

**EXH. VCJ -8
DOCKETS UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: TROY A. HUTSON**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-240004
Docket UG-240005**

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

VTQI 'C0J WUQP

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 15, 2024

Energy Equity

2023



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Intro

Energy Equity Organization & Background

Legislations & PSE Commitments

Framework & Approach

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Resources

Meeting Objectives:

- Familiarity with the Energy Equity Team
- PSE's Energy Equity Requirements
- Understand of Energy Equity framework & four tenets

Energy equity overview

Objectives

Manage and lead compliance with regulatory commitments

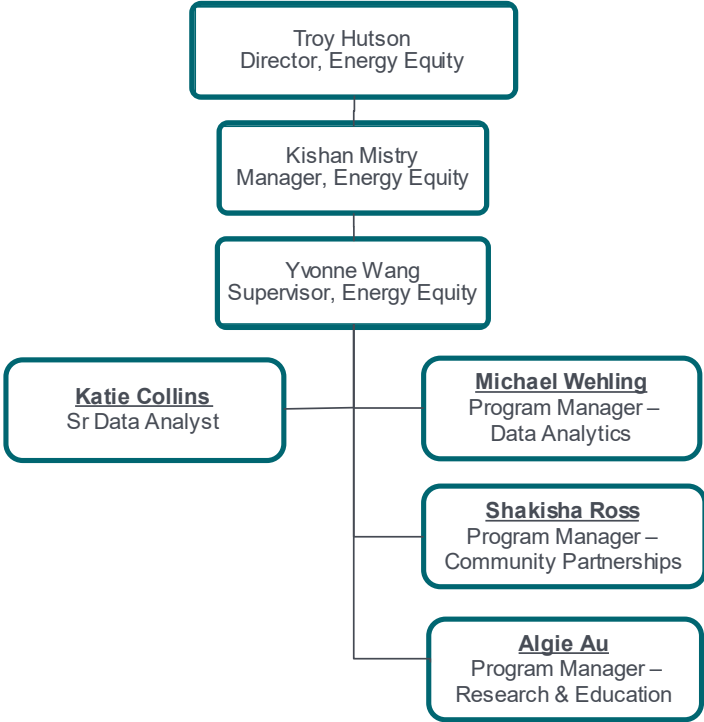
Operationalize equity

Align equity with business and financial objectives

Vision

Strategic, industry leading, sustainable function that delivers value built upon authentic community engagement, purposeful communications and strong insights

Energy Equity Team



Last updated: Sept 2023



Equity vs Equality



Source: <https://betterbikeshare.org/wp-content/uploads/2019/10/pasted-image-0.png>



Energy Equity & DEI

UTC provided guidance that we must take a proactive approach to ensure systemic harm is reduced rather than perpetuated by our processes, practices and procedures

Recognition

Requires an understanding of historic and ongoing inequalities and prescribes efforts that seek to reconcile these inequalities



Procedural

Focuses on inclusive decision-making processes and seeks to ensure that proceedings are fair, equitable, and inclusive for participants, recognizing that marginalized and vulnerable populations have been excluded from decision-making process

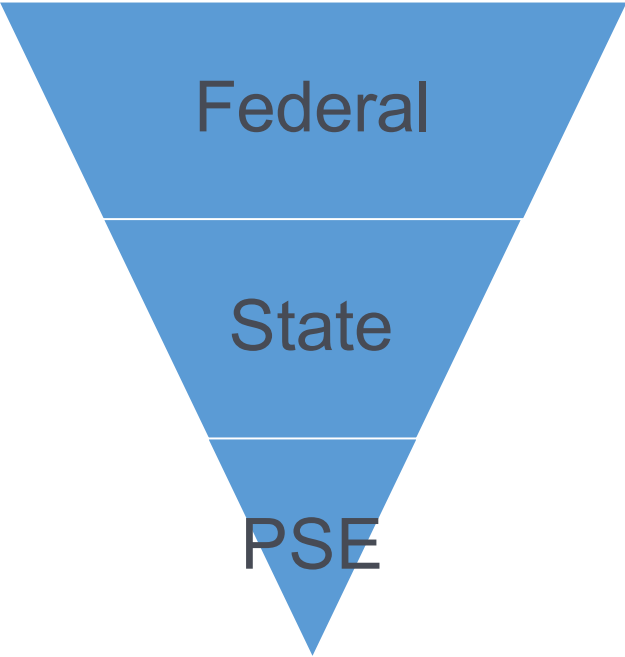
Restorative

Utilizes regulatory government organizations or other interventions to disrupt and address distributional, recognitional or procedural injustices and to correct them through laws, rules, policies, orders and practices.

