission's main website where it can be accessed by the general public. This is a reasonable and practical step for the state's utility regulator and will support broader public understanding of its work and the utilities' performance delivering energy that is safe, reliable, and affordable. TEP also makes this recommendation

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[8] Notice at 2.

[9] *See e.g. Wash. Util. & Transp. Comm'n v. Puget Sound Energy*, Dkts. UE-240004/UG-240005, Colton, Exh. RDC-1T, at Section II.A-C, III.A (Aug. 6, 2024); Stokes, Exh. SNS-1T at Section VII (Aug. 6, 2024).

through the lens of improving procedural justice and enabling distributional and recognition equity analyses.

Until the Commission is able to host a metrics website, utilities should post metric data on their public websites. For example, Avista provides their data in spreadsheets that include the previous years' data.[10] This is a simple, low-cost solution that promotes procedural justice and enhanced expert analysis.

Second, the Commission should provide format guidance or standardized templates for reporting on the established metrics. As it stands today, data reporting varies across utilities and is often fractured across reporting periods. For example, performance data reports sometimes only include the data for that quarter or year, necessitating additional research to identify the previous years' filing and then manually compiling data from different years into one spreadsheet. The status quo adds time and burden for staff and parties alike.

The Commission is uniquely positioned to require and develop standardized reporting across utilities, including spreadsheets that are easy to analyze across utilities and over time. These simple changes will enable transparency, accountability, and enhanced data quality and usability for the Commission and the public. Further, by setting clear and consistent expectations now, the Commission will significantly reduce future Commission staff and party administrative burden.

## IV. The Commission should adopt key Goal 4 metrics and ensure Goal 4 metrics include equity data where appropriate.

The Energy Project supports adopting metrics 27 (Energy-related Air Quality Emissions), 31 (Greenhouse Gas Reductions per Dollar), and 32 (Total Greenhouse Gas Emissions). These

[10] *See* Avista, Washington PBR Metrics (accessed August 4, 2025), available at https://www.myavista.com/about-us/our-rates-and-tariffs/washington-pbr-metrics.

metrics help show whether electric and gas utilities are aligning their operations and investments with Washington's climate goals, including their obligation to reduce disproportionate environmental burdens on vulnerable communities.

Metric 27, Energy-related Air Quality Emissions, provides important information on the local pollution impacts of electric and gas utility operations, particularly for criteria pollutants and toxic air contaminants like mercury. Disaggregating emissions data by census tract and community designation will help identify whether utility operations are reducing or exacerbating pollution burdens in vulnerable areas. This supports the equity dimensions of Goal 4 and aligns with the state's statutory commitments under the HEAL Act.[11]

TEP recommends that metric 27 also include air quality emissions from generation, transmission, and distribution sources located outside the service territory but controlled by a regulated utility. The Washington investor-owned gas and electric utilities (IOUs) own and operate assets located in Washington but outside their service territory that have air quality impacts on Washington state residents. For example, PacifiCorp owns the Chehalis Generating Facility and Puget Sound Energy owns the Goldendale Generating Station. The parties best situated to minimize the harm of criteria and toxic air pollutants on Washington state residents situated near those facilities are the Washington IOUs, even though these fossil resources are located outside of the IOUs' service territory.

Metric 31 (Greenhouse Gas Reductions per Dollar) will help the Commission, utilities, policymakers, and the public identify which actions and investments deliver the most emissions reductions per dollar spent. This metric is essential for ensuring that ratepayer funds are directed toward the most efficient and impactful decarbonization strategies.

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[11] *See* S.B. 5141, 67th Leg., Reg. Sess. (Wash. 2021).

Metric 32 (Total Greenhouse Gas Emissions) is necessary for tracking absolute progress toward emissions reduction mandates. For gas utilities, this metric must include both Scope 1 emissions from direct operations (e.g., utility-owned pipelines and buildings) as well as Scope 3 emissions from end-use customer combustion of delivered gas.

The Commission's current Goal 4 proposals include Named Community data for energy-related air quality emissions and utility fleet tailpipe emissions.[12] These metrics should continue to include equity data, which show whether the utility is making progress in reducing air quality burdens in Named Communities. As the Commission proceeds in considering Goal 4 and GET metrics, it should maintain these equity data and ensure that any new metrics measuring environmental burdens or benefits include equity components. Disaggregating results by community type is necessary for evaluating whether utility actions are aligned with the state's equity goals and whether benefits and burdens are being fairly distributed.

## V. Core standards are fundamental utility obligations that should be weighed differently depending on context and incentives.

Core standards are the state and federal regulatory and statutory obligations that require the utility to provide service that is safe, reliable, affordable, and compliant with all applicable state and federal laws. This includes compliance with state laws such as the Clean Energy Transformation Act and the Climate Commitment Act, as well as federal requirements established by entities such as the Federal Energy Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC). These standards define the baseline level of utility performance and legal compliance and are not, in themselves, appropriate targets for financial incentives.

