

Davison Van Cleve PC

Attorneys at Law

TEL (503) 241-7242 • FAX (503) 241-8160 • sjm@dvclaw.com
Suite 450
1750 S Harbor Way
Portland, OR 97201

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VIA ELECTRONIC MAIL

Attn: Amanda Maxwell, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
P.O. Box 47250
Lacey, WA 98503

RE: Supplemental Comments of the Alliance of Western Energy Consumers in Docket
UG-230470

Dear Director Maxwell,

The Alliance of Western Energy Consumers (“AWEC”) appreciates the opportunity to submit its supplemental comments in Puget Sound Energy’s (“PSE” or “Company”) application to establish a new tariff schedule to recover allowance costs under the Climate Commitment Act (“CCA”), docketed as UG-230470, following up on its initial comments filed in this proceeding on July 3, 2023.

In its initial comments, AWEC noted two potential areas of concern – requirements for evidence demonstrating Emissions-Intensive Trade-Exposed Entities (“EITE”) registration and PSE’s proposed rate design for industrial customers. Regarding the former, AWEC maintains concerns about the need for additional understanding regarding the specific evidence necessary and mechanism for providing evidence of EITE designation that is necessary in order for PSE to timely confirm whether a customer is registered as a Covered Entity, Opt-in Entity, National Security Entity or EITE that is also either a Covered Entity or an Opt-In Entity. However, at this time, informal clarifications with the Company on the correct process would be sufficient for AWEC. Additionally, AWEC was reviewing the timing requirements for providing such information (proposed to be 90 days) in consideration of other CCA regulations. AWEC has no additional concerns with the 90-day requirement at this time, but reserves the right to raise concerns in future filings.

Regarding PSE’s proposed rate design, AWEC previously indicated that it was awaiting responses to discovery requests from PSE that would allow it to analyze whether PSE’s proposed rate design is inequitable and should be improved. AWEC received non-confidential responses to

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its requests on Monday, July 10th and confidential responses on July 11th. Following review of these materials, AWEC does not have any proposed changes to the rate design of State Carbon Reduction Costs and Credits proposed in PSE’s application at this time given the limited nature of this filing, but again reserves the right to raise concerns and propose changes in future filings, particularly given the substantial rate impacts to industrial schedules.

Based on review of other stakeholder comments filed on July 3rd and July 5th, substantive issues appear to remain for other parties to this proceeding. Namely, automatic identification of eligible low-income customers, itemization on customer bills, and design as a pass-through mechanism that would place all market risk onto customers. These are complex issues, some of which implicate AWEC’s interests in this proceeding. For example, if the Commission were inclined to consider a risk-sharing mechanism or a performance-based metric in this case, as proposed by Northwest Energy Coalition and Climate Solutions and with support from other parties, AWEC agrees that additional process and Commission guidance are required. In order to share the risk between the Company and customers, AWEC is supportive of a cost-sharing mechanism that would limit PSE’s net cost recovery in circumstances where the Company is over-earning. Other stakeholders may have different design proposals and objectives, which need additional time and process to formally propose and consider. If the Commission is inclined to consider sharing mechanisms and performance incentive mechanisms as part of PSE’s filing, AWEC recommends the Commission suspend PSE’s filing and set the matter for adjudication in order to allow for the appropriate process to build a record and allow parties the opportunity to respond to proposals.

If the Commission is inclined to approve PSE’s tariff as filed or grant conditional approval, it should do so subject to explicitly confirming that such approval is non-precedential and PSE’s tariff terms are subject to change, particularly in light of the on-going Commission process in Docket U-230161.

Sincerely yours,

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Davison Van Cleve, P.C.

Of Attorneys for the Alliance of Western Energy Consumers