Distributional

Distribution of benefits and burdens across populations. Aims to ensure marginalized and vulnerable populations do not receive inordinate share of the burdens or are denied access to benefits

Statutory and Regulatory Background



Inflation Reduction Act (IRA)
Infrastructure Investment and Jobs Act (IIJA)
Justice40 Initiative

Clean Energy Transformation Act (CETA)
HEAL Act – Healthy Environment for All
Climate Commitment Act (cap and invest)
Achieving Equity in State Government (Exec Order 22-02)
Multiyear Rate Plans and Performance-Based Rate Making (SB 5295)

General Rate Case Requirements
CEIP



Equity-Related GRC Requirements





<p>Corporate Capital Planning</p>	<p>Develop a process to include equity into capital portfolio decision making process, include in EPPM tool. Incorporate CSA results of Distributional Equity Analysis</p>
<p>Distributional Equity Analysis</p>	<ul style="list-style-type: none"> • Develop process for a distributional equity analysis • Pilot the methods on a DER program • Participate in Commission-led process • Gain WUTC agreement
<p>Delivery System Planning</p>	<ul style="list-style-type: none"> • Conduct DSP as part of integrated system planning approach for distribution system investments. Identify ways to provide system value for all customers and achieve an equitable distribution of benefits and burdens to vulnerable populations and highly impacted communities. • Develop new benefits and costs related to equity in Investment Decision Optimization tool (iDOT).
<p>Performance Metrics</p>	<p>31 out of the 119 Performance-Based metrics are equity-related metrics that PSE is expected to report on to the WUTC</p>
<p>Affordability</p>	<ul style="list-style-type: none"> • Launch Bill Discount Rate in Oct 2023 • Launch Arrearage Management Plan in Oct 2024 • Increased billing assistance (PSE Home Energy Lifeline Program (HELP) funding, Low-Income Conservation and Weatherization incentives) • Continue existing credit and collection processes
<p>Clean Energy Management Program Participation</p>	<p>Investment up to \$15M on Targeted Electrification Pilot, prioritizing low-income, highly-impacted and vulnerable populations</p>

Non-GRC Requirements include: CEIP/IRP, Customer Energy Management, Distributed Energy Resources

Energy Equity Guidance

In each of the four tenets, consider:

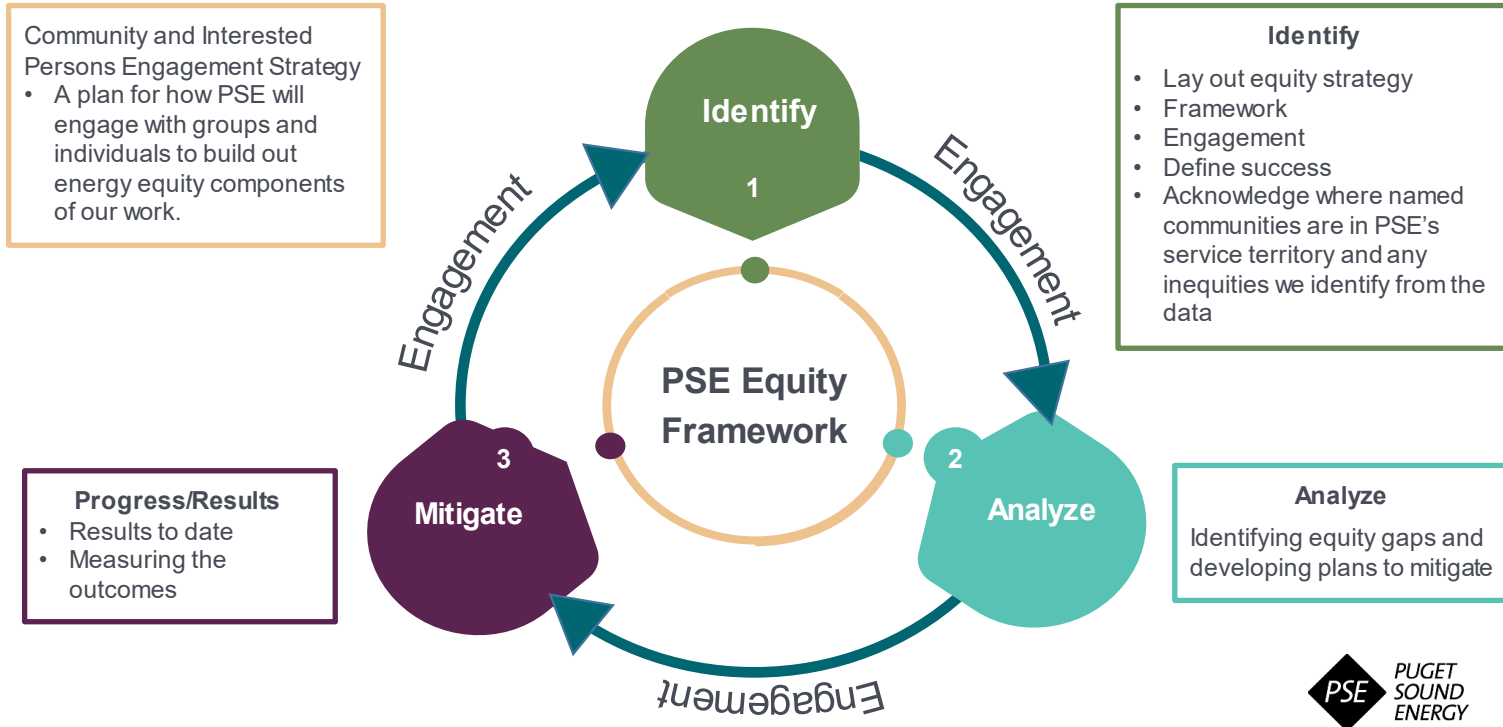
- What have you done for highly impacted communities and vulnerable populations?
- What measures are you able to provide in these areas?
 - Process measures (what's been done to incorporate energy equity, what changes have been made)
 - Engagement measures
 - Impact measures
- What's your progress and what are your future plans?
- Additional guidance and questions are provided below.

