

SECTION 9. EQUITY AND CUSTOMER BENEFITS

9. Equity and Customer Benefits

Equity Analysis

PSE evaluates energy equity through the four established tenets of energy justice: recognition, procedural, distributional and restorative. Details of our equity analysis framework and methodology can be found in Attachment 18.

Throughout the ownership tenure, PSE will continue to assess the Project's contributions to energy equity using the plan devised by its energy equity analysis team. Much of the following Project analysis derives from the customer benefit plan prepared by Qcells and is reflective of current PSE energy equity practices. Under this analysis, Appaloosa appears to be equity positive.

Recognition Justice

Garfield County is not designated by the Department of Health's Cumulative Impact Analysis as a Highly Impacted Community, a Vulnerable Population, or a Disadvantaged Community.⁷ County Health Rankings and Roadmaps, a program of the University of Wisconsin Population Health Institute, places Garfield 6th out of 39 Washington counties in terms of health factors and 27th in terms of health outcomes.⁸ The county's poverty rate is 11 percent according to the US Census Bureau.⁹ The Appaloosa Solar Project will provide a positive impact to the economy of Garfield County and the surrounding region.

Procedural Justice

Procedural justice promotes inclusive, accessible, authentic engagement and representation when developing an energy project. PSE will lead the Appaloosa project's communications and community outreach strategies, including an open house meeting, civic organization speaking engagements, community involvement, media relations and project updates with the Nez Perce Tribe and government agencies.

PSE is committed to regularly communicating with community leaders, landowners, local government officials and nonprofit organizations. These efforts are intended to build on the solid community engagement foundation PSE has established in Garfield County through its operation of the Lower Snake River facility.

⁷ CEJST tool. <https://screeningtool.geoplatform.gov/en/#8.05/46.38/-117.546>

⁸ University of Wisconsin Population Health Institute, *County Health Rankings and Roadmaps 2022*.
<https://www.countyhealthrankings.org/what-impacts-health/county-health-rankings-model>

⁹ US Census Bureau Garfield County, 2022.

<https://data.census.gov/table?q=garfield%20county%20washington%20poverty%20level>

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Documentation supporting PSE’s advancement of procedural justice includes stakeholder feedback, steps taken to address stakeholder concerns, and clear and transparent communications throughout the Project’s development.

Distributional Justice

Distributional justice promotes equitable distribution of benefits and burdens across all segments of a community and across generations. CETA requires electric utilities to ensure that all customers benefit from the transition to clean energy through the equitable distribution of energy and non-energy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency.¹⁰ CETA identifies several customer benefit indicators to help measure the equitable distribution of certain benefits over time.

The Project’s customer benefit plan seeks to address three of the CETA categories of customer benefit indicators: energy security and resiliency, energy and non-energy benefits, and environment and public health benefits.

Energy Security and Resiliency

Appaloosa is expected to produce a nominal 142 MW_{AC} total output. The Project will help diversify PSE’s renewable resource mix, adding clean, reliable utility-scale solar to the electric portfolio. The Project offers a substantial energy resource, which helps decrease the frequency and duration of outages. Appaloosa will produce a significant amount of energy during the summer months, when cooling demand contributes to increased system load.

The Project will also provide some integration services to the grid, balancing and increasing reliability for PSE and its customers. Adding a battery energy storage system in the future could further enhance this balance and reliability, allowing the Project to dispatch power when it is needed most, thereby helping to keep the lights on for PSE’s customers.

Non-energy Benefits

The Appaloosa Solar Project will contribute to the economy of Garfield County and the surrounding area, which includes multiple regions deemed highly vulnerable by the Department of Health’s Cumulative Impact Analysis.

The Project is anticipated to add approximately 250 temporary jobs during the facility’s construction, along with three permanent jobs dedicated to maintenance and operation. The Project’s contribution to Garfield County’s tax base may indirectly support additional local area employment.

Qcells has committed to using diverse suppliers operating near the Project site when available. These include small businesses, minority-owned, women-owned, veteran-owned, disabled veteran-owned, LGBTQIA+-owned and disabled-owned businesses. The Developer further commits to satisfying the Inflation

¹⁰ RCW 19.405.040(8)

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Reduction Act prevailing-wage and apprenticeship requirements, and to reporting on the application of labor standards in RCW 82.08.962 and 82.12.962 and any applicable rules and regulations of the WUTC.

Additional Economic Benefits

The Project's anticipated economic benefits include substantial tax revenues for the state and local community, which could assist in funding county services like roads, schools, public health and emergency services. While Garfield County is not designated by the Department of Health's Cumulative Impact Analysis as a highly impacted community or vulnerable population, based on the Washington Financial Intelligence Tool data¹¹, in categories such as government expenditures, tax revenues, and public safety, this county ranks amongst the lowest.

PSE assesses that the Project will generate \$51 million dollars of spending in the local community including up to \$29 million property tax revenue over the life of the Project. This tax revenue will likely benefit Garfield County's low-income and vulnerable communities in need.

Environment and Public Health Benefits

The Appaloosa Solar Project will displace pollution from fossil fuel generation, where it will produce no direct GHG emissions during operations. The avoided emission would be equivalent to a 5.2% reduction in total annual CO2 emissions for PSE. Appaloosa will mitigate harmful pollutants that have been linked to health outcomes, including respiratory illnesses, cardiovascular diseases and increased hospital admission rates.

The Project will help reduce wildfire risk by having small trailer-mounted water storage tanks onsite during construction that can be quickly deployed should a fire be started and reduce the risk of a larger blaze.

The tax revenue will enable the County to pay for additional firefighting equipment and personnel, among other uses.

Acquiring a non-emitting resource is consistent with PSE's Beyond Net Zero aspirations and CETA, which work to cumulatively reduce or avoid the generation of new greenhouse gas emissions.

Restorative Justice

The Appaloosa Solar Project will provide opportunity to advance restorative justice by enhancing job creation, continuous community engagement with the Nez Perce Tribe and government agencies, as well as the tax revenue that will benefit Garfield County's through the lifecycle of the project.

PSE affirms its commitment to restorative justice, including the remediation of legacy pollution and its negative effects on vulnerable communities. The Appaloosa Solar Project will facilitate the delivery of energy from renewable sources, directly underwriting PSE's restorative-justice efforts.

¹¹ WA State Auditor's Office, Financial Intelligence Tool, <https://portal.sao.wa.gov/FIT/explore/government/0117>