

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PUGET SOUND ENERGY

**Clean Energy Implementation Plan
Pursuant to WAC 480-100-640**

DOCKET UE-210795

**RESPONSE TESTIMONY OF
LORENA A. SHAH (EXH. LAS-1T)**

**ON BEHALF OF
THE ENERGY PROJECT**

October 10, 2022

RESPONSE TESTIMONY OF LORENA A. SHAH (EXH. LAS-1T)

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EXHIBITS

Exh. LAS-2 Comments of The Energy Project Regarding Final PSE Clean Energy
Implementation Plan, March 2, 2022, and accompanying Tables 1 and 2

1 **I. INTRODUCTION**

2 **Q: Please state your name and business address.**

3 A: My name is Lorena A. Shah. My business address is 1111 Cornwall Ave,
4 Bellingham, WA 98225.

5 **Q: By whom are you employed and in what capacity?**

6 A: I am the Assistant Director of Community Programs at the Opportunity Council in
7 Bellingham, Washington, a Community Action Agency.

8 **Q: How long have you been employed by the Opportunity Council?**

9 A: I have been employed by the Opportunity Council from 2004-2007 and from 2009
10 to the present.

11 **Q: Would you please summarize your professional background as it relates to**
12 **low-income programs?**

13 A: From 2013 to early 2022, I was the Community Services Manager for the
14 Opportunity Council managing all aspects of energy assistance, employment
15 programs, and COVID rental assistance programs. In May 2022 I became the
16 Assistant Director of Community Programs, adding Asset Building, Care
17 Coordination, Community Resource Center, and Outreach projects to my
18 portfolio of programs. From 2009 to 2013, I was the Energy Services Manager
19 managing energy assistance, conservation education, and healthy homes,
20 including program planning, compliance, budgeting, and staff supervision and
21 development. From 2006-2007 and in 2009, I was the inaugural Conservation
22 Education Lead processing weatherization, conservation education, and home
23 repair referrals, scheduling home visits, and creating education materials. From

1 2005-2006, I was an Energy Intake Specialist conducting energy assistance
2 appointments, completing applications, receiving household documents, and
3 calculating award benefits. From 2004-2005, I was the Energy Office Assistant at
4 the Opportunity Council answering phones and screening and scheduling for
5 energy assistance appointments.

6 I hold a Bachelor of Arts from Humboldt State University (now Cal Poly
7 Humboldt) in Arcata, California, and a Masters of Arts from University of Essex
8 in Colchester, Essex, United Kingdom.

9 **Q: On whose behalf are you testifying?**

10 **A:** I am testifying on behalf of The Energy Project (TEP), an intervenor in this
11 proceeding, on behalf low-income customers and vulnerable populations in PSE's
12 service territory and also on behalf of the Community Action Partnership (CAP)
13 organizations that provide low-income energy efficiency and bill payment
14 assistance for customers in Puget Sound Energy's (PSE) service territory. These
15 agencies include: Byrd Barr Place; Community Action Council of Lewis, Mason,
16 Thurston; Community Action of Skagit County; Hopelink; Hopesource;
17 Metropolitan Development Council; Multi-Service Center; Kitsap Community
18 Resources; Opportunity Council; Pierce County Community Action, and
19 Snohomish County Community Action.

20 **Q: Have you previously testified before the Commission?**

21 **A:** Yes. I provided testimony on behalf of TEP in PSE's 2022 General Rate Case,
22 Dockets UE-220066/UG-220067, filed on July 28, 2022, as Exh. LAS-1T.

1 **II. PURPOSE AND SUMMARY OF TESTIMONY**

2 **Q: What is the scope of your testimony?**

3 A: The purpose of my testimony is to provide TEP’s response to PSE’s 2021 Clean
4 Energy Implementation Plan (CEIP) and to respond to the testimony of PSE
5 witness Kara Durbin, Exh. KDD-1T, filed July 11, 2022.

6 **Q: Could you please summarize your testimony?**

7 A: My testimony presents the specific recommendations and supporting rationale for
8 TEP’s proposals regarding Customer Benefit Indicators (CBIs) and other CEIP
9 issues, in particular compliance with the “Specific Actions” requirements of the
10 Clean Energy Transformation Act (CETA). In addition, my testimony addresses
11 certain specific aspects of Ms. Durbin’s testimony, including distributed energy
12 resource programs (DER), Specific Actions, and CBIs.