	Overview	Additional Guidance
Recognition Justice 	Understanding of historic and ongoing inequalities and prescribes efforts that seek to reconcile these inequalities	<ul style="list-style-type: none"> • What are the disparities & root factors that have led to historic and current inequities? What are the deepest inequities that have been identified? • Have you identified the communities you're targeting? What are their characteristics (eg housing, energy burden, pollution, health, economic, etc)? • What collaborative efforts are happening to identifying communities you're targeting?
Procedural Justice 	Focuses on inclusive decision-making processes and seeks to ensure that proceedings are fair, equitable, and inclusive for participants, promoting marginalized and vulnerable populations to participate	<ul style="list-style-type: none"> • How are you being inclusive and accessible in your engagement in named communities? • Have you engaged with the right Community-Based Organizations? • How are you engaging named communities in legal / regulatory proceedings? • How are you using the feedback from named communities? How are you informing your decisions based on their feedback? • Are you co-creating programs, procedures with communities? • Is early engagement occurring with communities? Have you identified their burdens?
Distributional Justice 	Distribution of benefits and burdens across populations. Aims to ensure marginalized and vulnerable populations do not receive inordinate share of the burdens or are denied access to benefits	<ul style="list-style-type: none"> • What have you done in your process(es) to incorporate energy equity? What changes have been made? • How are you measuring your impact on benefits & reduction of burdens? <ul style="list-style-type: none"> ○ Have you established baseline measures and able to track progress of impact? ○ What are you doing to measure community engagement? ○ Are benefits distributed equitably and fairly? What % of programs/projects are received by named communities? • Are at least 30% of benefits distributed to named communities?
Restorative Justice 	Utilizes regulatory government organizations or other interventions to disrupt and address distributional, recognition or procedural injustices and to correct them through laws, rules, policies, orders and practices .	<ul style="list-style-type: none"> • What do you see success looking like? • Are processes eliminating future inequities? • Do customers feel they are receiving the benefits? • Have we built a just energy system where it is accessible for all?

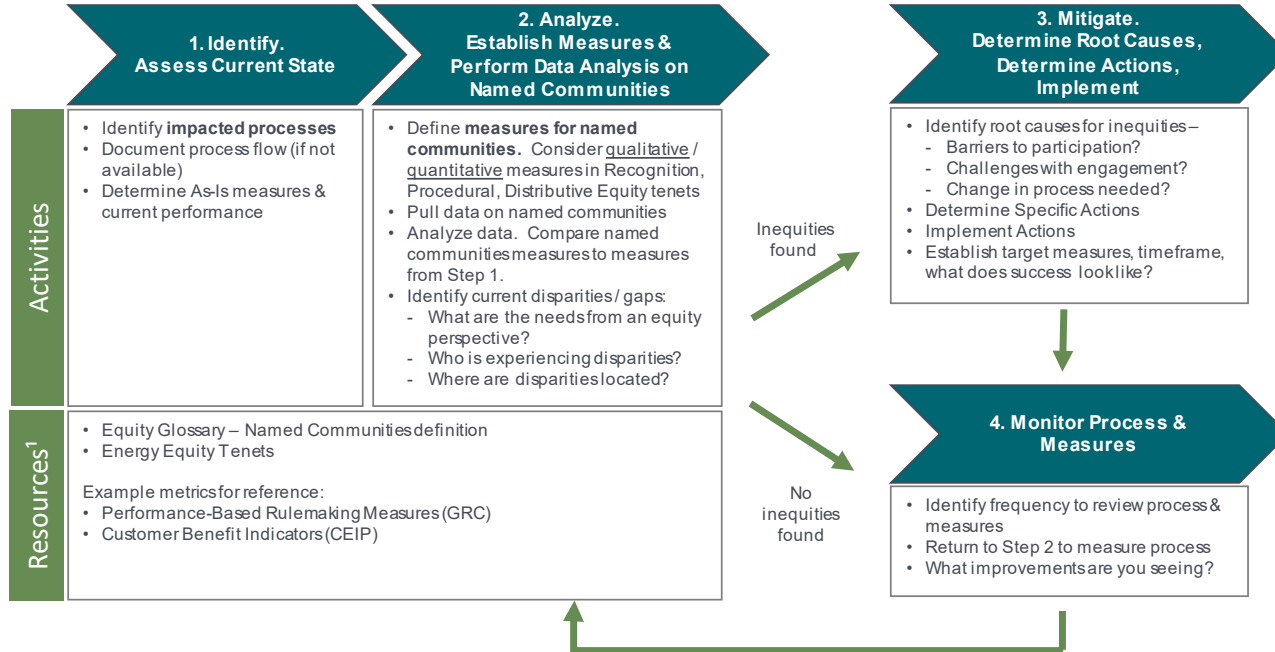
Suggested Next Steps

- Review Resources
 - Energy Equity Overview
 - Energy Equity Guidance
- Identify an energy equity champion in your team
- Understand the four energy justice tenets
 - In the Energy Equity Guidance, review guidance questions in each 4 energy justice tenets
- Start to consider energy equity in your processes
 - Identify what success looks like for your team
 - Define success measures (reference example metrics in Appendix)
 - Start Equity Impact Assessment

