

January 28, 2025

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
Jan 28, 2025

**Re: Corporate Capital Planning Compliance Filing
Dockets UE-220066, UG-220067, and UG-210918 (consolidated)**

Dear Executive Director Killip:

Pursuant to Washington Utilities and Transportation Commission's (UTC) Final Order 24/10,¹ Puget Sound Energy (PSE) hereby submits its Plan for Equitable Outcomes in Corporate Capital Planning.

In ¶224 of Final Order 24/10, the Commission accepted "the Revenue Requirement Settlement terms that incorporate equity considerations into PSE's capital planning processes," including the Settlement Agreement ¶24,² which stated:

24. By the end of the MYRP, the Settling Parties agree PSE shall make a compliance filing in these dockets demonstrating:
- a. Plan for Equitable Outcomes. A process or procedure for how PSE's Board of Directors and senior management plan for equitable outcomes when making decisions on enterprise-wide capital portfolios within the three-tier planning process. This will include a transparent and inclusive methodology for how the Enterprise Project Portfolio Management ("EPPM") tool will be used to apply an equity lens to the Corporate Capital Allocation framework that integrates feedback from persons affected by PSE's decisions.
 - b. Corporate Spending Authorizations ("CSAs"). PSE's use of CSAs that require sponsors to consider the equitable distribution of benefits and reduction of burdens of the project or program. This can be demonstrated either qualitatively or quantitatively, or both. Once the Company has completed its pilot distributional equity analysis, participated in the Commission Staff-led process, and has received approval from the Commission for its methods (and

¹ *Wash. Utils. & Transp. Comm'n v. Puget Sound Energy*, Dockets UE-220066, UG-220067, & UG-210918 (consolidated) (Dockets UE-220066 et. al.), Final Order 24/10, 68, ¶¶223-224 (Dec. 22, 2022) (Final Order 14/10).

² *Dockets UE-220066 et. al.*, Appendix A to the PSE 2022 GRC Final Order 24/10 - Settlement Stipulation and Agreement on Revenue Requirement and All Other Issues Except Tacoma LNG and Green Direct (Aug. 26, 2022), 14-15, ¶24 (the Settlement Agreement).

updated its analysis as necessary to conform to any changes to methods potentially required by the Commission), PSE will include in its CSAs results of distributional equity analysis.

In ¶16 of Order 36/22, the Commission amended ¶24 of the Settlement Agreement, as indicated below, removing the requirement to participate in the Commission staff-led process in this timeframe and extending the deadline for PSE to comply with part (b) to no later than six months following compliance with part (a):³

24. By the end of the MYRP, the Settling Parties agree PSE shall make a compliance filing in these dockets demonstrating subsection (a) below. No later than six months after PSE submits a compliance filing demonstrating subsection (a), PSE shall make a compliance filing in these dockets demonstrating subsection (b) below:

- a. Plan for Equitable Outcomes. A process or procedure for how PSE’s Board of Directors and senior management plan for equitable outcomes when making decisions on enterprise-wide capital portfolios within the three-tier planning process. This will include a transparent and inclusive methodology for how the Enterprise Project Portfolio Management (“EPPM”) tool will be used to apply an equity lens to the Corporate Capital Allocation framework that integrates feedback from persons affected by PSE’s decisions.
- b. Corporate Spending Authorizations (“CSAs”). PSE’s use of CSAs that require sponsors to consider the equitable distribution of benefits and reduction of burdens of the project or program. This can be demonstrated either qualitatively or quantitatively, or both. Once the Company has completed its pilot distributional equity analysis, ~~participated in the Commission Staff led process,~~ and has received approval from the Commission for its methods (and updated its analysis as necessary to conform to any changes to methods potentially required by the Commission), PSE will include in its CSAs results of distributional equity analysis.

The following attachment to this cover letter provides the report pursuant to part (a) of the Settlement Agreement, which is due by the end of the 2022 MYRP:

1. PSE’s Plan for Equitable Outcomes in Corporate Capital Planning ([220066-67-210918-PSE-Cply-CorporateCapitalPlanning-\(01-28-2025\).pdf](#))

While this compliance filing includes some information on CSAs in Section 5 since CSAs are part of corporate capital planning, the information provided does not include everything requested in part (b). As such, PSE plans to file a compliance filing specific to part (b) of the Settlement Agreement within six months from this filing, pursuant to Order 36/22 ¶16.

This filing also includes the following attachments to support PSE’s compliance filing:

- Attachment A – PSE Recognition Justice StoryMap
- Attachment B - Training - Energy Equity Course
- Attachment C – Training: Named Communities Definition

³ *Dockets UE-220066 et. al.*, Order 36/22, 5, ¶16 (Dec. 31, 2024).

- Attachment D – 2021 RFP Evaluation Process Document
- Attachment E - Appaloosa Solar Project Energy Equity Summary
- Attachment F – Energy Equity Questions in EPPM Tool
- Attachment G - Energy Equity Supporting Documentation

Pursuant to WAC 480-07-160 and the Protective Order in Dockets UE-220066 and UG-220067 documents in this filing are designated as Highly Confidential. Documents in this filing contain valuable commercial information, including trade secrets or confidential marketing, cost, or financial information, or customer-specific usage and network configuration and design information, and the release of this information would cause a competitive harm to PSE and third parties if released.

With this filing, PSE respectfully requests the Commission make a determination finding PSE's report to be compliant and consistent with Final Order 24/10, Appendix A (the Settlement Agreement) ¶24, and Order 36/22 ¶16.

For more information about this filing, please contact Yvonne Wang, Manager of Energy Equity – Compliance, at Yvonne.Wang@pse.com or 425-424-7477, and Lara Ringness, Manager of Financial Planning and Analysis Systems, at Lara.Ringness@pse.com or 425-424-7462. For any other questions, please contact me.

Sincerely,

/s/ Troy A. Hutson

Troy A. Hutson
Director, Energy Equity
Puget Sound Energy
PO Box 97034, BEL10W
Bellevue, WA 98009-9734
425-457-5477 / Troy.Hutson@pse.com

cc: Service List

Attachments:

- PSE's Plan for Equitable Outcomes in Corporate Capital Planning
- Attachment A – PSE Recognition Justice StoryMap
- Attachment B – Training - Energy Equity Course
- Attachment C – Training: Named Communities Definition
- Attachment D – 2021 RFP Evaluation Process Document (Confidential & Redacted)
- Attachment E – Appaloosa Solar Project Energy Equity Summary
- Attachment F – Energy Equity Questions in EPPM Tool
- Attachment G – Energy Equity Supporting Documentation