13 **III. COMMENTS REGARDING PSE’S 2021 CEIP**

14 **Q: Has TEP previously provided comments to the Commission regarding PSE’s**
15 **2021 CEIP?**

16 A: Yes. The Energy Project filed detailed comments in this docket regarding the
17 Final PSE CEIP on March 2, 2022, prior to the initiation of adjudication.¹ The
18 March 2 comments are attached as Exh. LAS-2 and incorporated and adopted as
19 part of my testimony in this case.

20 **Q: Why are TEP’s March 2 Comments being submitted as part of your**
21 **testimony?**

¹ Comments of The Energy Project Regarding Final PSE Clean Energy Implementation Plan of March 2, 2022 (TEP Comments).

1 A: The Energy Project’s March 2 Comments addressed PSE’ Final CEIP filed on
2 December 17, 2021 (and corrected on February 1, 2022).² As will be discussed
3 further below, PSE has not proposed any changes or agreed conditions to its Final
4 CEIP in response to comments filed by TEP and other participants in the docket.
5 The Energy Project’s responses to the Final CEIP, therefore, have not changed
6 and the earlier filed Comments remain applicable. In addition, the March 2 TEP
7 Comments were sponsored by Director Shawn Collins. Mr. Collins has now left
8 TEP. I am adopting the TEP Comments and replacing Mr. Collins as the
9 sponsoring witness for TEP.

10 **Q: Please provide an overview of TEP’s responses to the PSE 2021 CEIP, as**
11 **reflected in the attached Comments.**

12 A: The Energy Project’s comments and recommendations focus on two primary
13 areas of the CEIP: (1) Customer Benefit Indicators and metrics for statutory
14 benefit areas; and (2) Distributed Energy Resources (DER) and “Specific
15 Actions.”

16 **Q: What are TEP’s general concerns regarding the proposed CBIs?**

17 While in some areas, PSE has proposed reasonable CBIs, TEP believes that the
18 CEIP falls short in some areas and can be improved. A number of PSE’s CBIs
19 are quite general and high-level and there is a need for more practical specificity
20 to allow measurement of improvement in particular tangible areas. In addition,

² The Energy Project also provided written comments to PSE regarding its Draft CEIP on November 15, 2021.

1 the CEIP fails to conform to the Commission requirement to provide a narrative
2 description of Specific Actions related to the proposed CBIs.³

3 Puget Sound Energy's CEIP should include CBIs that will reflect whether
4 or not direct benefits are being experienced by customers. To that end, TEP
5 proposes additional CBIs and metrics for adoption by PSE or by the Commission
6 as conditions of approval.

7 **Q: Do TEP's Comments provide a comparison between the Joint Advocate CBI**
8 **recommendations and the PSE proposed CBIs?**

9 A: Yes. The Energy Project's attached Comments, Exh. LAS-2, include two tables
10 for that purpose. Table 1 lists for each CETA statutory element (e.g., Energy
11 Security or Reduction of Burden) the related Joint Advocate CBI and the related
12 PSE CBI. Table 2 presents a summary of the extent to which the PSE CEIP
13 addresses the Joint Advocates proposed CBIs.

14 **Q: Please summarize TEP's recommended CBIs as discussed in the attached**
15 **Comments.**

16 A: The Comments, Exh. LAS-2, address six major areas, with related CBIs:
17 • Reduction of Burden (Comments, p. 4)
18 CBIs - Track energy burden for customers in vulnerable populations and
19 highly impacted communities and for participants in bill assistance programs,
20 as well as expansion of translation services.
21 • Cost Reduction (Comments, p. 6)

³ The Energy Project Comments, Exh. LAS-2. p. 6.

1 CBIs - Reduction in number and amount of arrearages; expansion of bill
2 assistance and energy efficiency programs.

- 3 • Energy Security (Comments, p. 8)

4 CBIs- Reduction in residential disconnections; improved access to clean
5 energy

- 6 • Risk Reduction (Comments, p. 11)

7 CBI- Reduction in number of customers with low credit scores and those sent
8 to collection

- 9 • Resilience (Comments, p. 13)

10 CBIs – Reduced frequency and duration of brownouts and blackouts in named
11 communities

- 12 • Energy Benefits (Comments, p. 15)

13 CBIs – Improved energy efficiency for low-income housing stock; access to
14 an increased number of renewable distributed generation resources.

15 The Energy Project proposes specific CBIs and metrics in each of these areas as
16 discussed in more depth in the cited sections of the Comments. A list is provided
17 both in the Conclusions and Recommendations Section of this testimony as well
18 as in the attached Comments.