PSE's Equity Framework is consistently applied throughout the workplans



Equity Impact Assessment Process*



¹ Resources can be found in the Appendix

* If you need support in this process, contact the Energy Equity team

Streetlight Maintenance – Equity Impact Analysis Example

Background

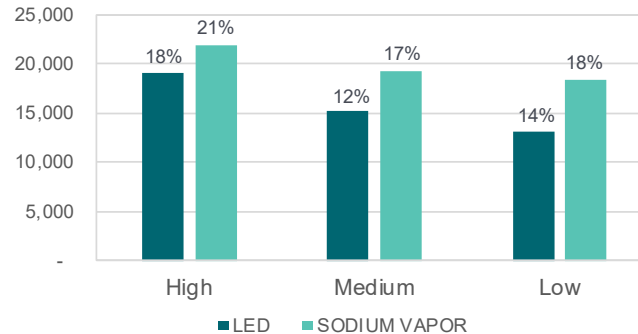
- Effective and timely Streetlight Maintenance is a community protective factor that directly contributes to safety and security in neighborhoods.
- The past five years Pole Services has been changing out Sodium Vapor to LED as they fail.
- LED lights require less maintenance, last longer, lower monthly rates, and are more energy efficient.



Findings

- This data-driven framework allows us to benchmark our equity performance as being in line with Justice40 initiative accelerator.
- While the data pattern indicates that we are equally serving all types of communities, we strive to pinpoint areas of resource allocation in order to enhance distributional equity in our operational domain.
- Our key priority in the next biennium is to concentrate our efforts on increasing LED conversions in High Vulnerable Communities to scale up our existing baseline.

Distribution of Streetlights Within Vulnerable Communities



Equity Tools

Tool	Acronym	Description and Function
Enterprise Project Portfolio Management	EPPM	A digital platform to submit corporate spending authorizations (CSAs) requesting funding for projects. PSE evaluates how its portfolio of investments contributes to equitable solutions advancing its achievement of performance-based metrics.
Investment Decision Optimization Tool	iDOT	A digital tool that selects the best collection of infrastructure projects to fund. PSE includes an equity variable to this tool to ensure that multiple factors of equity are evaluated in project selection.
SAP HANA Platform of Insights	POI	An enterprise database of customer information that includes equity variables such as named community classification, measures of vulnerability, and energy burden. Data is accessed through MS PowerBI and SAP HANA Studio.
Geographical Information System	GIS	Software and spatial database that layers and unites information from customer, infrastructure, and external datasets such as the U.S. Census. GIS software visualizes the location and extent of communities identified for equity evaluations across a variety of sources. Presently it is available through the Maps Records and Technology Electric and Gas Applications.
Equity Investment Zone	EIZ	A coordinating area to guide PSE longitudinal investment to realize restorative equity goals. EIZs identify unifying features such as exposure to air pollution or extreme heat and existing social networks such as military families or Tribes.

Equity

❖ EPPM Score sheet & Equity

1. Qualitative scoring (Yes/No)
2. Guidance anchored in Customer Benefit Indicators (CBIs)
3. Imbed Equity at the Portfolio level

Developing an energy equity framework that aligns equity with key enterprise business and financial objectives

🎯 Key Takeaway

Understand the approach and help drive awareness.

1

Equity Impact
[\(Click for detailed considerations\)](#) Does this project impact a named community, the environment, affordability, access to clean energy, resilience and/or other customer benefit indicators? Specify the area(s) impacted in the comments. Yes/No



'Detailed Considerations' link provides the guidance below:

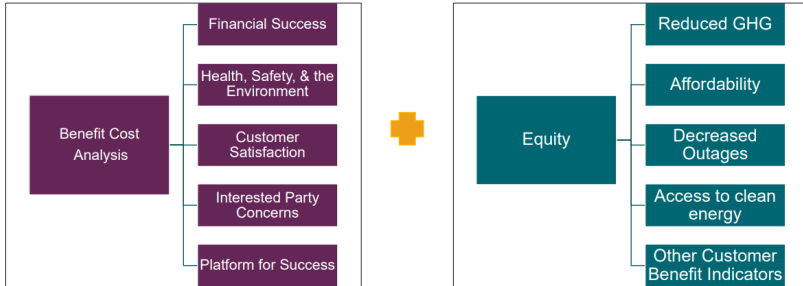
Customer Benefit Indicators	Description	Criteria
2 Named Community	Does this project directly impact a named community (highly impacted community or highly vulnerable population)?	Yes/No
Environment	Does this project support the reduction of greenhouse gas emissions and/or reduce climate change impact?	Yes/No
Affordability	Does this project enable or increase energy efficiency programs that improve home comfort and/or affordability?	Yes/No
Access to Clean Energy	Does this project provide better access to reliable, clean energy?	Yes/No
Resilience	Does this project decrease frequency and duration of outages?	Yes/No
Other	Does this project drive any other customer benefit indicators identified in CETA (example: public health, air quality, accessibility, clean energy jobs, outreach, etc.)?	Yes/No

CSA ID	Title	IL	Approved As Of	Target Cycle	CSA Type	Validation	Current Cycle Status 28 Days Left	Completed By	Risk Score	Financial Score	3 Equity	Total Score
	Project 1										Yes			
	Project 2										Yes			
	Project 3										No			
	Project 4										Yes			
	Project 5										No			

Applying Equity Model to the Distributional System Planning / iDOT process



Distributional Equity



iDOT benefit to cost analysis will consider in parallel equity value captured for each project and program



