EXH. AM-CT-1T
DOCKETS NOS. UE-260005 & UG-260006
2026 PSE GENERAL RATE CASE
WITNESSES: Aqsa Mengal and Charlee Thompson

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. PUGET SOUND ENERGY, Respondent.	DOCKET NOS. UE-260005 and UG-260006 (*Consolidated*)

RESPONSE TESTIMONY (NONCONFIDENTIAL)

OF AQSA MENGAL AND CHARLEE THOMPSON

ON BEHALF OF JOINT ENVIRONMENTAL ADVOCATES

July 28, 2026

JOINT ENVIRONMENTAL ADVOCATES

RESPONSE TESTIMONY (NONCONFIDENTIAL) OF
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I. INTRODUCTION AND SUMMARY.

Q. Ms. Mengal, please state your name, job title, and business address.

A. My name is Aqsa Mengal, and I serve as the Climate and Clean Energy Policy Lead at Front and Centered located at 2800 1st Avenue, Suite 201, Seattle, WA 98121.

Q. Please describe your background and expertise.

A. I joined Front and Centered in October 2025. I have served in energy policy, research, and justice spaces at the local, state, and federal levels through my roles with the Alliance for Tribal Clean Energy, the New York City Mayor's Office of Climate and Environmental Justice, and the Yale School of Public Health. I have a Bachelor of Science in Anthropology & Sociology from Lahore University of Management Sciences and a Master of Environmental Management from Yale University. My Curriculum Vitae (CV) is included as Exhibit AM-CT-2.

Q. Please state your experience with energy regulation and proceedings before public utility commissions.

A. As Climate and Clean Energy Policy Lead with Front and Centered, I lead our organization's energy justice portfolio. I support our coalition's mission to center the interests of Washington's frontline and low-income communities in climate and energy policy through legislative and regulatory efforts. My areas of focus are energy affordability and assistance, utility accountability, energy planning and development, and home and community decarbonization. My work centers on ensuring utility accountability with the Clean Energy Transformation Act (CETA) through regulatory oversight and seeks to advance a just and equitable clean energy transition for all Washingtonians. I participate in various policy dockets at the Washington Utilities and Transportation Commission (UTC) to ensure alignment with the concerns and needs of our state's frontline and low-income communities and currently serve as a member of Puget Sound Energy's (PSE) Equity Advisory Group (EAG).

Q. Ms. Thompson, please state your name, job title, and business address.

A. My name is Charlee Isabella Thompson, and I am a Senior Policy Associate at the NW Energy Coalition (NWEC), located at 811 1st 10 Ave., Suite 305, Seattle, WA 98104.

Q. Ms. Thompson, please describe your background and expertise.

A. I joined NWEC in June 2022. Prior to my current role, I worked in the energy policy and utility spaces with The Energy Project (TEP), GRID Alternatives, and Associated Electric Cooperative, Inc. I have a B.S. in Civil Engineering from the University of Illinois at Urbana-Champaign and a M.P.A. in Environmental Policy from the University of Washington. My CV is included as Exhibit AM-CT-3.

Q. Please state your experience with energy regulation and proceedings before public utility commissions.

A. As a Senior Policy Associate with NWEC, I support the Coalition's policy, regulatory, and legislative work in Washington and Oregon, including before the Washington UTC and Oregon Public Utility Commission (OPUC). My portfolio includes issues that impact: (1) low-income customers and underserved communities, (2) distributed energy resources, and (3) utility implementation of CETA. I have been an expert witness in three prior general rate cases before the UTC. I serve on the Low-Income Advisory Committees of all five investor-owned utilities (IOUs) in Washington, where I have helped develop the bill discount rate programs and arrearage management programs for each IOU. I have tracked PSE's development of its time-of-use and targeted electrification pilots, and participated in numerous rulemaking and policy dockets at the UTC and OPUC. In my previous role with TEP, I advocated for low-income utility customer interests in Clean Energy Implementation Plans and supported the development of TEP's policy positions in UTC dockets U-200281 and U-210800.