19 **Q: Please provide an overview of TEP’s concerns regarding DER in the CEIP.**

20 A: Distributed energy resource programs, including energy storage and solar power
21 can provide significant benefits to low-income customers, vulnerable populations
22 and highly impacted communities. The Energy Project is strongly supportive of
23 utility efforts to expand these resources. Distributed energy resource programs

1 should be an important component of the CEIP. However, TEP has identified
2 general concerns with two potential programs described in the CEIP -- leasing for
3 battery storage and leasing of solar PVs.⁴ Concerns include: (1) whether
4 household level programs are the best option; (2) the lack of detail presented for
5 the programs; (3) whether the programs could actually increase energy burdens;
6 and (4) lack of clarity regarding “Specific Actions” related to the programs (as
7 discussed below).

8 As noted, regarding the battery energy storage program for residential
9 customers, TEP has questions about the potential for charges to be imposed on
10 low-income customers, vulnerable populations and highly impacted communities
11 and the impact on their energy burden. There is also a concern about disparity of
12 treatment between residential and commercial customers, where commercial
13 customers could potentially receive lease payments from PSE for battery storage.

14 Regarding leasing of rooftop solar, the Comments identify concerns
15 regarding pass-through of costs by landlords in the multifamily housing program,
16 and flow of payments and credits, and possible net increased costs for the solar
17 lease.

18 **Q: Please describe the concern related to “Specific Actions”.**

19 A: The CEIP rules require a narrative description of “Specific Actions” which must
20 include an assessment of current benefits and burdens on customers and the
21 projected impact of specific actions on the distribution of customer benefits and

⁴ The Energy Project Comments, Exh. LAS-2, pp. 17-31.

1 burdens during the implementation period. The Comments discuss how PSE’s
2 descriptions of planned “Specific Actions” related to solar and battery leasing fall
3 short of this requirement, providing program concepts rather than specific plans to
4 be implemented.⁵

5 **IV. RESPONSE TO PSE JULY 11, 2022, TESTIMONY**

6 **Q: What is your general understanding of the pre-filed direct testimony filed**
7 **July 11, 2022, in this docket by PSE CEIP witness Kara Durbin, Exh. KKD-**
8 **1T?**

9 A: As I understand it, the primary theme of PSE’s testimony is that PSE’s CEIP, as-
10 filed, “complies with both the regulatory content and the spirit of the clean energy
11 transformation that CETA envisions.”⁶ The testimony describes the CEIP
12 development process and discusses generally the various issues raised by different
13 stakeholders. The PSE testimony expresses the view that these issues are either
14 already adequately addressed in the CEIP, will be addressed in the future, or need
15 not be addressed because they are beyond the scope of CETA. Puget Sound
16 Energy states that its CEIP contains all the elements required by CETA
17 regulations⁷ and proposes no changes or modifications to the Final CEIP based on
18 the concerns raised by multiple stakeholders. The testimony states that “PSE
19 requests the Commission issue an order approving, or approving with conditions,
20 PSE’s CEIP pursuant to WAC 480-100-645(2).”⁸ Puget Sound Energy has not

⁵ The Energy Project Comments, Exh. LAS-2, ¶ 39, ¶¶ 46-49 (battery storage leasing), ¶¶ 62-66 (solar leasing).

⁶ Durbin, Exh. KKD-1T at 3:9-10.

⁷ Durbin, Exh. KKD-1T at 45:8-12.

⁸ Durbin, Exh. KKD-1T at 45:7-8.

1 proposed any conditions for approval and, therefore, as noted, the Company
2 appears to be requesting approval of the Plan as-filed.

3 **Q: Does TEP have a response to PSE’s discussion of issues in Ms. Durbin’s**
4 **testimony?**

5 A: Because PSE has made no changes to the Final CEIP as filed, the PSE testimony
6 raises nothing new of substance about the plan. The Energy Project’s response to
7 the specifics of the proposed Plan remains as contained in the Comments in my
8 Exh. LAS-2. However, I will respond to a few points raised in Ms. Durbin’s
9 testimony.

10 **Q: Ms. Durbin’s testimony says that the “CEIP should not include non-resource**
11 **topics such as bill assistance, disconnection, and arrearages, because these**
12 **non-resource topics are under the purview of other laws and regulations.”⁹**
13 **Does TEP agree?**

14 A: No. The Energy Project believes that these topics are properly within the scope of
15 the CEIP. The TEP Comments respond to this PSE argument in detail, pointing
16 out that CETA expressly contemplates consideration of such factors as
17 affordability and cost-reduction.¹⁰ Avista’s recently approved CEIP includes
18 CBIs and metrics related to arrearages and disconnections.¹¹ PacifiCorp’s Final
19 CEIP currently under review includes a company-proposed CBI and metric

⁹ Durbin, Exh. KKD-1T at 9:18-10:2.