Procedural Equity



	SHD-18	LMD-16	FCR-11	LYO-15
Housing and general area	Very isolated, rural area with older homes.	Homes in this area are newer and more expensive overall, but the homes that are being affected appear to be a mix of older homes in more isolated areas of the zip code and mansions (\$1.5 M+) in rural areas—generally homes on acreage.	Well populated area with ample newer middle class family homes in housing developments situated in more rural areas. Most of the homes are in large housing developments	More of a mixed bag when it comes to affected customers. These homes are in far more rural parts of the zip code on larger parcels and acreage, and are near equestrian facilities and churches, opposed to major retail services. Most of these homes are \$600k+.
Community Organizations	IAFF, Communities in Schools, Green River College Foundation, Public School Employees of Washington, Emerald Racing Club, and multiple churches including Cornerstone Gospel Church	Multiservice Center, World Relief, Kent Community Foundation, Tribal Law Justice Center, and several churches	Vine Maple Place and African Promise are the most prominent CBO in the area, and there are a few churches	Vine Maple Place is the most prominent CBO in the area, and there are a few churches and animal nonprofits
Accessibility	<u>Mountainview</u> Fire and Rescue close to homes. There is a Haggen within 15-20 minutes of these houses.	Well populated rural area with plenty of access to food and services.	Near commercial areas with plenty of access to food, retail, and services, including schools and parks.	Food and services can be found within 10 minutes.

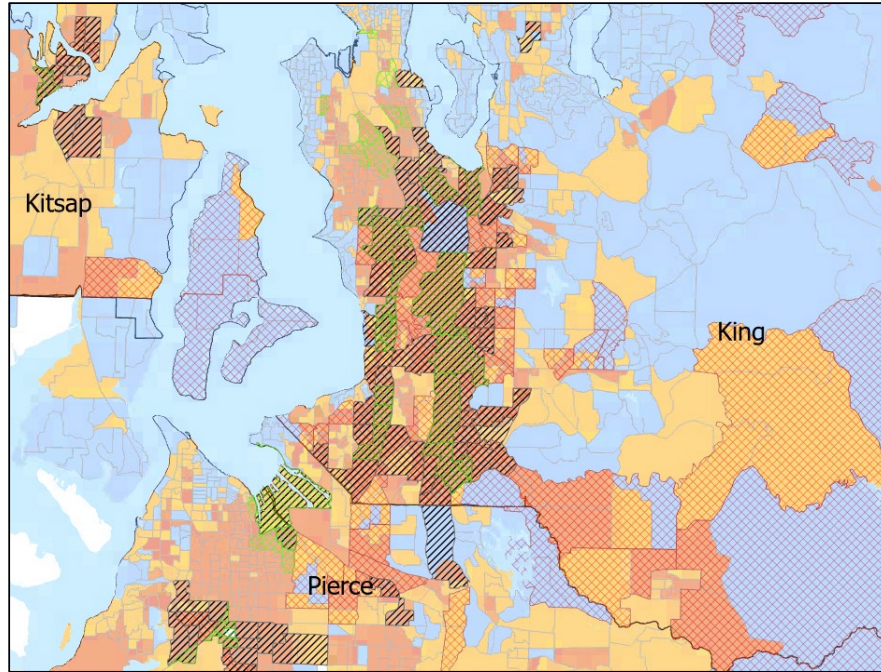
Community Outreach team can help inform on Community Information

Equity Investment Zones - Coordinating Engagement and Investment

By 2030 and 2045, PSE will have made enormous clean energy investments

Realizing restorative equity goals as part of PSE's investment will require coordination among program, products, and services

It will also require productive, *relational* engagement among the many interested parties and community-based organizations shaping the investment



Among the many distinct data resources there are larger, *qualitative* unifying themes such as:

- Exposure to air pollution
- Heat island effects
- Existing social networks
 - Military Families
 - The Spanish Community in Skagit and Whatcom Counties
 - Members of 22 unique Tribes





PSE is in a unique position to bridge many local jurisdictions, distinct policy investments, and play a coordinating role in restorative equity goals while pursuing its clean energy investments




Data Flexibility – GIS Visualizes Intersections among Distinct Resources

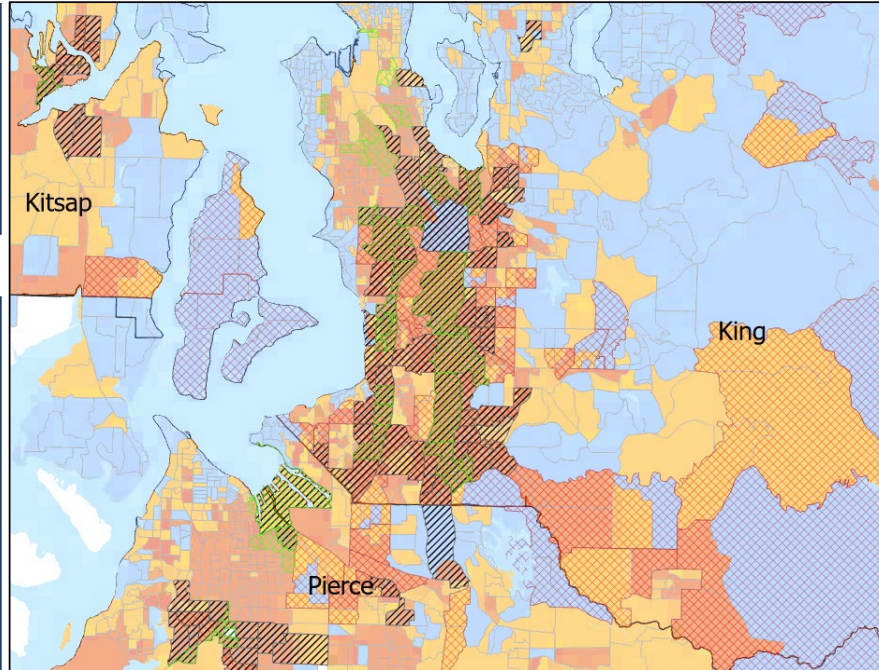
CETA and GRC metrics utilize CEIP named communities (State Policy)

