

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP D/B/A PACIFIC POWER
& LIGHT COMPANY,

Respondent.

DOCKET UE-210829

RESPONSE TESTIMONY OF CHARLEE THOMPSON

On behalf of

NW ENERGY COALITION

August 21, 2024

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EXHIBIT LIST

Thompson, Exh. CT-2: CV of Charlee Thompson

1 **I. INTRODUCTION**

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

3 **A.** My name is Charlee Isabella Thompson, and I am a Policy Associate at the NW
4 Energy Coalition (“NVEC” or the “Coalition”). My business address is 811 1st
5 Ave., Suite 305, Seattle, WA 98104.

6 **Q. Please describe your background and expertise.**

7 As a Policy Associate with NVEC, I support the Coalition’s policy, regulatory,
8 and legislative work in Washington. My portfolio at NVEC includes issues that
9 impact low-income customers and underserved communities, distributed energy
10 resources (“DER”) policy, and utility implementation of the Clean Energy
11 Transformation Act (“CETA”).

12 I serve on the Low-income Advisory Committee (“LIAC”) of all five
13 investor-owned utilities regulated by the UTC, including PacifiCorp.

14 Since July of 2022, I have helped to develop the new bill discount rate
15 (“BDR”) programs of Puget Sound Energy (“PSE”), Avista, and Cascade Natural
16 Gas (“CNG”), and Northwest Natural Gas (“NWN”) as well as the arrearage
17 management programs (“AMP”) of Avista and CNG. I sit on the Washington State
18 Department of Commerce Technical Advisory Group that advises the state on the
19 development of its low-income energy assistance biennial report. In my previous
20 role with The Energy Project (“TEP”), I advocated for low-income utility customer
21 interests in Clean Energy Implementation Plans and supported the development of
22 TEP’s policy positions in rulemakings in dockets U-200281 and U-210800.

1 My background and first-hand experience are the basis for my expertise and
2 qualifications to testify as an expert on the issues raised in my testimony.

3 I have a B.S. in Civil Engineering from the University of Illinois at Urbana-
4 Champaign and a M.P.A. in Environmental Policy from the University of
5 Washington. My CV is included as **Thompson, Exh. CT-2**.

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

7 **A.**I am testifying on behalf of NWECC.

8 **Q. Please describe NWECC's mission and organizational structure.**

9 **A.**NWECC is an advocacy nonprofit comprised of over one hundred environmental,
10 civic, and human service organizations, utilities, and clean energy businesses in
11 Washington, Oregon, Idaho, and Montana. NWECC's mission is to advance an
12 affordable and equitable clean energy transition that is grounded in analytical
13 expertise. We engage in policymaking, utility planning, regulatory dockets, and
14 state legislation.

15 **Q. What is the purpose of your testimony?**

16 **A.**My testimony concerns how PacifiCorp can better ensure that its named
17 communities receive the benefits of clean energy resources and do not experience a
18 disproportionate share of the burdens as the Company advances towards the 2030
19 mandate under the Clean Energy Transformation Act.

20 **Q. Please summarize your testimony.**

21 **A.**My testimony first briefly defines energy equity and highlights the UTC's guidance
22 on energy equity. I then define "minimum designations" and explain why and how

1 the UTC should hold PacifiCorp to the same guidance it has provided Puget Sound
2 Energy (“PSE”) on minimum designations and DER program design.

3 **II. DEFINING ENERGY EQUITY**

4 **Q. Please define energy equity.**

5 **A.** Energy equity revolves around the fair distribution of benefits and burdens during
6 the production, distribution, and consumption of energy. It is not just about the
7 outcome but is also about the process that led to the outcome. As an essential life
8 service, energy must be provided accessibly, reliably, affordably, and cleanly to all
9 communities.

10 As the energy landscape evolves, we will have to constantly integrate
11 energy equity into new programs and reforms as well as new considerations we
12 haven’t yet encountered. To strive towards this future, it must not only be applied
13 as a lens but must be embraced internally by those who wish to advance it. Energy
14 equity requires active, inclusive, and systemic efforts to ensure fairness and justice
15 in the energy sector.

16 **Q. If energy equity is about fair distribution of the energy system’s benefits and
17 burdens and the process that leads to these outcomes, what is it not?**

18 **A.** Energy equity is not and should not be treated as a “checkbox” exercise. When this
19 occurs, efforts toward energy equity are perfunctory and often made to fulfill
20 minimum requirements. Just as often such efforts don’t yield meaningful results or
21 strengthen community relationships. Energy equity is not achieved through such
22 symbolic efforts without addressing the root causes of disparities within energy

1 service. Nor can energy equity be achieved by maintaining the status quo of
2 unequal distribution and access to energy.

