

**EXH. BDJ-17
DOCKETS UE-22 ___/UG-22 ___
2022 PSE GENERAL RATE CASE
WITNESS: BIRUD D. JHAVERI**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-22 ___
Docket UG-22 ___**

**SIXTEENTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

BIRUD D. JHAVERI

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 31, 2022

PUGET SOUND ENERGY | Time-Varying Rates Pilot – Stakeholder Collaborative No. 2 Survey

Please complete the following survey with any additional input regarding the pilot and rate design recommendations:

PSE’s Design Consideration	Brattle and/or PSE Recommendation	Rationale	Stakeholder Input
1- Should TOU only rates be offered?	Yes, for Residential	Focus groups found that residential customers preferred the predictability of savings opportunities with TOU rates vs. callable events like CPP.	<p>No. Research indicates the customers are predisposed to resist these types of programs <i>before</i> they are implemented. However, <i>after</i> they are implemented there is a high degree of satisfaction.</p> <p>Berkeley Research</p> <p>One stakeholder supports a menu-based approach.</p>
2- Should TOU+PTR rates be offered?	Yes, for Residential & Small Commercial	Can help reduce energy costs daily and during peak days; better customer engagement; mitigate free-rider problem that exists with simple PTR rate	What will PSE do to encourage small commercial customers to sign up? Based on the presentation on August 6, it did not seem small commercial was interested in any of the pricing pilots. Agree this should be one of the menu options for residential customers.
3- Should TOU+PTR be offered just in the winter months (versus year-round)?	TOU+PTR rate should be offered year-round (mirroring the TOU only rate)	Customers do not have to worry about changing their lifestyle over the year. Also increases their chances to save on a more diverse set of events.	Agree that a year-round rate is simpler for customers to understand, and easier to administer.

PUGET SOUND ENERGY | Time-Varying Rates Pilot – Stakeholder Collaborative No. 2 Survey

<p>4- Should CPP Rates be offered?</p>	<p>Recommendation is to offer PTRs instead of CPP.</p>	<p>Focus groups were highly resistant to the prospect of CPP; customers may find the uncertainty too risky. Little support from stakeholders for this so far to be applied to a broader population.</p>	<p>If there is little support, and therefore less likely adoption of this rate, agree it should not be offered as part of this pilot.</p>
<p>5- Will TOU rates be offered for EVs?</p>	<p>Yes. Baseline case includes Whole-house EV TOU rates; Company is exploring viability of EV-only rates</p>	<p>It is not certain whether separate EV metering will afford a statistically significant sample size or be viable in a full-scale deployment. There are advantages to both approaches: whole-house EV TOU rate is more inclusive within Sch. 7 (Residential Service), while EV only TOU rate could have more appeal. If EV Only metering/billing becomes viable, Company would be open to testing both treatments.</p>	<p>Staff would like to see some form of pricing specifically targeting EVs. At a minimum there should be whole-house TOU rates.</p>
<p>6- Should TOU Carbon rates be offered?</p>	<p>No economic basis at this time</p>	<p>Current average carbon emissions profile is flat; and do not correlate with high-load or high-price hours.</p>	<p>Agree there is no need for this, especially given CETA requirements for energy supply. Piloting this is unnecessary.</p>

PUGET SOUND ENERGY | Time-Varying Rates Pilot – Stakeholder Collaborative No. 2 Survey

<p>7- Will the rates be paired with enabling technologies?</p>	<p>TVR pilot will not have a separate treatment for enabling technologies; Company will offer enabling technologies through EE/DR programs</p>	<p>It is likely rates will not be paired with PSE provided technology in a full scale roll-out; strongly prefer to pursue same strategy that would be used for a full-scale rollout.</p>	<p>Will customers that take advantage of the enabling tech offered by PSE be at least flagged to know how many participants used it? Is PSE open to separately studying this group if there is a large enough sample size? What types of technologies could be paired with this? Are their demonstration projects or other pilots that could be spun out of this (for instance micro-grids, water heater demand response, etc.)?</p>
<p>8- How will the rates be deployed?</p>	<p>Opt-in will be the default for all treatment groups</p>	<p>Opt-In would likely be the only permissible approach in a full-scale rollout, we wish to only test what would realistically be deployed full-scale. Allows for increased customer choice.</p>	<p>Agree with the opt-in approach for the pilot but not necessarily for the full program. Opt-out programs have much higher success rates with far greater participation. Customer choice should be driven by the menu basis but TOU rates should be a minimum standard.</p> <p>Is there a possibility that EV customers be defaulted (opt-out) to a TOU rate in the full roll-out? The thinking there is EV customers are different types of consumers than non-EV customers.</p>
<p>9- Will the treatment customers be offered bill protection?</p>	<p>Recommendation is to not offer bill protection</p>	<p>Not likely to be available in a full-scale roll-out; low-income/underserved customers will be protected through low-income discounts/programs; bill protection for may dilute customer response to price signals.</p>	<p>Key stakeholder is comfortable with no bill protection as long as the other low-income discounts/programs are robust enough to not over-burden or end up causing a barrier for low-income customers from participating.</p>

PUGET SOUND ENERGY | Time-Varying Rates Pilot – Stakeholder Collaborative No. 2 Survey

<p>10-Will the treatment customers be offered shadow bills during recruitment?</p>	<p>Recommendation is to offer generic typical bill impacts using multiple load use scenarios</p>	<p>Similar information may be offered in a full-scale roll-out; customer can opt-out if pilot is not suitable</p>	<p>One stakeholder recommends PSE offer a shadow bill for the pilot and the roll-out. For customers to truly understand their own situation, they need the information. The burden should not only be on the customer for the customer to understand which pricing option is the best for them.</p>
<p>11- Please share any questions, comments, or concerns your organization might have with the information and/or rate designs presented in the second collaborative.</p>	<p>Clarification: will residential customers be offered a choice between TOU only and TOU+PTR?</p>		