Named Community Classification

-  Highly Impacted Community
-  High Level Vulnerability
-  Medium Level Vulnerability
-  Low Level Vulnerability

The *Inflation Reduction Act* (IRA) and *Infrastructure Investment and Jobs Act* (IIJA) reference the US Council on Environmental Quality (CEQ) Environmental Justice Screening Tool (EJ40) for analysis and allocation. EJ40 identifies Disadvantaged Communities. (Federal Policy)

-  Disadvantaged Communities (DAC)



The CEQ also identifies burdens in eight categories:

1. *Climate Change*
2. *Energy*
3. *Health*
4. *Housing*
5. *Legacy Pollution*
6. *Transportation*
7. *Water/Wastewater*
8. *Workforce Development*

To guide investment.
(Federal Policy)

-  Transportation

The *Climate Commitment Act* (CCA) also identifies Overburdened Communities

Not pictured in this map
which intersect with many of the other classifications mapped here.
(State Policy)

PSE also maps its unique customer locations and infrastructure assets amidst these designations to identify areas for coordinated engagement.



Resources

- Energy Equity Glossary
- Energy Equity Tenets
- Regulatory Metrics
- Regulations

Equity Glossary

Term	Definition
Energy Equity	Equity in all aspects of the energy system, including its benefits, burdens, costs, and participation.
Frontline communities	Frontline communities are the communities experiencing the first and worst of climate change consequences. Frontline communities include, but are not limited to communities of color, low-income communities, indigenous communities, and communities surrounded by industrial production.
Highly impacted communities	As defined by CETA, a highly impacted community means "a community designated by the department of health based on the cumulative impact analysis required by RCW 19.405.140 or a community located in census tracts that are fully or partially on "Indian country," as defined in 18 U.S.C. Sec. 1151." [WAC 480-100-605] WA Dept. Of Health – health disparities map provides the HIC identification.
Marginalized communities	Marginalized communities are communities denied involvement in mainstream economic, political, cultural and social activities. Marginalization or social exclusion deprives a group from access to basic rights and participation in decision making. Marginalized communities include, but are not limited to, frontline communities, low-income and/or working class communities, and those historically disenfranchised by racial and social inequity (e.g., identities based on race, ethnicity, gender, orientation, and ability status).
Named communities	Refers to "Highly Impacted Community" and "Vulnerable Populations" (defined by CETA).
Vulnerable population (VP)	As defined by CETA, vulnerable populations means "communities that experience a disproportionate cumulative risk from environmental burdens due to: Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and sensitivity factors such as low birth weight and higher rates of hospitalization." [WAC 480-100-605]
Overburdened Communities	As defined by the CCA, a geographic area where vulnerable populations face combined, multiple environmental harms and health impacts or risks due to exposure to environmental pollutants or contaminants through multiple pathways, which may result in significant disparate adverse health outcomes or effects.

Source: https://irp.cdn-website.com/dc0dca78/files/uploaded/2022_EAG_EquityGlossary.pdf
 From: <https://www.cleanenergyplan.pse.com/cep-library>



Energy Equity Tenets

DIMENSION	INDEX	DESCRIPTION	SAMPLE METRICS
RECOGNITION	Historical	Captures historic disinvestment, discrimination, disenfranchisement, and environmental justice burdens that continue to impact present circumstances.	<ul style="list-style-type: none"> Proportionate disparities in historic program spending and savings by race, income Historic presence of toxic facilities/superfund sites/cancer clusters Anti-equity/anti-clean energy lobbying expenditures Redlining and housing discrimination
	Identity	Captures demographic, social-economic, and geographic variables that are closely correlated with energy and climate vulnerability and disproportionately high burdens and low benefits from the energy system.	<ul style="list-style-type: none"> Climate vulnerability score Housing access/stress Demographics Pollution burden Health measures (e.g. asthma rates) Economic indicators (e.g. % HH below 50% AMI)
	Security	Captures data that indicate how continuously, safely, and reliably one has access to energy without interruption or compromising other basic needs or comfort.	<ul style="list-style-type: none"> Power outage frequency and disparities Shutoffs/shutoff policies Arrearages Energy as human right declarations
	Affordability	Considers rate structures, payment plans, financial assistance, household financial benefits from clean energy programs, and disparities in energy costs among different demographic groups.	<ul style="list-style-type: none"> Presence of progressive/lifeline rate structures Maximum limits on energy burdens Rate disparities between residential, commercial, industrial Size of overall safety net (per capita) % of safety net spent on longterm affordability, vs bill assistance
PROCEDURAL	Procedural	To what extent are BIPOC, frontline, and low-income residents able to engage in PUC cases, decarbonization planning, and have a meaningful voice in how plan and policies are created and designed. To what extent are they the architects of their energy future?	<ul style="list-style-type: none"> Presence/extent of intervenor funding and resources PUC commissioner selection process and representation Mandatory equity training for PUC (and utility?) staff Data disclosure requirements Utility performance incentives and penalties tied to equity targets
	Access	How easy is it for people to learn about, qualify for, and enroll in programs?	<ul style="list-style-type: none"> Multi-lingual ads, program materials, enrollment, and participation Marketing representing and to BIPOC, frontline audiences Disparities in participation rates Financing availability and eligibility requirements Access for renters Auto- and co-enrollments, ease of enrollment