Q. What is the purpose of your testimony, and how is your testimony organized?

A. Our testimony seeks to evaluate PSE's existing efforts to advance energy justice and provide recommendations for where PSE can improve in these areas. This testimony is organized into eight sections. **Section 1** (Introduction and Summary) provides introductory information and a summary of this testimony. **Section 2** (Defining Energy Justice) provides background on energy justice and the Just Transition framework in Washington, and explains PSE's role in ensuring the benefits of the energy transition are shared equitably among customers and communities. **Section 3** (Implementation of the Commission's Equity Docket (A-230217)) explains how PSE is implementing the Commission's guidance and provides a recommendation for the Commission to ensure PSE compliance with the policy statements within the Equity Docket. **Section 4** (Progress on Equity Requirements from PSE's 2024 General Rate Case (UE-240004/UG-240005)) details: (1) the requirements related to energy justice in Orders 09/07 and 11/09 of PSE's previous rate case, (2) PSE's compliance with those requirements, and (3) recommendations on how to operationalize those requirements. **Section 5** (Proposals that the JEAs Support) describes PSE proposals that the Joint Environmental Advocates (JEAs) generally support and provides recommendations to ensure their implementation is equity-aligned. **Section 6** (PSE'S Proposal on Credit and Collection Practices) describes JEAs' opposition to PSE's proposal to return to a version of pre-pandemic credit and collection practices and includes a recommendation for the Commission to reject PSE's proposal and resolve the issues in U-210800. **Section 7** (PSE's Argument Regarding Greater Natural Gas Reliance for Affordability) describes the JEAs' opposition to PSE's argument that affordability requires reliance on gas-fired electric peaking plants over renewable resources and lists steps PSE can take to approach equity from a more comprehensive and inclusive lens. Finally, **Section 8** (Conclusion) summarizes our recommendations to the Commission.

II. DEFINING ENERGY JUSTICE.

Q. What is energy justice?

A. Energy justice is the goal and process of moving away from energy systems that have historically disadvantaged and harmed frontline[1] and low-income communities towards more equitable and just energy systems that prioritize their well-being.

Frontline communities have disproportionately faced burdens from energy production. Because they are situated closer to power plants and waste sites, they face greater pollution exposure and public health risks. They have also benefited less from energy consumption and face higher rates of energy poverty and energy burden. Due to systemic power imbalances, frontline and low-income communities have historically been excluded from decision-making regarding energy production, distribution, and consumption. Despite facing disproportionate burdens from energy production, they have not accrued equal economic, financial, and public health benefits from the clean energy transition.

The goal of achieving energy justice thus requires access to safe, affordable, reliable, and clean energy to be a fundamental human right. This also means that the benefits and

[1] "Frontline communities" refers to the communities who are first and worst affected by environmental and climate hazards and injustices. It is important to note that the conditions that put people and communities at increased risk of environmental hazards and climate impacts have evolved over a long history of discriminatory policies and practices. And while united in their experience of inequitable impacts and lack of access to structural resources, frontline communities are incredibly diverse, multi-generational, and rich in culture and experience. Frontline communities hold deep knowledge and offer unique insights into how to address historical injustices.

burdens of energy production, distribution, and consumption must be assessed to ensure that they are being distributed equitably. In the face of a growing climate crisis, environmental degradation, economic insecurity and affordability challenges, and public health concerns, the well-being of our communities depends on an energy system that puts the interests of those on the frontlines first for the benefit of all.

Q. How is energy justice defined in Washington's regulatory context?

A. Washington's regulatory decision-making, utility planning, and clean energy transition are guided by four tenets of energy justice—procedural, distributional, recognition, and restorative—to ensure that agency and utility practices, policies, and operations do not perpetuate inequities for Washington's communities. Guidance regarding equity considerations has been provided to agencies and utilities in several instances. Guidance includes the CETA's expanded definition of "public interest,"[2] guidance provided by Washington's Office of Equity (OOE) to state agencies,[3] Executive Order (EO) 22-04 by the Governor which requires state agencies to implement pro-equity, racial justice, access, and belonging strategic action plans,[4] legislative mandates such as the Multiyear Rate Plan (MYRP) statute,[5] the Climate Commitment Act (CCA),[6] the Clean Fuel Standard,[7] and the UTC's first-issued guidance on energy equity in the 2022 Cascade Natural Gas Corporation General Rate Case (GRC).[8]

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[2] RCW 19.405.010(6).

[3] *See* details of the Washington Office of Equity's (OOE) authority under RCW 43.06D.050.

[4] *See* Exec. Order (EO) 22-04 at 3, available at https://governor.wa.gov/sites/default/files/exe_order/22-04%20-%20Implementing%20PEAR%20(tmp).pdf.

[5] RCW 80.28.425.

[6] *Id.* at 70A.65.230.

[7] *Id*. at 70A.535.

[8] UTC, Docket No. UG-210755, *Cascade Natural Gas Corporation 2023 GRC Approving and Adopting Settlement Agreement Subject to Conditions* (August 23, 2022), Final Order 09.

To coordinate and issue clear guidance on each of the four tenets of energy justice, the Commission initiated Docket A-230217 in 2023.[9] Drawing from the work of the Energy Equity Project, the equity docket is divided into four phases aligned with the core tenets of energy justice. Each of these tenets measures and advances a holistic vision of energy justice as Washington's energy system is transitioned away from fossil fuels.