3 **Q. Has the UTC provided guidance on energy equity?**

4 **A.** Yes. On August 23, 2022, the Commission provided guidance in CNG’s 2021
5 General Rate Case Final Order 09 that tasks utilities and the Commission with
6 applying equity to every consideration and to provide supporting evidence as to
7 why a certain decision was made. The Commission explained its rationale as
8 follows:

9 *So that the Commission’s decisions do not continue to contribute to*
10 *ongoing systemic harms, we must apply an equity lens in all public*
11 *interest considerations going forward. Recognizing that no action is*
12 *equity-neutral, regulated companies should inquire whether each*
13 *proposed modification to their rates, practices, or operations corrects or*
14 *perpetuates inequities. Companies likewise should be prepared to*
15 *provide testimony and evidence to support their position. Meeting this*
16 *expectation will require a comprehensive understanding of the ways in*
17 *which systemic racism and other inequities are self-perpetuating in the*
18 *existing regulatory framework absent corrective intervention. It is*
19 *incumbent upon regulated companies to educate themselves on topics*
20 *related to equity just as it is incumbent upon the Commission to do the*
21 *same.*¹

¹ UTC Docket UG-210755. Cascade 2021 GRC Order 09, page 19, paragraph 20.

1 Importantly, the order references “regulated companies” broadly, meaning
2 the Commission intends for the statement to apply beyond CNG, and includes
3 PacifiCorp.

4 **Q. Has the UTC provided any specific guidance regarding the fair distribution of the**
5 **energy system’s benefits and burdens?**

6 **A.** Yes. In Order 08 approving PSE’s 2021 Clean Energy Implementation Plan with
7 conditions, the Commission directed PSE to comply with (among other conditions)
8 condition 20 (minimum designations) and condition 21 (DER program design)²:

9 *CONDITION 20. Minimum Designations. PSE will file with the*
10 *Commission an amendment to this CEIP to designate for Named*
11 *Communities a minimum of 30% of the energy benefits of its DER solar,*
12 *DER storage, DR, and EE programs, with benefits measured across each*
13 *tranche of resources. PSE will commit to developing a targeting*
14 *approach to identify the customers and communities with deepest need*
15 *within the broader category of Named Communities in consultation with*
16 *interested persons and advisory groups. By the 2023 Biennial CEIP*
17 *Update, PSE will designate a minimum percentage of energy benefits that*
18 *will flow to Named Communities with deepest need.*

19 *CONDITION 21. DER Program Design. To implement the 30% energy*
20 *benefit minimum designations for Named Communities discussed above,*
21 *PSE will develop mechanisms for intentionally serving customers in Named*

² UTC docket UE-210795. PSE 2021 CEIP Order 08, page 75.

1 benefits that will flow to this subset that is at least proportional to the percentage of
2 customers identified to be in deepest need.

3 **Q. Why do you believe minimum designations are necessary?**

4 **A.** Minimum designations are one of the simplest and clearest ways to ensure that the
5 energy benefits of PacifiCorp's DER programs are equitably distributed. Unlike
6 other methods such as bolstered utility marketing and outreach, minimum
7 designations guarantee that a certain amount of capacity or energy resources will
8 directly benefit underserved communities.

9 As described in the testimony of Roger Colton in PSE's 2021 CEIP
10 adjudication, absent minimum designations, there are significant market barriers to
11 low-income and named community participation in energy efficiency and other DER
12 programs.³ Without minimum designations and deliberate strategies and changes to
13 program design to ensure these minimum designations are met, it is likely that low-
14 income and named community customers will be underrepresented in utility DER
15 programs and will not receive an equitable share of the benefits.

16 **Q. Which programs should have minimum designations?**

17 **A.** PacifiCorp's demand response and energy efficiency programs. This would be
18 consistent with the Commission's Order 08 for PSE's 2021 CEIP. While we
19 acknowledge that the Company does not currently have distributed solar or
20 distributed storage programs in Washington, we would eventually like to see that

³ Exh. RDC-1T, Prefiled Response Testimony (Nonconfidential) of Roger D. Colton on Behalf of NW Energy Coalition and Front and Centered. Filed October 10, 2022 in UTC docket UE-210795.