DIMENSION	INDEX	DESCRIPTION	SAMPLE METRICS
DISTRIBUTIVE	Household benefits	Captures immediate financial and health benefits that participating households receive.	<ul style="list-style-type: none"> Proportion of high impact programs received by BIPOC, LI, frontline households % BIPOC households achieving >25% energy savings Reduction in unhealthy/unsafe housing conditions among BIPOC; improved indoor air quality Reductions in negative health conditions among BIPOC
	Community benefits	Captures medium- and long-term community level or indirect benefits including health, wealth-building, jobs, and environment.	<ul style="list-style-type: none"> % of new jobs held by BIPOC, frontline, low-income % of work for BIPOC-owned businesses; supportive policies Wages and job quality for BIPOC, disparities Reduction in heat islands, localized flooding Improved outdoor air quality Community health outcomes
RESTORATIVE	Reparations & Accountability	How do we liberate data and ensure transparency? How do we rectify and compensate for past harms and ensure they are not perpetuated in the future? How do we ensure that all dimensions of equity are considered holistically, with no dimensions ignored?	
	Power to the People	Who owns clean energy and receives the economic and environmental benefits? How do governance structures benefit or harm frontline communities? Who designs the systems? Who are the ultimate decision-makers?	
	Indigenous Sovereignty	How can a just transition promote visibility, healing, and a different relationship with energy? How are we connecting Indigenous justice and environmental justice and elevating the landback movement? How can clean energy and climate programs respect and honor Indigenous Sovereignty and traditional knowledge? How can we ensure that we are not perpetuating the language and practices of colonizers and move beyond a capitalist mindset? How do we measure/evaluate progress towards Indigenous Sovereignty in the realm of energy and climate?	
	Restoring Our Relations	How are we protecting and restoring ecosystems holistically and not merely transferring impacts to far away sacrifice zones? How can we shift our language and cultural practices to recognize non-human kin? How do we recognize and uplift the right of other species and ecosystems to exist? How can we ensure a habitable planet for future generations?	



GRC Performance-Based Metrics

All PSE Customers

Service Quality

- WUTC Complaints (SQI #2)
- Customer Satisfaction (SQI #6)
- Field Service Customer Satisfaction (SQI #8)
- Calls Answered Within 60 Seconds (SQI #5)
- % Appointments Kept (SQI #10)
- Avg Gas, Electric Safety Response Time (SQI #7, #11)
- SAIFI All Outages; Excluding Major Events (SQI #4)
- SAIDI All Outages; Excluding Major Events (SQI #3)

Resiliency – Demand-Side Mgmt

- Peak Load Management Savings
- Annual Energy Efficiency Savings - Electric, Gas
- # customers served by DER programs
- Energy and capacity provided through DER program

Resiliency - Electric

- # Light-Duty Electric Vehicles in Service Territory
- # EV Chargers Used in Managed Load Programs or TOU
- Rates (Single-Family Residential)
- # EV Chargers Used in Managed Load Programs or TOU Rates (Fleet)
- # EVSE stations and charging ports installed through PSE's TEP programs
- Energy served through TEP programs
- Energy and capacity of load reduced or shifted, and % load reduced or shifted, through load management activities conducted through EV tariffs
- Load profiles of energy consumption through TEP Programs
- % EV energy sales under managed charging
- % EVSE in DR programs
- % EVSE using time-of-use rates

Advancing Equity

- % PSE suppliers that are minority-owned, women-owned, or veteran-owned

AMI

- Avg customer AMI electric bill read success rate
- Avg customer AMI gas bill read success rate
- Avg customer remote switch success rate
- Avg customer reduced energy consumption from voltage regulation
- # participating customer complaints TVR pilots
- Load reduction during called events for customers enrolled in the Time of Use ("TOU") + Peak Time Rebate ("PTR") pilot
- # customer impressions with AMI marketing efforts
- High usage alert open rate
- Download count of energy data
- # customers enrolled in smart thermostat programs for space heating

Environment

- Total greenhouse gas ("GHG") emissions from energy delivery systems, gas and electric
- Carbon intensity: CO₂e/MWh and CO₂e/MW
- Annual SO₂ emissions from utility-owned electric generation resources, by census tract
- Annual NO_x emissions from utility-owned electric generation resources, by census tract
- Annual PM_{2.5} emissions from utility-owned electric generation resources, by census tract

Customer Affordability

- Avg annual bill for residential customers, electric and gas, by census tract
- Avg annual bill as % avg income of all energy-burdened customers, electric and gas
- Total revenue recovered from customers outside of rates approved within its MYRP
- # and % of (1) disconnect notices, (2) residential disconnections for non-payment, and (3) reconnection, each broken out by month and zip code, electric and gas
- Total residential arrearages and avg age of arrears by month and zip code, electric and gas
- Avg annual residential bill as % avg residential income, by census tract, electric and gas
- Avg annual net plant in service per customer, electric and gas
- Avg annual O&M per customer, electric and gas
- Avg excess energy burden per household, electric and gas

GRC Performance-Based Metrics – Named Communities

Highly-Impacted Communities & Vulnerable Populations

(named communities)

