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Via UTC Web Portal

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

Re: The Energy Project and NW Energy Coalition's Response to Puget Sound Energy's Climate Commitment Act Decarbonization Programs 2024 Annual Report - Dkt. 230968

Dear Jeff Killip:

The Energy Project (TEP) and NW Energy Coalition (NVEC) respectfully request that the Utilities and Transportation Commission (Commission) not use an expedited compliance filing process to review or approve Puget Sound Energy's (PSE's) proposals for future decarbonization program design, budget, goals, or project evaluation. Instead, the Commission can appropriately consider future decarbonization program design, budget, goals, and questions for the evaluation process in the future, for example during the Commission's consideration of PSE's revisions to Schedule 111 in docket UG-240884. TEP thanks PSE for funding decarbonization program capacity building at Community Action Agencies. With the additional staffing and education provided, Community Action Agencies are now well-positioned to ramp up heat pump delivery to low-income customers in the coming years.

On December 22, 2023, the Commission issued Order 01, which, in pertinent part, "requires that PSE submit annual reports to the Commission describing its investments in decarbonization projects."¹ On November 15, 2024, with no advance notice to The Energy Project, PSE filed its CCA Decarbonization Programs 2024 Annual Report (Report) as a compliance filing. Under WAC 480-07-880, parties have five business days

¹ Order 01, Complaint and Order Suspending Tariff Revisions; Allowing Rates Subject to Later Review and Refund, ¶ 16 (Dec. 22, 2023).

to respond to a compliance filing. Pursuant to that rule, TEP and NWECA submit this response.

PSE's Report includes three distinct parts: 1) a description of its 2024 program activities and spending, 2) a proposal for its 2025 and 2026 program design, budgets and goals, and 3) a plan for project evaluation.

TEP and NWECA reviewed the first part, PSE's description of its 2024 program activities and spending. It is appropriate for the Commission to acknowledge that this narrow portion of the Report complies with Order 01's annual reporting requirement.

However, TEP and NWECA have not had sufficient time to review or engage in conversations with PSE and other interested parties concerning the second and third parts, PSE's proposals for its 2025 and 2026 program design, budgets and goals, and its plans for project evaluation. The Commission should provide parties sufficient time to review PSE's future decarbonization programs and evaluation criteria; five business days is not enough. PSE implicitly acknowledged this when, in an e-mail to TEP, NWECA, and other interested parties, PSE requested feedback on the Report by December 13, 2024, four weeks after it was filed. It is in the public interest for the Commission to use a more deliberate public process to review the changes that PSE proposes.

This is the third time in the past two years that PSE has inappropriately attempted to use a compliance filing to seek Commission approval of a major rate or policy decision concerning the CCA. PSE submitted a general rate case compliance filing attempting to gain approval of a \$136 million increase in power costs related to PSE's modeling of CCA impacts.² Another time, PSE attempted to secure approval to disenroll approximately 50,000 low-income customers from CCA low-income credits.³ The Commission should remind PSE that using compliance filings to seek approval for major rate or policy decisions is inappropriate.

The second and third parts of the Report do not fall under Order 01's reporting requirement, which only include a retrospective description of program activities. Accordingly, the Commission's acknowledgement letter concerning the first part of the

² Dkts. UE-220066, UG-220067, and UG-210918, Order 26/21 Rejecting Compliance Filing, in Part; Requiring Revised Compliance Filing; Providing for Further Process, at 3-6 (Jan. 6, 2023).

³ Dkt. UG-230470, PSE Objection and Response in Opposition to Joint Petition, ¶ 4-7 (Aug. 26, 2024); Dkt. UG-230470, Joint Petition to Compel Compliance With Order 01 and Hear the Petition at the August 29, 2024 Open Meeting (Aug. 20, 2024).

Report need not, and should not, include or be construed as approval of PSE's proposals for its future program design, budgets, goals, or plans for project evaluation.

Very truly yours,

/s/ Yochanan Zakai

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