[12] Notice, Appendix C at 1.

Core standards also include existing customer service and reliability metrics established by the Commission in prior proceedings. For example, Puget Sound Energy[13] and Avista[14] are required to annually report customer service and reliability metrics as compared to benchmarks that were established in other commission proceedings.

The Commission also asks whether core standards should be treated differently.[15] The Commission should adopt a nuanced approach that reflects the nature of each standard, the risk of distortion from incentives, and the extent of existing legal or regulatory obligations. As discussed below, however, the Commission should not offer financial incentives for utilities to meet their baseline legal obligations.

## VI. The Commission should adopt a tiered approach to metrics and use PIMs to deliver measurable customer and public interest benefits, not reward legal compliance.

### A. The Commission should adopt a tiered metrics approach.

As discussed in TEP's second comments to the Commission in this proceeding, we recommend the Commission adopt three levels of metrics: a large number of metrics to track outcomes across all of the state's regulatory goals, a subset to place on the Scorecard, and finally a limited number of PIMs to associate with financial incentives or penalties. We encourage the Commission to focus on only a handful of PIMs (approximately 3 – 6) where it is necessary to

[13] Puget Sound Energy, *2024 Service Quality Report Card* (2024), available at https://www.pse.com/-/media/PDFs/2774_SQI_Report_Card_2024.pdf?rev=f9531b1d880c414b9281fef307c86859&sc_lang=en&modified=20250514201419&hash=18B3BB5D23BF77851AE6111894821020.

[14] Avista, *Washington 2024 Service Quality Measures Report Card* (2024), available at https://sjc.myavista.com/-/media/myavista/content-documents/your-account/bill-inserts/2025/07/4455-avista-wa-qsm-report-eproof.pdf.

[15] Notice at 5.

financially incentivize the utility to take actions that the utility may not typically take.[16] While a full review of cost containment mechanisms does not necessarily need to be completed before the Commission begins to consider setting metric targets or establishing scorecards, a full review must occur at least in parallel with establishing targets and scorecards.

### B. The Commission should not use PIMs to reward compliance with preexisting legal obligations.

The Commission asks whether ideas in the Notice regarding PIM design raise any concerns.[17] TEP generally discourages the Commission from creating PIMs that financially reward the utilities for meeting existing Commission rules or statutory requirements. It is unnecessary and inappropriate to financially reward a utility for compliance with legal obligations, like Clean Energy Transformation Act and Climate Commitment Act requirements, particularly when there is already a financial penalty for failing to comply with the law. In such cases, enforcement and compliance tools already exist within the Commission's or another governmental entity's statutory authority and creating an overlapping PIM would be redundant and unnecessary.

Where there isn't already a clear disincentive for the utility to meet core standards discussed above, it may be appropriate to establish an asymmetrical, penalty-only PIM for failure to meet that legal or regulatory obligation. The PIM must be carefully designed in accordance with the Commission's guiding principles for PIM development such as ensuring that the metric is clearly defined, within the utility's control, and directly tied to meaningful customer or public outcomes. For example, the Commission should consider establishing penalty-only PIMs for

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[16] *Wash. Utils & Transp. Comm'n v. Puget Sound Energy*, Dkts. UE-220066/UG-220067, Cebulko, Exh. BTC-1T at 21:4-7 (July 28, 2022).

[17] Notice at 5.

reliability metrics, such as SAIDI, SAIFI, CAIDI, and CAIFI, to establish backstops that enforce a minimum level of expected reliability.

### C. PIMs should not reward compliance with existing reliability and greenhouse gas legal obligations.

The Commission specifically asks whether PIMs addressing goals with standards already mandated by regulation, like reliability or reduction of greenhouse gases, should be treated differently.[18] As discussed above, the Commission should not financially reward basic legal and regulatory compliance. Doing so risks rewarding utilities for taking actions already required under state or federal law.

The Commission should not establish PIMs for safety-related metrics. A safe energy system is paramount and the utilities consistently demonstrate that they take safety seriously. Introducing financial incentives risks distorting the accuracy of utility reporting and disincentives transparency. The Commission should prioritize clean, accurate safety data and avoid any incentive structure that could otherwise interfere with that goal.

Financial disincentives may be appropriate in specific cases, however, where performance deterioration would have an impact on the reliability of the service. As previously discussed, the Commission should consider downside-only PIMs for reliability metrics to create a backstop for deteriorating customer reliability. When revenue is capped, the utility is incentivized to reduce costs to increase its profitability. The Commission must monitor to ensure that the cost reductions do not have a substantial impact on the customer experience. Reliability-focused metrics, such as SAIFI, SAIDI, CAIFI, and CAIDI, measure the utility's electric reliability. Downside-only PIMs for one or two reliability metrics can establish a regulatory

[18] *Id*.

backstop that incentivizes the utility to maintain a certain level of investment into the reliability of its services.

