

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY

Revised Clean Energy Implementation Plan

DOCKET UE-210829

**TESTIMONY OF STEPHANIE K. CHASE
ADDRESSING THE SETTLEMENT AGREEMENT
ON BEHALF OF
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

Exhibit SKC-1T

September 22, 2023

1 **Q. Please state your name and business address.**

2 A. My name is Stephanie K. Chase and my business address is 800 Fifth Avenue, Suite
3 2000, Seattle, Washington 98104.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am a Regulatory Analyst with the Public Counsel Unit of the Washington State
6 Attorney General's Office (Public Counsel). Public Counsel is a statutory party to
7 proceedings before the Washington Utilities and Transportation Commission (UTC or
8 the Commission) under RCW 80.01.100, RCW 80.04.510, and RCW 81.04.500.

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

10 A. I am testifying on behalf of the Public Counsel Unit.

11 **Q. Please describe your professional qualifications.**

12 A. I have a J.D. from the University of Wisconsin Law School and a Master of Public
13 Affairs degree from the La Follette School of Public Affairs at the University of
14 Wisconsin-Madison, with a concentration in energy and environmental policy. I also
15 have a B.S. in Political Science from South Dakota State University in Brookings,
16 South Dakota.

17 Prior to joining Public Counsel, I worked as an associate attorney at the
18 Environmental Law & Policy Center (ELPC) in their Madison, Wisconsin office. As
19 an associate attorney, I worked on a variety of legal and policy matters related to
20 energy and environmental issues in Wisconsin, South Dakota, and North Dakota.

21 Since joining Public Counsel in January 2020, I have worked on a variety of
22 utility and transportation matters, including the 2020 Puget Sound Energy (PSE) water
23 heater rental service sale case (Docket UG-200112), the Cascade Natural Gas general

1 rate case (Docket UG-200568), PSE’s Power Cost Only Rate Case (Docket
2 UE-200980); the CenturyLink 9-1-1 outage complaint case (Docket UT-181051), the
3 Super Friends Moving Company complaint case (Docket TV-190835), the Clutter, Inc.
4 complaint case (Docket TV-200432), the Washington Water Service Corporation
5 general rate cases (Docket UW-210560 and UW-230236), the 2022 PSE general rate
6 case (Dockets UE-22066 and UG-220067), and several smaller water rate cases and
7 transportation company complaint cases.

8 I also have worked on several rulemakings related to the Clean Energy
9 Transformation Act (Dockets UE-190698, UE-190837, UE-191023, and UE-210183)
10 and the advanced metering infrastructure rulemaking (Docket U-180525). In addition,
11 I worked on the household goods movers docket revising Tariff 15-C (Dockets
12 TV-210812 and TV-210535 (*Consolidated*)), and will participate in the household
13 goods alternative form of economic regulation rulemaking (TV-230724) and the solid
14 waste rulemaking (TG-220140).

15 I participate in a number of advisory groups on behalf of Public Counsel. I
16 represent Public Counsel on PSE’s Integrated Resource Plan (IRP) technical advisory
17 group, and PacifiCorp’s Demand Side Management advisory group, IRP group,
18 low-income advisory group, and equity advisory group. I also represent Public
19 Counsel on the Commission’s electric vehicle and transportation electrification
20 stakeholder group. I represent Public Counsel as part of the Washington Department of
21 Commerce’s State Electric Vehicle Council, which is developing the statewide
22 transportation electrification strategy.

1 Additionally, I completed the Public Utilities Reports Principles of Public
2 Utilities Operations and Management Guide Course in May 2020, the Michigan State
3 University Institute for Public Utilities Ratemaking Training in September 2020, and
4 the National Association of Regulatory Utility Commissioners Rate School in May
5 2022.

6 **Q. Please describe the purpose of your testimony.**

7 A. I am testifying in this proceeding to address the terms of the Settlement Agreement,
8 filed on September 22, 2023, in the adjudication of the PacifiCorp Clean Energy
9 Implementation Plan (CEIP). The Settlement Agreement includes conditions to which
10 the settling parties agreed to bring the CEIP into compliance with the Clean Energy
11 Transformation Act¹ and Utilities and Transportation Commission (UTC) regulations.²
12 The terms of the Settlement Agreement are in the public interest because they fairly
13 and reasonably resolve a number of issues in this matter and include benefits for
14 customers, which may not have been achieved without settlement.

15 **Q. Please summarize the components of the settlement.**

16 A. The Settlement Agreement contains a number of terms related to customer benefit
17 indicators and associated metrics; identification of vulnerable populations; modeling;
18 transparency; distributed energy resources and distribution planning; incremental cost;
19 interim targets; the Natrium nuclear demonstration project; specific actions; public
20 participation; rate recovery in future general rate cases; and identification of renewable
21 energy credits sold. The Settlement Agreement specifies that the conditions, unless

¹ Chapter 19.405 RCW.

² WAC 480-100-640.

1 stated otherwise, will be implemented in the 2024 CEIP progress report or in the 2025
2 CEIP.