Service Quality

- SAIFI for named communities All Outages, Excluding Major Events
- SAIDI for named communities All Outages, Excluding Major Events

Resiliency – Demand-Side Mgmt

- # Customers Participating in Gas and Electric Energy Efficiency Programs (Including Low-Income Programs) from named communities
- DER program: # and % of residential customers, known low-income customers, known customers in named communities taking part in DER programs; and avg energy savings per home for each of these customer groups. The term “DER programs” is defined to include energy efficiency.
- # customers in named communities taking part in each of DER programs
- # DER program capacity sited in areas of named communities

Resiliency – Electric

- # Public Charging Ports Serving named communities
- Reduced energy consumption from voltage regulation for named communities
- # customers in named communities taking service through PSE’s EV tariffs
- % utility transportation electrification spending that is intended to benefit named communities
- % utility-owned and supported EVSE by use case located within or intended to provide direct benefits and services to named communities










AMI

- AMI electric, gas bill read success rate for named communities
- Remote switch success rate for named communities

Customer Affordability

- # Low-Income Customers Receiving Bill Assistance (Gas and Electric)
- Share of Bill Assistance Customers in named communities
- Total residential arrearages and avg age of arrears by month for known low-income households, named communities
- # and % residential (1) disconnect notices, (2) electric disconnections for nonpayment, and (3) reconnection by month and zip code for known low-income households, named communities
- % households with a high-energy burden (>6%), separately identifying known low income and highly impacted communities and vulnerable populations, separately for gas and electric by census tract.
- % gas, electric households with high-energy burden (>6%) know for low-income by census tract

Customer Benefit Indicators from CEIP

Highly impacted communities and vulnerable populations (named communities)	All PSE customers (including highly impacted communities and vulnerable populations)
 Energy benefits <ul style="list-style-type: none">Improved participation in clean energy programs from named communities	 Public health <ul style="list-style-type: none">Improved outdoor air qualityImproved community health  Energy security <ul style="list-style-type: none">Improved access to reliable clean energy
 Reduction of burdens <ul style="list-style-type: none">Improved participation in clean energy programs from named communitiesImproved affordability of clean energyIncrease in culturally- and linguistically-accessible program communications for named communities	 Environment <ul style="list-style-type: none">Reduction of greenhouse gas emissionsReduction of climate change impacts  Risk reduction <ul style="list-style-type: none">Reduction of climate change impactsImproved access to reliable clean energy
 Non-energy benefits <ul style="list-style-type: none">Improved participation in clean energy programs from named communitiesIncrease in quality and quantity of clean energy jobsImproved home comfort	 Cost reduction <ul style="list-style-type: none">Improved affordability of clean energy  Resiliency <ul style="list-style-type: none">Decrease frequency and duration of outages

Customer benefit indicators:

- Outcomes that improve our customers' lives
- Shape program, actions and investment decisions
- Help ensure all customers benefit from the clean electricity transition

Background into key equity framework insights from the UTC



Expansion of the public interest standard to include equity:

- “The equitable distribution of energy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health, economic, and environmental benefits and the reduction of costs and risks; and energy security and resiliency. In achieving these policies, “There should not be an increase in environmental health impacts to highly impacted communities.” (PSE GRC Order UE-220066, UG 220067 & UG 210918)



Overarching expectation:

- Recognizing that no action is equity-neutral, regulated companies should inquire whether each proposed modification to their rates, practices, or operations corrects or perpetuates inequities. Companies likewise should be prepared to provide testimony and evidence to support their position. Meeting this expectation will require a comprehensive understanding of the ways in which systemic racism and other inequities are self-perpetuating in the existing regulatory framework absent corrective intervention.(Cascade Natural Gas GRC UG-210755)

Statutory and Regulatory Background

2020		2021		2022		2023	
H1	H2	H1	H2	H1	H2	H1	H2

1/2021 – [Clean Energy Transformation Act](#)

2025: coal-free; 2030: GHG emission neutral; 2045: 100% renew ables (WAC [480-100-610](#), [480-100-620](#), [480-100-640](#), [480-100-655](#), RCW [19.405](#))

1/2021 – [Justice40 Initiative](#)²

An effort to direct 40% of the overall benefits of certain federal investments to flow to disadvantaged communities

1/2021 – [HEAL Act](#) – Healthy Environment for All³

Reduces environmental and health disparities and prioritize vulnerable populations and overburdened communities by integrating environmental justice (EJ) into 7 state agency activities. WUTC opted in. (RCW [70A.02](#))

5/2021 – [Climate Commitment Act](#) (cap and invest)⁴

Establishes a comprehensive, market-based program to reduce carbon pollution and achieve the greenhouse gas limits set in state law: 45% below 1990 levels by 2030, 70% below 1990 levels by 2040, and 95% below 1990 levels and net-zero carbon emissions by 2050 (WAC [173-446](#), RCW [70A.65](#))

5/2021 – Multiyear Rate Plans and Performance-Based Rate Making ([SB 5295](#))⁵

Transforms gas and electrical utilities toward multiyear rate plans and performance-based rate making

7/2021 – [Infrastructure Investment and Jobs Act](#)⁶

Infrastructure investment across 380+ federal programs

1/2022 – Achieving Equity in State Government ([Exec Order 22-02](#))⁷

Directs state agencies to advance equity and anti-racism



GRCs

- Cascade Natural Gas [GRC UG-210755](#)
- PSE GRC Order [UE-220066](#), UG 220067 & UG 210918

Federal
State