

July 19, 2024

Filed Via Web Portal

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

UE-220066

Received
Records Management
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**Re: Distributional Equity Analysis Compliance Filing
Dockets UE-220066, UG-220067, and UG-210918 (consolidated)**

Dear Director Killip:

Puget Sound Energy (PSE) hereby submits this supplemental compliance filing seeking acknowledgement of final compliance with the company's Pilot Distributional Equity Analysis (DEA), consistent with the Washington Utilities and Transportation Commission's (UTC) Order 24/10, Appendix A ¶50, in the above-referenced dockets (Order).¹

On June 12, 2024, UTC staff filed a letter in this docket stating staff's opinion that PSE's previous filing on this matter on March 22, 2024, was insufficient to determine compliance with the terms of the settlement agreement and the Order.² Subsequently, on July 15, the UTC issued a notice finding that PSE had made progress toward complying with the Order, but that the DEA filed by PSE does not fully comply with the Order. Staff's primary justifications for its recommendation were 1) that PSE did not file final results for the pilot and 2) the pilot did not include the entire 80 MW of PSE's distribution solar portfolio.

In response, and to remedy staff's first concern above, PSE is filing the final results of the pilot herein. The national scope and associated process of the pilot resulting from PSE's partnership with Lawrence Berkley National Labs (LBNL) required a slightly longer timeframe for completion of the pilot than originally anticipated. This partnership leveraged the expertise of LBNL and federal dollars and resulted in a robust and successful pilot that was worth the trade-off in timing.

In regards to the second concern from staff, PSE disputes the contention that the settlement term in question required the pilot to apply a distributional equity analysis to the *entire* 80 MW. Neither the settlement term nor the Order contain the word "entire" nor any other language to specify that the entire amount of distributed solar resources from the 2025 CEIP target of 80 MW

¹ *Wash. Utils. & Transp. Comm'n v. Puget Sound Energy*, Dockets UE-220066, UG-220067, & 210918, Order 24/10, 71, ¶ 232 (Dec. 22, 2022) (2022 PSE GRC Order) ("Within 15 months of the approval of this MYRP, PSE will file with the Commission a compliance item documenting the methods and results of the pilot distributional equity analysis.").

² Staff Compliance Letter, Dockets UE-220066, UG-220067, & 210918, June 12, 2024.

needs to be assessed in the pilot. A pilot is by its very definition an experiment or test before introducing something more widely. Moreover, at the time the pilot was commenced in the spring of 2023, PSE had not procured nor fully determined the customer program structure for the entire 80 MW portfolio of distributed solar that was to be in place by the end of 2025 pursuant to the Clean Energy Implementation Plan approved target. This would have made a distributional equity analysis applied to the entire 80 MW, as staff envisions in its June 12 letter, difficult, if not impossible.

For this reason, early in 2023, PSE discussed with the GRC parties that negotiated this settlement term, primarily UTC staff and NW Energy Coalition, the concept of applying a DEA to a more limited set of the 80 MW of distributed resources in order to provide a compelling and more specific condition for the pilot using one existing project and one prospective project under development in order to identify specific target populations on which to assess distributional equity. Those conversations indicated agreement with this approach and, consequently, PSE proceeded with the pilot using this approach.

Staff's expectation in its June 12 letter on this point is inconsistent with its prior discussions with PSE and expands the plain language of the settlement and Order. Furthermore, such an approach would have led to a distributional equity analysis pilot that was lacking the depth and value that the current pilot provides to PSE, PSE's partner LBNL and their national work, and the future Commission discussion of distributional equity.

The following attachment(s) provides the final results of this pilot:

1. Puget Sound Energy's Distributional Equity Analysis Final Results

With this filing PSE requests a final determination from the Commission that PSE is in compliance with the Commission's Order 24/10, Appendix A ¶50, in the above-referenced dockets.

Sincerely,

/s/ Troy A. Hutson

Troy A. Hutson
Director, Energy Equity
Puget Sound Energy
PO Box 97034, BEL10W
Bellevue, WA 98009-9734
425-462-3946 / Troy.Hutson@pse.com

cc: Certificate of Service
Attachment 1: Distributional Equity Analysis Final Results