The Commission also should not reward early compliance with greenhouse gas emission reduction statutory deadlines. We are aware that parties in other jurisdictions, and possibly in Washington, have considered PIMs that would reward the utility for achieving their clean energy goals sooner than statutorily required. TEP does not support this approach. If early compliance is cost-effective, the utility should pursue it as part of prudent system and resource planning. If early compliance is not cost-effective, then accelerating the timeline imposes unnecessary and potentially regressive costs on customers. In either case, utilities are already legally required to meet these climate goals.

The Commission should focus PIMs on areas where utility incentives are weak or misaligned with the public interest, and when incentivizing the Company to achieve these goals will further customer outcomes and public policy goals. For example, generally speaking, utilities lack motivation to increase enrollment in energy assistance programs, reduce disconnections for nonpayment, reduce customer arrearages, reduce peak demand, or deploy alternatives to traditional capital investments. PIMs that target these types of outcomes are not currently in place but are more likely to deliver measurable customer benefits and support long-term system transformation.

### D. PIMs should provide measurable benefits to customers and the public interest.

The Commission asks what policy guidance it should provide for the methodologies to balance utility incentives and customer benefits.[19] The Commission should adopt a consistent

[19] *Id.*

framework to ensure that any financial incentive or penalty mechanism provides a clear, measurable benefit to customers and the public interest. In general, benefit-cost analysis should be required for any PIM that creates a direct financial impact on customers, whether through an incentive payment, penalty, or impact on base rates. Utilities should be required to demonstrate that the expected customer benefits of the PIM exceed its costs, and that the benefits are incremental to what would occur under existing legal or regulatory requirements.

However, we recognize that the appropriate methodology may depend on the type of outcome being targeted. For example, a risk-sharing mechanism may be more appropriate for a metric where performance is partially outside of the utility's control, while a shared savings model may be more appropriate for cost efficiency, non-pipeline alternative deployment, or DER deployment. Even so, each methodology must still be grounded in a transparent evaluation of customer value.

The Commission should also discourage methodologies that rely solely on utility claims, utility intentions (rather than outcomes), or internal forecasts. All proposed PIMs should be supported by transparent data, independent evaluation where feasible, and a clear theory of change that explains how the incentive will drive utility behavior that benefits customers. The goal should be to reward outcomes that customers value and that would not otherwise occur without the incentive.

Finally, the Commission should retain flexibility to refine or phase out PIMs over time if they prove ineffective, impose unintended costs, or no longer deliver incremental benefits.

## VII. The Commission must deploy cost containment strategies that protect customers well before its currently stated timeline.

### A. The Commission must accelerate its work on cost containment strategies to ensure that upcoming 2026 MYRPs meaningfully control customer costs.

The Commission's Notice states that it does not anticipate that it will provide cost containment guidance until January 1, 2027, "given the current state and timing of 2026 cases."[20] But the upcoming 2026 rate cases are precisely the reason the Commission must accelerate its discussion of cost containment.

SB 5295, which authorized MYRPs and performance-based ratemaking, was passed over four years ago. The purported customer benefit of an MYRP is that it incentivizes the utility to contain costs. But cost containment is not inherent to an MYRP; it is the product of deliberate and thoughtful regulation. The current design of the MYRPs is not sufficiently controlling customer costs. Unless otherwise directed, the Commission should expect the utilities to file MYRPs in 2026 that look similar to previous iterations.

Should the Commission's guidance on how to control costs for ratepayers look different than how the utilities have proposed MYRPs, this guidance will not be formally considered in a rate case until 2028 and take effect until 2029, at the earliest. As described below, however, an appropriately tailored MYRP can save Washington customers tens to hundreds of millions of dollars over the next few years.

### B. The Commission should prioritize developing an externally indexed revenue cap MYRP and explore complementary cost containment mechanisms to better protect customers.

We strongly encourage the Commission to consider enhancements to the design of the MYRP for implementation well in advance of a likely 2029 or 2030 rate plan period. In

[20] *Id*.

particular, we recommend the Commission explore moving to an externally indexed revenue cap MYRP. In 2022, Joint Environmental Advocates witness Ronald Binz discussed the benefits of an externally indexed revenue cap for PSE's MYRP.[21] Binz testified that there are two primary benefits of an externally indexed revenue cap. First, the utility has a much stronger efficiency incentive because it is competing not with its own costs but with an external index. Second, since year-to-year changes in the utility's allowed revenues are not focused on the level of capital investment, revenue cap regulation reduces the capital expenditure bias. The Connecticut Public Utilities Regulatory Authority recently proposed a revenue cap structure as part of its performance-based ratemaking framework. The revenue cap is externally indexed to a measure of inflation (CPI) and may be adjusted by one or more components.[22]

In Washington, the utilities are currently authorized to use MYRPs that forecast the revenue requirement for each year of the rate plan. This is akin to the Commission considering multiple rate cases in a single review. While there is a reduction in administrative burden, that minimal decrease in administrative costs comes at the expense of a complete and thorough examination of the utility's forecasted costs. It is a difficult task and burden for intervenors to thoroughly review the justifications for capital and operational expenditures over a multi-year period, many of which will not occur for another 18 to 24 months. A revenue cap, on the other hand, sidesteps that problem. The utility is instead incentivized to compete against an externally indexed value, such as the rate of inflation.