1 PacifiCorp develop these programs and establish minimum designation for them as
2 well.

3 **Q. What level of minimum designations are appropriate?**

4 Ideally, the level of minimum designation should mirror the percentage of named
5 communities in PacifiCorp’s customer base. PacifiCorp’s Revised 2021 CEIP
6 states that 27.1% of its total Washington customer base resides in Highly Impacted
7 Communities (“HICs”).⁴ In its Revised 2021 CEIP, the Company also shows the
8 proportion of vulnerable populations in its service area for 22 different identified
9 vulnerable populations. These proportions range from 0.6% to 46.2%.⁵

10 However, there is also national, state, and Commission guidance that we
11 can look to. The national Justice40 Initiative states that 40 percent of the overall
12 benefits of certain Federal investments – including investments in clean energy and
13 energy efficiency; clean transit; affordable and sustainable housing; training and
14 workforce development; the remediation and reduction of legacy pollution; and the
15 development of clean water infrastructure – should flow to disadvantaged
16 communities.”⁶

17 Further, Washington’s 2021 Healthy Environment for All (“HEAL”) Act
18 directs all applicable state agencies to consider environmental justice when making
19 decisions about budgets and funding for programs. The HEAL Act directs “40

⁴ PacifiCorp Revised 2021 CEIP, page 31. Filed March 13, 2023 in UTC docket UE-210829.

⁵ PacifiCorp Revised 2021 CEIP, page 33. Filed March 13, 2023 in UTC docket UE-210829.

⁶ <https://www.energy.gov/justice/justice40-initiative#:~:text=All%20Justice40%20covered%20programs%20are,benefits%20directed%20to%20disadvantaged%20communities.>

1 percent of grants and expenditures that create environmental benefits to vulnerable
2 populations and overburdened communities”.⁷

3 The Commission itself has required minimum designations for PSE, one of
4 PacifiCorp’s peer investor-owned utilities. As stated above, PSE must designate at
5 least 30 percent of the energy benefits of its DER solar, DER storage, demand
6 response (“DR”), and energy efficiency (“EE”) programs for named communities.

7 For the reasons explained above, PacifiCorp’s first established minimum
8 designations should be held to the same standard that the Commission has set for
9 PSE. I recommend that PacifiCorp commit to achieving a minimum of 30% of
10 energy benefits flowing to named communities by the 2027 Biennial CEIP Update
11 for each of its DR and EE programs.

12 **Q. Does “collaboration with interested persons and advisory groups” sufficiently**
13 **enable multiple perspectives to inform the development of the deepest need**
14 **definition and minimum designation?**

15 **A.** Yes. It is important that PacifiCorp invite in and build from the perspectives of its
16 advisory groups (at minimum, the Equity Advisory Group) and interested parties
17 when working to establish and implement minimum designations for DER
18 programs. The EAG particularly serves as a forum for community voices to impact
19 the outcome of program design that directly affects their own communities.

⁷ E2SSB, section 16(2)(e), page 13. <https://lawfilesext.leg.wa.gov/biennium/2021-22/Pdf/Bills/Session%20Laws/Senate/5141-S2.SL.pdf?q=20240722143433>.

1 **IV. DER PROGRAM DESIGN**

2 **Q. Could you provide a brief overview of PacifiCorp’s DER offerings and targets**
3 **in its Biennial CEIP Update?**

4 **A.** PacifiCorp’s Revised 2021 CEIP (2022-2025) stages progress towards CETA
5 goals, and includes an overview of energy efficiency, demand response, and
6 renewable energy programs and plans. Targets for its 4-year compliance period
7 include: energy efficiency (212,431 MWh)⁸, demand response (37.4 MW)⁹, and
8 renewable energy (6,601,088MWh)¹⁰.

9 The Company has since updated these targets in its 2023 Biennial CEIP
10 Update: energy efficiency (187,115 MWh, reduced by 25,316 MWh from the 2021
11 CEIP)¹¹, demand response (37.4 MW, which is unchanged from the 2021 CEIP)¹²,
12 and renewable energy (4,739,291 MWh, reduced by 1,861,797 MWh from the
13 2021 CEIP)¹³. The Company does not have distributed solar or distributed storage
14 programs in Washington at this time.