¹⁰ The Energy Project Comments, Exh. LAS-2, ¶¶ 70-76.

¹¹ *In the Matter of Avista Utilities d/b/a Avista Corporation’s Clean Energy Implementation Plan*, Docket UE-210628, Order 01, ¶ 12, Appendix A, ¶ 22. The Order also adopted an additional Condition proposed by Staff not included in the original set of agreed conditions. *Id.*, ¶ 14, 23-24.

1 related to residential disconnections.¹² These types of issues are properly within
2 the scope of a CEIP.

3 **Q: What is your response to Ms. Durbin’s discussion of stakeholder concerns**
4 **regarding DER?**

5 A: The Energy Project is concerned with the lack of specificity regarding DER in the
6 CEIP and with what appears to be an unduly conservative initial approach. The
7 testimony notes that, while DER was rated highly in PSE’s selection process,¹³
8 PSE proposes a “moderate level of initial DER acquisition.”¹⁴ Even for a
9 “moderate level” of initial acquisition, the CEIP lacks tangible proposals,
10 presenting only “a potential suite of resources” that is “meant to be illustrative”¹⁵
11 of the types of DER resources that PSE may pursue during the four-year period
12 and their anticipated benefit.¹⁶ Puget Sound Energy acknowledges that “the
13 CEIP does not outline the specific programs and associated costs at this time.”¹⁷
14 The specific DER resources PSE is pursuing will not be presented until the 2023
15 Biennial CEIP Update or in future tariff filings¹⁸

16 **Q: How does this concern relate to the “Specific Actions” requirement?**

17 A: The Commission’s CEIP rules require a narrative description of “Specific
18 Actions,” including an assessment of benefits and burdens and of the projected

¹² UE-210829, PacifiCorp CEIP, December 30, 2021, Table 6.1, pp. 126-127.

¹³ Durbin, Exh KKD-1T at 16:10-14.

¹⁴ *Id.*, at 16:15.

¹⁵ The Energy Project concerns with some aspects of the illustrative proposals for solar and battery leasing are discussed earlier in my testimony.

¹⁶ Durbin, Exh. KKD-1T at 17:

¹⁷ Durbin, Exh. KKD-1T at 18:3-4

¹⁸ Durbin, Exh. KKD-1T at 27:5-7

1 impact of the actions on customers during the implementation period.¹⁹ Puget
2 Sound Energy’s presentation of illustrative programs and potential program
3 concepts, with no clear explanation of benefits, fails to meet this requirement.
4 Commission Staff, Public Counsel, NWECA, and Front and Centered all expressed
5 concerns about this issue. Puget Sound Energy’s testimony accurately identifies
6 these concerns and effectively concedes that the CEIP falls short with regard to
7 the “Specific Actions” requirement to provide specificity, a robust assessment of
8 benefits and burdens, and projected impacts.²⁰ Puget Sound Energy’s less than
9 definitive commitment on this issue is that it “looks forward to a future CEIP in
10 which more granularity in some of these areas may be possible.”²¹ Concerningly,
11 PSE testimony goes on to indicate that, even in PSE’s next CEIP in 2025, it is
12 “not likely” to be able to provide the requisite “granularity.”²² Puget Sound
13 Energy questions the underlying premise of the Commission’s rules requiring
14 specificity and suggests that at best it can provide information about projects at
15 the time of the CEIP Biennial Updates, rather than in the CEIPs.²³ Overall, PSE’s
16 approach to this key requirement of CETA and the Commission’s CEIP rules is
17 problematic.

18 **Q: What is your response to the PSE testimony regarding stakeholder proposals**
19 **for the adoption of additional CBIs and metrics?**

¹⁹ The Energy Project Comments, Exh. LAS-2, ¶ 39.

²⁰ *Id.*, at 28:8-12.

²¹ *Id.*, at 28:12-13.

²² Durbin, Exh. KKD-1T at 29:10.

²³ Durbin, Exh. KKD-1T at 29:16-30:5.