[21] *Wash. Utils & Transp. Comm'n v. Puget Sound Energy*, Dkts. UE-220066/UG-220067, Binz, Exh. RJB-1T at 25 (July 28, 2022).

[22] Docket No. 21-05-15RE01, PURA Investigation into Revenue Adjustment Mechanisms for a Performance-Based Regulation Framework, (July 14, 2025) at 20.

The potential savings to customers from adopting an externally indexed revenue cap are significant. Using Puget Sound Energy's revenue requirement as presented in the 2024 general rate case, TEP calculates that the electric and natural gas revenue requirement increases over the two-year MYRP could have been reduced by $50-$100 million had the Commission indexed the utility's electric and gas revenue requirements to either CPI or GDPPI.[23]

While an externally indexed revenue cap is the most direct and effective tool to control costs, it is not the only one. The Commission should also evaluate the use of risk-sharing mechanisms (particularly for large or uncertain investments), shared savings mechanisms to financially align utility and customer interests, and the appropriateness of cost recovery through an automatic cost recovery mechanism such as a rider.

Given the magnitude of potential customer savings, the Commission should not wait nine years after the passage of SB 5295 to provide guidance on how an MYRP can be better designed to incentivize cost containment and better control customer costs.

## VIII. The Commission should adopt principles that protect ratepayers against unwarranted rates of return on PPAs.

As a threshold matter, the Commission asks what proceeding is appropriate to address rate of returns on PPAs.[24] TEP believes that rate cases as the appropriate setting to address PPA returns. However, if the Commission wishes, it could also offer policy guidance in this docket.

The Commission also asks what standards or principles should inform requests for a return on PPAs. In recent rate cases, utilities have sought a full rate of return on PPAs while

[23] Using Puget Sound Energy's revenue requirement as presented in the 2024 general rate case, TEP compared the two-year revenue requirement as ordered by the Commission in UE-230810 to a simplified hypothetical scenario in which the revenue requirement instead only increased with inflation. Holding rate year 1 fixed, TEP increased the requirement for rate year 2 by the rate of inflation (Consumer Price Index) from 2024 to 2025.

[24] Notice at 6.

simultaneously failing to quantify or otherwise show clear justification for those requests.[25] The Commission should create clear standards that require utility justification for PPA rate of return requests based on a two-step analysis.

First, the Commission should adopt a standard presumption that awarding a rate of return for PPAs is not in the public interest because it requires ratepayers to pay twice for the capital costs of each project. The capital costs for a resource are included in the PPA contract price and paid by a utility's customers. Approving a second charge for a second cost of capital burdens ratepayers without any corresponding increase in utility costs.[26] Consequently, the Commission should treat these requests as presumptively against the public interest.

Second, the Commission should adopt a principle requiring a utility to overcome this presumption by justifying its request with evidence and express findings, including by showing with convincing evidence that there is a justifiable reason for providing a second rate of return. A utility should be required to make a verifiable case that approving a rate of return advances state policy goals. Without a strong showing, the utility should be prohibited from forcing ratepayers to twice finance the same capital costs. This two-step analysis respects the Commission's discretion in approving PPA rates of return and creates a reasonable set of standards a utility must meet to double-charge its ratepayers.

Additionally, it does not make sense to layer a PIM on top of a statutory incentive. The ability to earn a return on a PPA is itself an incentive. Layering on another financial incentive via

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[25] *Wash. Util. & Transp. Comm'n v. Avista Corp.*, Dkts. UE-240006/UG-240007, Gerkhe, Exh. WG-1T at 2 (July 3, 2024) (discussing lack of showing from Avista regarding self-build bias).

[26] *See Wash. Util. & Transp. Comm'n v. Puget Sound Energy*, Dkts. UE-240004/UG-240005, Gorman, Exh. MPG-1CT (Aug. 6, 2024) at 24-26.

a PIM risks over-rewarding the utility for actions it is already incentivized to take and could lead to unjustified costs for customers.

## IX. Conclusion

TEP thanks the Commission for the opportunity to submit these comments. Please do not hesitate to contact me with any questions.

DATED: August 8, 2025

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