15 **Q. What strategies has PacifiCorp included to ensure its DER offerings benefit**
16 **named communities?**

17 At the time of the original 2021 CEIP filing, the Company had the
18 following demand-side resource programs: two energy efficiency programs (Home

⁸ Revised CEIP, page 22

⁹ Revised CEIP, page 23

¹⁰ Revised CEIP, page 12

¹¹ Biennial CEIP, page 13

¹² Biennial CEIP, page 13

¹³ Biennial CEIP, page 11

1 Energy Savings program and Wattsmart Business program), a low-income
2 weatherization program, and a time-of-use pilot.

3 In its Biennial CEIP Update, PacifiCorp says that it “plans to continue
4 supporting [energy efficiency] programs with an increased equity focus using
5 effective communication strategies to reach Named Communities” including
6 increasing “culturally and linguistically responsive outreach and marketing to
7 increase awareness of energy and conservation programs, and expand
8 services across written, spoken, and visual communications.”¹⁴ The Company also
9 described its planned actions to increase energy efficiency in named
10 communities— including offering certain products/services at no cost, introducing
11 products to customers in named communities, and continuing existing services and
12 support for named community customers.¹⁵

13 The Home Energy Savings program has several ongoing utility actions with
14 a focus in HICs: enhanced window incentives, residential lighting in multi-family
15 units, manufactured home direct install, new construction promotion, non-
16 electric/non-gas upgrades, HVAC incentives, and single-family home duct
17 sealing.¹⁶

18 In 2023, the Wattsmart Business utility actions focused on increasing
19 outreach and participation among small businesses, particularly those in Named
20 Communities. This includes incentives for small businesses, targeted outreach in

¹⁴ Biennial CEIP, page 19.

¹⁵ Biennial CEIP, pages 20-22.

¹⁶ PAC 2024 CEIP Progress Report, pgs 53-55.

1 HICs, new non-lighting measures, multicultural outreach, and community
2 engagement.¹⁷

3 **Q. Does PacifiCorp dedicate portions of program budgets to named community**
4 **outreach, recruitment, and participation?**

5 **A.** Yes, for its EE programs, and no for its DR programs. A portion of the Company's
6 forecasted budget in its Revised 2024-2025 Demand Side Management Business
7 Plan is allocated for named community outreach, recruitment, and participation.
8 PacifiCorp also allocated a \$70,000 budget for its multicultural campaign in
9 2024.¹⁸

10 **Q. Does PacifiCorp have minimum participation goals?**

11 **A.** No. The metrics associated with the Company's CBI 3 (Increase participation in
12 Company energy and efficiency programs and billing assistance programs)
13 incorporates directionality (i.e., "increase"). We appreciate the Company's addition
14 of directionality between the Revised 2021 CEIP and 2023 Biennial CEIP Update.
15 However, directionality is not the same as a minimum participation goal.
16 Directionality can be achieved with minimal increase to participation while a
17 minimum participation goal can help drive a meaningful increase in named
18 community participation. Finally, a minimum participation goal is distinct from a
19 minimum designation of energy capacity, which was described in section III above.

20 **Q. Do PacifiCorp's CBIs help ensure DER offerings benefit named communities?**

¹⁷ PAC 2024 CEIP Progress Report, pgs 56-58.

¹⁸ PAC response to RNW/NWEC data request 6.

1 A. Some of PacifiCorp’s CBI metrics help assess how DER offerings benefit named
2 communities,¹⁹ however most of the CBIs do not explicitly require tracking for
3 named communities. Furthermore, CBI metrics measure outcomes and, thus, do not
4 by themselves ensure that DER offerings benefit named communities.

5 **Q. Does PacifiCorp offer higher incentives to low-income customers and**
6 **customers in named communities?**

7 A. Yes, for its EE programs, and no for its DR programs. PacifiCorp offers direct
8 installation of measures at no cost to low-income customers in its Low Income
9 Weatherization Program. PacifiCorp also offers higher incentives for select measures
10 for customers located in highly impacted communities for its Home Energy Savings
11 and Wattsmart Business programs.²⁰

12 **Q. Are PacifiCorp’s current strategies sufficient to increase enrollment,**
13 **engagement, and participation of low-income customers and named**
14 **communities in its DER offerings?**

15 A. While we recognize and commend the work PacifiCorp has accomplished in
16 expanding outreach and designing incentives that target certain underserved
17 communities, we believe the Company should do more to holistically engage and
18 enroll low-income customers and customers from named communities in each of
19 its DER programs. One way to do this is to make all of its DER programs’
20 outreach, education, and incentives available to all low-income customers and
21 customers within named communities.

