

**Exh. JES-3
Docket UE-210795
Witness: Jennifer E. Snyder**

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

**EXHIBIT TO
TESTIMONY OF**

JENNIFER E. SNYDER

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Staff's Recommended Conditions

October 10, 2022

Staff's Recommended Conditions for PSE's 2021 CEIP

Staff recommends the Commission approve PSE's CEIP including:

- PSE's proposed 2022 – 2025 interim targets.
- PSE's energy efficiency specific target.
- PSE's demand response (DR) target of 23.7 megawatts (MW) by 2025.
- PSE's renewable energy target.
- PSE's DER sub-target of 80 MW of distributed solar by 2025.

with the following conditions:

For the 2023 CEIP update PSE must:

1. update all specific actions.
2. update its demand response target to pursue all cost-effective DR.
3. develop a methodology for ensuring and demonstrating that its demand response target and programs contribute to meeting the equitable distribution requirements of RCW 19.405.040(8).
4. work with the equity advisory group and an advisory group (either new or existing) with sufficient expertise and interest to develop a new or revised DER selection process that is (1) consistent with the distributed energy resources planning process outlined in RCW 19.280.100, and (2) transparent, technology neutral, and robust in its comparison of DER programs considering cost and non-cost factors.
5. continue refining methods to identify vulnerable populations, working with customers and technical experts.

Within sixty days of the date of the final order in this case PSE must:

6. provide a master file index for its 2021 CEIP.
7. obtain a license for Staff to use the AURORA and PLEXOS models.
8. file to this docket a narrative describing how its renewable energy target of 800 MW contributes to PSE's achieving its interim target of 63 percent renewable or non-emitting energy by 2025. This filing should also include the renewable energy target as a percentage of retail load, as required by WAC 480-100-640(3)(a)(iii).

For the 2025 CEIP PSE must:

9. file a draft CEIP on a timeline the Company determines sufficient to incorporate comments on the draft CEIP into the final CEIP.
10. evaluate methods to improve the alignment of the Company's planning and procurement processes.

11. not to use the incremental cost of compliance (IC) as a constraint for base portfolio selection processes.
12. continue refining methods to identify vulnerable populations, working with customers and technical experts.
13. develop interim targets, in collaboration with the EAG, for all CBIs that PSE has direct influence over for the 2025 CEIP.

Staff also recommends the Commission formalize the commitments PSE made in chapter 8 of the CEIP by ordering the following conditions:

In the 2023 IRP progress report PSE must:

14. incorporate temperature data that reflects climate change in the load forecast.
15. ensure the demand-side resource assessment, including conservation potential assessment incorporates climate change consistent with the load forecast
16. incorporate changes to PSE's resource adequacy modeling as outlined in the PSE response to public comments on ELCC calculations and use filed under WUTC Docket UE-210220.
17. use updated generic resource costs and operating characteristics with the most up to date information.
18. provide updates to short-term market reliance.

In the Phase 2 evaluation of the 2021 All-Source RFP and 2022 Targeted DER RFP analysis PSE must incorporate:

19. temperature data that reflects climate change into the load forecast consistent with the 2023 IRP progress report.
20. updated effective load carrying capability (ELCCs) as part of PSE's update to the resource adequacy modeling consistent with the 2023 IRP progress report.
21. updated resource needs and portfolio modeling consistent with the 2023 IRP Progress report.
22. any updates to short-term market reliance as part of PSE's update to the resource adequacy modeling consistent with the 2023 IRP progress report.

In the 2023 biennial CEIP update PSE must:

23. incorporate the analysis contained in the 2023 IRP progress report described above.
24. incorporate the results of the 2021 All-Source RFP.
25. incorporate the results of the 2022 Targeted DER RFP.

Prior to the 2023 biennial CEIP update, PSE must develop the building blocks for an equity assessment including:

26. continue to develop data sources for metrics related to customer benefit.
27. indicators and any baseline data not already included in this CEIP.
28. continue to work with stakeholders to identify and develop future customer benefit indicators, including the potential for measuring fish and wildlife impacts, wildfire

impacts, sense of pride and self-sufficiency, and indoor air quality to inform the potential collection of baseline data for the next CEIP and will provide an update on this work in the 2023 biennial CEIP update.

29. continue working on methodology for scoring and weighting customer benefit indicators for the next CEIP and provide an update on this work in the 2023 biennial CEIP update.
30. continue to assess and measure the disparities within its existing programs and work with customers and stakeholders to begin to understand root factors causing disparities.
31. engage with highly impacted communities and vulnerable populations to begin designing programs that mitigate existing disparities, are accessible and affordable and bring benefits directly to these customers that can be measured through the customer benefit indicators.

Condition number	Compliance due
1	2023 CEIP update
2	2023 CEIP update
3	2023 CEIP update
4	2023 CEIP update
5	2023 CEIP update
6	60 days after order
7	60 days after order
8	60 days after order
9	2025 CEIP
10	2025 CEIP
11	2025 CEIP
12	2025 CEIP
13	2025 CEIP
14	2023 IRP progress report
15	2023 IRP progress report
16	2023 IRP progress report
17	2023 IRP progress report
18	2023 IRP progress report
19	RFP Phase 2 evaluation
20	RFP Phase 2 evaluation

21	RFP Phase 2 evaluation
22	RFP Phase 2 evaluation
23	2023 CEIP update
24	2023 CEIP update
25	2023 CEIP update
26	2023 CEIP update
27	2023 CEIP update
28	2023 CEIP update
29	2023 CEIP update
30	2023 CEIP update
31	2023 CEIP update