

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

Developing a Commission Jurisdictional
Specific Cost-effectiveness Test for
Distributed Energy Resources Incorporating
CETA

DOCKET UE-210804

COMMENTS OF PUBLIC COUNSEL

In response to

September 23, 2022 Notice of Opportunity to Comment

October 10, 2022

1. Public Counsel is pleased to provide these brief comments and the attached table in response to the Utilities and Transportation Commission’s Notice of Opportunity to Comment dated September 23, 2022.¹ Staff provided a categorized list of impacts identified as potentially associated with various Distributed Energy Resources (DERs), and asked stakeholders to weigh in on which were applicable for each of five types of DER. The five DER types are:

- a) Energy Efficiency
- b) Demand Response
- c) Distributed Generation
- d) Distributed Storage
- e) Electric Vehicle Supply Equipment

2. The impacts were categorized as “Societal” and “Host Customer” impacts. The “Host Customer Impacts” included Non-Energy Impacts, which were further subdivided into “Non-Low-Income” and “Low-Income.” Public Counsel interprets “Non-Low-Income” as applying to all customers, and “Low-Income” as applying specifically to low-income customers.

3. As an initial matter, Public Counsel notes that not all of the DER types identified are comparable or clear in terms of their impacts. For example, of the DER types identified, only Energy Efficiency commonly applies to both electric and gas utility services (although there may be some innovative uses of Demand Response and Distributed Storage that can help to minimize gas infrastructure investments). This warrants a deeper discussion on what specific DER programs are considered under electric and gas utility services, as well as how DER impacts may differ between electric and gas utility services.

¹ Notice of Opportunity to Comment, *In re: Developing a Comm’n Jurisdictional Specific Cost-effectiveness Test for Distributed Energy Res. Incorporating CETA*, Docket UE-210804 (issued Sept. 23, 2022).

4. A DER type that only impacts the electric utility service only is Electric Vehicle Supply Equipment (EVSE). EVSE is a class of technology that supports *increased* electricity use through vehicle electrification. It is unclear which impacts are being measured under EVSE. EVSE may allow for managed charging applications that have electric distribution benefits, resource adequacy benefits, and other benefits. These applications may be classified as a component of “Demand Response” (if managed under a time-varying rate or direct load control program) or as “Distributed Storage” (if the benefits being estimated are due to a battery attached to the EVSE). The National Standard Practice Manual broadly considers building electrification and vehicle electrification under the “Electrification” DER type. It will be important to distinguish the impacts being measured under each DER type, so their unique impacts can be properly accounted for. For these reasons, Public Counsel is not convinced that EVSE belongs on the list at all if EVSE impacts can already be classified under Demand Response or Distributed Storage.

5. Additionally, it is unclear if the impacts identified in the Notice would be attributable to the EVSE or to the electric vehicle expected to be attached to the EVSE. Generally, it is not the EVSE itself that would be considered a distributed energy resource but the electric vehicles it supports, though there may be configurations with home battery storage that could modify this relationship. Furthermore, it is unclear what the relationship is between utility EVSE programs and the growth in usage of electric vehicles. With these caveats, Public Counsel has identified impacts in the attached table that would be associated with vehicle electrification under the assumption that Staff’s intent was to measure the impacts of vehicle electrification under

“EVSE.” This warrants a discussion on what is considered a DER in Washington State and what is the boundary of impacts measured with EVSE or vehicle electrification.

6. Public Counsel recommends that the impacts being measured be clearly defined to reduce the potential for double-counting or confusion. For example, “Other Environmental Impacts” and “Public Health” are often closely related. The impact of criteria air pollutant emissions on human health could be categorized under either impact category. It will be important to be very specific about which impact categories each impact is associated with so that they are not double-counted. Public Counsel has attempted to identify this potential where applicable in the attached table. Further, certain impacts such as “Resilience” and “Energy Security” are not well defined. It is also unclear what is intended by the general category of low-income, non-energy host-customer impacts. Public Counsel has interpreted this to mean that there are additional Host Customer Non-Energy impacts that apply primarily or exclusively to low-income consumers, without identifying those specific impacts. It will be important to clearly define and distinguish between impacts to ensure proper accounting and prevent double-counting.
7. Public Counsel also notes that certain crucial impacts are not included on this list, such as customer utility bill savings, although this may be considered a part of “economic well-being.” Reduced customer utility bills could be considered a societal benefit under a jurisdictional test by reducing poverty and hardship and credits and collections costs; however, Public Counsel understands that in a conventional societal cost test or total resource cost test, reduced bills are not themselves considered “societal” benefits as they can include cost transfers from one party to another. Further, Staff and Staff’s consultant have indicated that distributional benefits are reserved for consideration under a companion test. Still, it is crucial not to lose sight of the

impact the resources under consideration will have on customers' bank accounts, and particularly on the cost of energy and energy burden for low-income customers. Public Counsel urges Staff to keep this important objective in mind when developing any evaluation approach for DERs in Washington. Public Counsel recommends that a secondary test be developed that considers the bill impacts to ratepayers or host customers, such as through a rate impact measure test and participant cost test.

8. Subject to these comments, Public Counsel provides the attached table of DERs and associated impacts for consideration by Staff and discussion with other stakeholders.²
9. Public Counsel appreciates the opportunity to provide these comments and looks forward to reviewing comments from other stakeholders. If you have any questions about these comments, please contact Shay Bauman at Shay.Bauman@atg.wa.gov, Aaron Tam at Aaron.Tam@ATG.WA.GOV, or Nina Suetake at Nina.Suetake@atg.wa.gov.

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² Provided as Attachment A.