3 **Q. What is Public Counsel’s position on the Settlement?**

4 A. Public Counsel supports the Settlement Agreement and recommends that the
5 Commission approve it.

6 **Q. What is the public interest standard for the Commission to approve settlement
7 agreements?**

8 A. WAC 480-07-740 specifies how the Commission will review settlements and
9 determine if they meet the requirements of the applicable statutes and regulations and
10 are in the public interest. The Commission may approve, modify, or reject settlement
11 agreements proposed by parties.³ No settlement is effective unless approved by the
12 Commission.⁴ As the Commission considers whether to approve, modify, or reject a
13 settlement agreement, they contemplate the following for each term:

- 14 • Whether any aspect of the proposal is contrary to law;
- 15 • Whether any aspect of the proposal offends public policy; and,
- 16 • Whether the evidence supports the proposed elements of the settlement
17 agreement as a reasonable resolution of the issue(s) at hand.⁵

18 **Q. Does Public Counsel believe that any part of the Settlement Agreement is
19 contrary to the applicable statutes and regulations?**

³ WAC 480-07-750(2).

⁴ WAC 480-07-730.

⁵ *In re: Determining the Proper Carrier Classification of Glacier Recycle*, Docket TG-072226, Order 08 Final Order Approving and Adopting Multiparty Settlement Agreement Subject to Condition, Authorizing and Requiring Compliance Filings, ¶ 25 (July 9, 2010).

1 A. No. Public Counsel believes that the Settlement Agreement complies with applicable
2 statutes and regulations. The conditions in the Settlement Agreement bring the CEIP
3 into compliance with CETA and better aligns it with CETA's goals relating to
4 customer benefits and equity, meeting interim targets for renewable energy, and public
5 participation.

6 **Q. Please explain the terms regarding customer benefit indicators and associated**
7 **metrics and why those terms are in the public interest.**

8 A. The Settlement Agreement terms involving customer benefit indicators and associated
9 metrics will ensure that PacifiCorp meets the customer benefits requirements under
10 CETA, requiring tracking and reporting on customer benefits and metrics. The metrics
11 will include customer disconnections and arrearages, households experiencing high
12 energy burden, culturally and linguistically responsive outreach, energy efficiency,
13 billing assistance, clean energy in named communities, and reliability for vulnerable
14 populations, and coordination with interested parties. PacifiCorp will also be required
15 to create a publicly accessible report card within 60 days of the final order in this
16 Docket. In the 2025 CEIP, the Company will provide a clear explanation as to how it
17 developed each customer benefit indicator and metric, and how those metrics are
18 impacted by the Company's specific actions. These terms are in the public interest
19 because they will require more transparency from the Company and public reporting
20 of how PacifiCorp customers are benefiting from the transition to clean energy.

21 **Q. Please explain the terms regarding identification of vulnerable populations and**
22 **why those terms are in the public interest.**

1 A. CETA requires the Company to include mitigation of risks to highly impacted
2 communities and vulnerable populations.⁶ The Settlement Agreement includes
3 conditions that require PacifiCorp to describe how it will improve identification and
4 tracking of vulnerable populations, in addition to the Company's work to identify and
5 track highly impacted communities. These terms require the Company to work with
6 interested parties to hold workshops to consider a variety of vulnerability factors and
7 how best to identify and track populations with those factors. These terms are in the
8 public interest because by better identifying vulnerable populations, PacifiCorp will be
9 able to enhance the efficiency and effectiveness of programs benefiting customers in
10 their territory.

11 **Q. Please explain the terms regarding modeling transparency and why those terms**
12 **are in the public interest.**

13 A. The Settlement Agreement contains a number of terms involving transparency of the
14 modeling process, including providing modeling files and instructions for parties,
15 using intuitive naming conventions, and access to the full software for UTC Staff,
16 among other terms. These terms are in the public interest because they will allow Staff
17 and other interested parties to more fully understand and analyze the modeling process
18 used by PacifiCorp and the reasons for the resulting portfolio selection.

19 **Q. Please explain the terms regarding distributed energy resources and distribution**
20 **planning and why those terms are in the public interest.**

⁶ See RCW 19.405.010; RCW 19.405.020(23), (40); RCW 19.405.040(8); RCW 19.405.060(1)(c)(iii).

1 A. The Settlement Agreement requires PacifiCorp to conduct distribution system
2 planning in Washington, including incorporation of learnings from completing a
3 similar process in Oregon. This process will also involve interested parties and include
4 an evaluation of Washington-specific costs and benefits, such as benefits and burdens
5 to vulnerable populations and highly impacted communities. These terms are in the
6 public interest because this type of planning is an important step in working toward
7 distributed energy resource planning, which will become important to distribute clean
8 energy benefits in accordance with the equity requirements of CETA.