¹⁹ CBI metrics: 2a, 2c, 3a, 3d, 4a, 7b. Biennial CEIP, page 15

²⁰ PAC response to RNW/NWEC data request 9.

1 In its 2024 CEIP Progress Report, PacifiCorp details its progress towards
2 named community engagement through its specific actions associated with its
3 CBIs, including CBIs approved in the Biennial CEIP Update. In most cases, the
4 Company describes efforts that specifically target highly impacted communities.²¹
5 We encourage the Company to continue to target and track progress within HICs.
6 However, there is a lack of effort to provide this same outreach and engagement
7 with vulnerable populations, which is a separate and distinct population that falls
8 under CETA’s definition of named communities.

9 Similarly, as described in the response to our prior question, incentives for
10 the weatherization programs are only available to low-income customers while
11 incentives for the two EE programs are only available to highly impacted
12 communities.

13 PacifiCorp’s DER programs would better serve underserved communities if
14 outreach, education, and incentives were available to *all* low-income customers
15 and named communities.

16 **Q. What are other strategies that could increase enrollment, engagement, and**
17 **participation of underserved communities in PacifiCorp’s proposed and**
18 **future DER programs?**

²¹ See the “Specific Actions” column of Table 6 starting on page 16 of PacifiCorp’s 2024 CEIP Progress Report. Filed in UTC docket UE-210829. CBI 2 (Increase community-focused efforts and investments), CBI 3 (Increase participation in company energy efficiency programs and bill assistance programs), CBI 4 (Increase efficiency of housing stock and small businesses, including low-income housing), CBI 6 (Decrease households experiencing high energy burden), CBI 7 (Improve indoor air quality), and CBI 10 (Increase Named Community clean energy) have many of the same specific actions which are almost exclusive to Highly Impact Communities.

1 A. While I encourage the Company to engage with its EAG, LIAC, and community-
2 based organizations to determine specific tactics, target levels, and the pace of
3 these engagements, there are several specific elements that, if included across all of
4 PacifiCorp’s DER programs, could more effectively increase underserved
5 community enrollment, engagement, and participation:

- 6 • **Funding allocation** – PacifiCorp should carve out a specific portion of
7 budgets for each of its DER programs to named community outreach,
8 recruitment, and participation.
- 9 • **Minimum participation goals** – PacifiCorp should include minimum
10 participation goals to ensure named community and low-income customer
11 representation and access to the benefits of these investments.
- 12 • **Dedicated outreach, education, and recruitment strategies** – PacifiCorp
13 should include clearly defined language addressing how it will target named
14 communities, including vulnerable populations, for recruitment in its DER
15 programs, including strategies like geographic targeting and addressing
16 potential barriers including language, education, and access to Wi-Fi.
- 17 • **Higher incentives** – PacifiCorp should offer higher program incentives to
18 low-income customers, highly impacted communities, and vulnerable
19 populations.

20 **Q. Are these strategies addressed in condition 21 of Order 08 for PSE’s 2021**
21 **CEIP?**

22 A. Yes.

1 **V. CONCLUSION**

2 **Q. Please summarize your recommendations.**

3 **A.** We respectfully recommend that the UTC require PacifiCorp to be held to
4 conditions 20 and 21 from Order 08 of PSE’s 2021 CEIP to help designate and
5 implement minimum designations of energy benefits to PacifiCorp’s named
6 communities as follows:

- 7 • **Minimum Designations.** PacifiCorp will designate for Named Communities
8 a minimum of 30% of the energy benefits of its DR and EE programs, with
9 benefits measured across each tranche of resources. PacifiCorp will commit
10 to developing a targeting approach to identify the customers and communities
11 with deepest need within the broader category of Named Communities in
12 consultation with interested persons and advisory groups. By the 2027
13 Biennial CEIP Update, PacifiCorp will designate a minimum percentage of
14 energy benefits that will flow to Named Communities with deepest need.
- 15 • **DER Program Design.** To implement the 30% energy benefit minimum
16 designations for Named Communities, PacifiCorp, with input from its Equity
17 Advisory Group, will develop mechanisms to intentionally serve customers
18 in Named Communities within each of its individual DER programs. This
19 includes carve-outs for program costs (including outreach/education),
20 minimum participation thresholds, targeting Named Communities beyond
21 income as the sole criterion for eligibility, and higher incentives for low-
22 income customers and Named Communities. PacifiCorp will ensure benefits
23 flow to tenants in affordable multifamily housing.

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

2 **A. Yes.**