1 A: The Energy Project’s rationale for adoption of specific additional CBIs is
2 addressed in detail in the attached and incorporated TEP Comments, Exh. LAS-2.
3 I do want to respond, however, to Ms. Durbin’s procedural concern that TEP or
4 other stakeholder proposals for adoption of CBIs can’t be considered at this stage
5 of the proceeding because they assertedly weren’t presented prior to the filing of
6 the Final CEIP or developed through a specific aspect of PSE’s stakeholder
7 process.²⁴

8 First, the underlying premise that the recommendations aren’t timely is
9 incorrect. The Joint Advocates (JA) provided their detailed CBI
10 recommendations to PSE and the other investor-owned utilities beginning in July
11 2021.²⁵ Subsequently, various parties, including TEP, addressed the specific JA
12 CBIs in November 21 comments PSE’s draft CEIP. Arguing that these proposals
13 should have been addressed in the advisory group process also overlooks the fact
14 the JAs are themselves Advisory Group members (Low-income and Conservation
15 Resource Advisory Groups – Public Counsel, NWECA, TEP; Equity Advisory
16 Group- Front and Centered).

17 Second, the CEIP review and approval process allowing the Commission
18 to approve the CEIP “with conditions” means that changes to the CEIP can be
19 considered and adopted after the Final CEIP has been filed. The process for
20 written comments, testimony, and hearings after the filing of the Final CEIP
21 clearly contemplates that all parties can propose changes and improvements to the

²⁴ Durbin, Exh. KKD-1T at 33:9-12.

²⁵ The Energy Project Comments, Exh. LAS-2, ¶ 2.

1 CEIP as conditions that the Company can agree to or the Commission can require.
2 PSE's suggestion that new CBIs or other proposals can't be considered at this
3 stage of the case on procedural grounds is not persuasive.

4 **V. CONCLUSION AND RECOMMENDATIONS**

5 **Q: Please summarize your recommendations.**

6 A: The Energy Project recommends that the Commission condition approval of the
7 PSE CEIP on adoption of the following additional CBIs and metrics, listed by
8 statutory benefit element:

9 **Reduction in Burdens**

10
11 CBI: Reduction in number of customers suffering from high energy burden.

12
13 Metric: (1) Track energy burden for customers in vulnerable populations and highly
14 impacted communities, and participants in bill assistance programs; (2) Expand
15 translation services.

16
17 **Reduction in Cost**

18
19 CBI: Reduction in number and amount of arrearages.

20 Metric: Reduction in number and percentage of residential customers with
21 arrearages of 90 days or more, with breakouts by zip code/census tract, renters,
22 vulnerable populations and highly impacted communities, known low-income and
23 BIPOC communities.

24
25 CBI: Expand bill assistance and energy efficiency program resources.

26 Metrics: (1) increase participation and penetration rates, including in vulnerable
27 populations and highly impacted communities; (2) increase annual program budgets
28 and utilization rates.

29
30 **Energy Security**

31
32 CBI: Reduced residential disconnections.

33
34 Metrics: (1) Reduced number and percentage of residential disconnections; (2)
35 Reduced disconnections measured by location and demographic information (zip

1 code/census tract), renter, know low-income, vulnerable populations and highly
2 impacted communities).

3
4 CBI: Improved access to clean energy (same as PSE CBI).

5
6 Metric: Increased number of low-income, vulnerable populations and highly
7 impacted communities with storage, back-up, and/or locally powered centers for
8 emergencies.

9
10 **Reduction in Risk**

11
12 CBI: Reduction in number of customers with low utility credit scores, reduced
13 number of customers sent to collection.

14
15 Metrics: (1) reduction in number and percentage of customers in the two lowest
16 tiers of the utility credit scoring system; (2) utility assessment and review of credit
17 code scoring system; (3) reduction in number and percentage of customers sent to
18 collection, with tracking of low-income, vulnerable populations and highly
19 impacted communities.

20
21 **Resilience**

22
23 CBI: Reduced frequency and duration of blackouts or brownouts in targeted
24 communities.

25
26 Metric: Reduction in SAIDI and SAIFI for low-income, vulnerable populations and
27 highly impacted communities, and communities with a history of long loss of
28 service, analyzing geographically targeted data (e.g., at the census tract level).

29
30 **Energy Benefits**

31 CBI: Improved energy efficiency for low-income housing stock.

32
33 Metrics: (1) conversion to energy efficient appliances, and (2) expanded energy
34 efficiency in rental residential housing stock.

35
36 CBI: Access to an increased number of renewable or non-emitting distributed
37 generation (DG) resources.

38
39 Metrics: Increase in the number of DG and renewable energy projects for low-
40 income, vulnerable populations and highly impacted communities.

1 **Specific Actions**

2

3 The Energy Project also respectfully requests that PSE be required to improve the
4 linkage between its identified Specific Actions for CBIs and DERs.

5

6 **Q: Does this conclude your testimony?**

7 A: Yes.