9 **Q. Please explain the terms regarding incremental costs and why those terms are in**
10 **the public interest.**

11 A. The Settlement Agreement requires that PacifiCorp include in the CEIP the projected,
12 CETA-related costs that it expects to incur. They are also required to participate in
13 future discussions with interested parties regarding incremental cost calculation and
14 methodology changes. These terms are in the public interest because they will provide
15 more transparency for CETA costs and the Company's methods of calculation.

16 **Q. Please explain the terms regarding interim targets and why those terms are in the**
17 **public interest.**

18 A. The Settlement Agreement requires the Company to update its interim targets in the
19 2023 CEIP update and demonstrate how its targets ensure that all customers are
20 benefitting from the clean energy transition. These terms are in the public interest
21 because they require the Company to fully demonstrate how its interim targets ensure
22 all customers benefit from the transition to clean energy, and how its resource

1 portfolio is optimized at the lowest reasonable cost accounting for risk. These
2 additional analyses will provide more transparency for customers.

3 **Q. Please explain the terms regarding the Natrium nuclear demonstration project**
4 **and why those terms are in the public interest.**

5 A. The Company will provide a sensitivity analysis from the CEIP portfolio removing the
6 Natrium demonstration project in 2028 and that identifies system impacts and
7 alternative resources. This term is in the public interest because there is an uncertainty
8 in the timeline surrounding when the Natrium project would be able to serve
9 PacifiCorp's customers, and it is important for PacifiCorp to analyze what may happen
10 if the plant is unable to meet expected timelines. Natrium executives have stated that
11 the project will not have available fuel to be online by summer 2028. Because the
12 plant accounts for 500 MW of generation, alternatives should be considered to provide
13 for the reliability of the system.

14 **Q. Please explain the terms regarding specific actions and why those terms are in the**
15 **public interest.**

16 A. The Settlement Agreement requires PacifiCorp to include more information about how
17 its specific actions clearly address WAC 480-100-640(5) and (6), among other
18 requirements. They will also be required to explain how the federal Inflation
19 Reduction Act will impact the costs of certain specific actions and when and how this
20 information will be updated in the CEIP. These terms are in the public interest because
21 they require PacifiCorp to more fully demonstrate and explain how their plan will
22 benefit customers, how the plan is consistent with the utility's IRP and resource

1 adequacy requirements, and how the plan helps the Company meet the requirements of
2 CETA at the lowest reasonable cost.

3 **Q. Please describe the terms regarding public participation and why these terms are**
4 **in the public interest.**

5 A. The Settlement Agreement includes terms about public and advisory group
6 participation for the 2025 CEIP, requiring PacifiCorp to fully and actively engage with
7 all advisory groups in the development of the CEIP. The Company will be required to
8 host at least one joint session for all of the advisory groups, including the Low Income
9 Advisory Group, Demand Side Management Advisory Group, and Equity Advisory
10 Group. The Company will also be required to describe how it incorporates feedback
11 from advisory groups and the public into its CEIP. These terms are in the public
12 interest because they expand participation and consultation with all advisory groups
13 and add transparency to how the Company incorporates feedback to its CEIP. This
14 allows for more robust participation of advisory group members and requires the
15 Company to show how it has considered comments and questions, resulting in a more
16 equitable plan for the communities PacifiCorp serves.

17 **Q. Please describe the terms regarding rate recovery in future general rate cases and**
18 **why these terms are in the public interest.**

19 A. The Settlement Agreement provides that recovery of CEIP related costs from
20 ratepayers and prudence will be determined in future rate cases. In addition,
21 PacifiCorp will file a separate accounting petition with the UTC to address deferred
22 accounting treatment for costs associated with implementing the CEIP. Delaying the
23 determination of prudence of costs related to the CEIP is in the public interest because

1 it allows the Commission to use its standard in-depth analysis to determine prudence.
2 While inclusion in the CEIP could be considered in the prudency determination, the
3 Company cannot solely rely on the CEIP to justify the prudence of resources acquired
4 after January 1, 2022. Instead, PacifiCorp will be required to meet the Commission's
5 reasonableness standard and analysis, which typically focuses on the need for the
6 resource, the evaluation of alternatives, communication with and involvement of the
7 Company's board of directors, and adequate documentation.⁷

8 **Q. Please describe the terms regarding identification of renewable energy credits**
9 **sold and why these terms are in the public interest.**

10 A. The Settlement Agreement requires that PacifiCorp must specify in its 2024 filing and
11 2025 CEIP whether it has sold any Washington-allocated renewable energy credits
12 from renewable resources that are identified for CEIP compliance. This term is in the
13 public interest because it will require the Company to report any potentially double-
14 counted renewable energy credits. The renewable energy attributes of Washington-
15 allocated renewable resources should be utilized to comply with CETA and not be sold
16 to benefit the Company or utility customers elsewhere.

17 **Q. Does this conclude your testimony?**

18 A. Yes, it does.

⁷ *Wash. Utils. & Transp. Comm'n v. Puget Sound Energy*, Dockets UE-111048/UG-111049 (*consol.*), Order 08, ¶¶ 408–409 (May 7, 2012).