



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

June 4, 2021

Received
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06/04/21 10:15
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Mr. Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

**Re: PSE Conjunctive Demand Service Option Pilot Program Compliance Filing
Replacement CDSO Pilot Report per Orders 8 and 13 of Dockets UE-190529
UG-190530 (consolidated)**

Dear Mr. Johnson:

Puget Sound Energy (“PSE”) hereby submits this letter and PSE’s Replacement Report Addressing PSE’s Electric Conjunctive Demand Service Option and the Design and Evaluation elements in staff’s Pricing Pilot Proposal (“Replacement Report”). The Replacement Report includes two attachments, 1) Attachment A: Schedules 26 and 31 Conjunctive Demand Service Option Pilot Monitoring and Reporting Plan, and 2) Attachment B: Electric Charging Conjunctive Demand Service Option Pilot Monitoring and Reporting Plan. These documents collectively replace PSE’s report filed in this proceeding on January 14, 2021, and are submitted pursuant to Orders 08 and 13 in Docket UE-190529 (“Orders”).

Since the effective date of Order 13 on March 8, 2021, PSE has worked collaboratively with Commission staff (“Staff”) to develop two sets of measures and respective reporting plans that address the distinct customer groups the conjunctive demand service option (“CDSO”) identifies. PSE appreciates Staff’s considerable insight, guidance, and availability throughout a series of meetings conducted since early March 2021 in the delivery of this Replacement Report.

This Replacement Report is consistent with the general guidelines in design and evaluation elements in Staff’s pricing pilots that the Commission adopted into the body of Order 13.

Specific Improvements pursuant to Order 13

In paragraph 14 of Order 13, the Commission found that PSE’s report lacked meaningful information regarding certain design and evaluation elements identified by Staff. The

Commission directed PSE to work with Staff to amend the Report to specifically and thoroughly address such elements. In response to the Commission's direction, PSE collaborated with Staff to transform PSE's general and brief bulleted list that "briefly touches" on Staff's design and evaluation elements to meaningful and specific factors that more precisely address the pilot's goals.

In paragraph 16 of Order 13, the Commission directed PSE to work with Staff to ensure thorough explanations regarding elements that are deemed not applicable. As a result of collaboration with Staff, PSE developed improved explanations for omitting those elements deemed not applicable.

The Commission acknowledged that the section of PSE's report addressing the Pros and Cons of the CDSO was sufficient, but the Commission requested that PSE revise that section to incorporate other changes made as a result of Order 13. PSE edited the Pros and Cons section to more directly relate to the instructions in Order 13.

In paragraph 18, the Commission stated that PSE's report lacked precise and measurable metrics that will allow for expanding or continuing the pilot. Accordingly, PSE revised that section to change subjective considerations to specific evaluation metrics that will inform PSE and other stakeholders regarding the wisdom of expanding the pilot over time.

Report Requirements Identified in Order 08

Although PSE's report incorporates the above-referenced changes as a result of Order 13, PSE's report still addresses the original requirements outlined in Order 8:

Paragraph No. 596, Order 8, Docket UE-190529:

"we require the Company to use the design and evaluation elements in Staff's pricing pilot proposal as general guidelines, applying those elements it deems relevant and providing discussion for those that the Company deems have little or no application to this particular Pilot."

Paragraph No. 789, Order 8, Docket UE-190529:

"the Commission would like to see more detail regarding the pros and cons of the Pilot and how the Company envisions expanding the Pilot over time."

Target CDSO Pilots

The two Conjunctive Demand Service Option pilots and their respective purposes are as follows:

A. Schedules 26 and 31 Conjunctive Demand Service Option Pilot

- Using the CDSO pricing structure to test if Schedule 26 and 31 Customers with multiple Points of Delivery across PSE’s electric system would reduce conjunctive peak demand across their various Points of Delivery.

B. Electric Charging Conjunctive Demand Service Option Pilot

- Evaluate if electric vehicle (“EV”) charging stations with multiple Points of Delivery could successfully benefit from lower demand charges attributable to reducing their Conjunctive Maximum Demand across their multiple Points of Delivery, thereby reducing some potential financial barriers for operating electric vehicle charging Points of Delivery.

Attachments A and B describe the detailed Monitoring and Reporting Plans that include Specific, Measurable, Achievable, Relevant, and Time-Bound (S.M.A.R.T) goals, metrics, and measurements for the two pilots, respectively. These Monitoring and Reporting Plans were developed in tandem with Staff based on their original guidelines referenced in the Orders.

The following table summarizes the filing requirements:

Report	Reporting Period	Due Date
Progress Report	December 1, 2020, (i.e., the first date that Customers may request potential participation in CDSO) through December 31, 2022	June 30, 2023
Final Report	December 1, 2020, through December 31, 2025	June 30, 2026

The two target CDSO pilots’ goals and the associated Monitoring and Reporting Plans address the specific needs of the two distinct groups of Customers. In addition to the testing of the CDSO pricing structure, the two plans include consistent and regular reporting requirements and on-going Customer engagement and communication to improve the overall Customer experience and to improve PSE’s administration efficiency of CDSO. PSE will carry out evaluation for expanding or continuing or revising the CDSO based upon the results of the metrics in the two plans and provide its conclusion in its final CDSO pilot report. This final report will be filed with the Commission six months preceding the scheduled pilot end date.

Mr. Mark L. Johnson, Executive Director and Secretary

June 4, 2021

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Please contact Mei Cass at 425-462-3800 or Jared Regan at 425-462-3046 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

/s/ Jon A. Piliaris

Jon A. Piliaris
Director, Regulatory Affairs
Puget Sound Energy
PO Box 97034, EST-07W
Bellevue, WA 98009-9734
(425) 456-2142
(425) 462-3414 (fax)
Jon.Piliaris@pse.com

Attachment:

190529-190530-PSE-CDSO-Replacement-Rpt-(06-04-21).docx

190529-190530-PSE-Attach-A-(06-04-21).docx

190529-190530-PSE-Attach-B-(06-04-21).docx