Q. What is the definition of a Just Transition?

A. The process of moving away from extractive economic and social systems that have harmed and disenfranchised certain communities at the cost of others is the foundation of the Just Transition. The process for achieving a Just Transition aims to move us towards regenerative systems of production and consumption that center deep democracy and ecological and social well-being.[10] Just Transition strategies, rooted in the needs and concerns of low-income communities of color, were initially developed by labor unions and environmental justice groups who recognized the need to phase out industries that were harming workers, community health, and ecological systems, while simultaneously creating pathways for workers to equitably transition to other industries and jobs.[11]

Compounded by climate change and rising greenhouse gas emissions, the vision for a Just Transition also requires transitioning our economies towards the production and consumption of renewable energy. This offers us the opportunity to center communities that have historically been disadvantaged and harmed by energy systems relying on fossil fuels, and ensure that the benefits of the energy transition are being directed to frontline, Black,

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[9] UTC, Docket No. A-230217 (March 2023).

[10] Movement Generation, *Just Transition*, available at https://movementgeneration.org/justtransition/.

[11] Climate Justice Alliance, *Just Transition: A Framework for Change*, available at https://climatejusticealliance.org/just-transition/.

Indigenous, and People of Color (BIPOC), and low-income communities in ways that improve their health, social, and economic well-being.

Q. Why is it important for Washington to center a Just Transition approach to the state's energy transition?

A. While the transition away from fossil fuels is already underway in Washington, the process happening in a just and equitable way that benefits frontline and low-income communities is not guaranteed. Therefore, it is critical for policy and practices underpinning Washington's energy transition to center energy justice as the guiding approach. This will ensure that historically harmed and marginalized communities have an equal voice in decision-making processes impacting their livelihoods, are recognized for their diverse identities, vulnerabilities, and needs, and are guaranteed an equitable distribution of benefits and burdens to ensure that past harms and injustices are corrected and not replicated in the future.

Q. What role do utilities play in furthering a Just Transition in Washington?

A. Historically, the role of utilities was primarily focused on sourcing and supplying energy for their customers safely and at a reasonable cost. However, through regulatory and legislative mandates, this role has evolved to also assess and balance how the benefits and burdens of energy production and consumption are being allocated to different customers and communities. The role of utilities in furthering Washington's Just Transition must therefore recognize historical inequities and ensure that current and future decision-making processes do not replicate past harms and lead to the equitable distribution of benefits for all Washingtonians.

This requires utilities like PSE to understand the equity needs, affordability challenges, and cumulative impacts faced by named communities in order to design appropriate programs and interventions. Tools such as the Washington Department of Health's (DOH) Environmental Health Disparities (EHD) Map can assist with this process.[12] The EHD Map compares communities across Washington by analyzing environmental health disparities including environmental exposures, environmental effects, socioeconomic factors, and sensitive populations, which is then used by DOH to determine which census tracts are highly impacted communities under CETA.[13] To advance a truly just energy transition, PSE must thus utilize equitable approaches to energy generation and consumption that account for the full range of disproportionate impacts faced by named communities, which includes economic and affordability challenges, climate impacts (such as severe weather, flooding, wildfires, and drought), pollution and public health impacts, and other relevant cumulative burdens. This necessitates seeing the advancement of customer affordability, public health benefits, and the clean energy transition as inseparable and complementary.

III. IMPLEMENTATION OF THE COMMISSION'S EQUITY DOCKET (A-230217).

Q. What guidance did the Commission provide to utilities in its Interim Policy Statement Regarding Procedural Justice?

A. The Commission "encourage[s] all regulated energy companies to continue their pursuit of more equitable outcomes by taking the following actions:

1) While energy companies currently post some information on their respective integrated resource plan (IRP) and Clean Energy Implementation Plan (CEIP) webpages, the Commission encourages energy utilities to implement the

[12] Wash. State Dep't of Health, *Washington Environmental Health Disparities Map*, available at https://doh.wa.gov/data-and-statistical-reports/washington-tracking-network-wtn/washington-environmental-health-disparities-map.

[13] Wash. State Dep't of Health, *Instructions for Utilities to Identify Highly Impacted Communities*, available at https://doh.wa.gov/data-and-statistical-reports/washington-tracking-network-wtn/climate-projections/clean-energy-transformation-act/ceta-utility-instructions.

following changes to these webpages to further promote participation in various processes:

a) Include a link to the appropriate Commission docket associated with the most recently completed General Rate Case (GRC), IRP, CEIP, or (once applicable) Integrated System Plan (ISP), and link for any pending decision in a GRC, IRP, CEIP, or ISP, and the appropriate utility contact for information regarding each filing.

b) Summarize the intent of each of these filings, the key content of each filing, the timeline for next steps, and clarify how and when public input was and will be received and used.

c) Post a list of their advisory groups, the goal of each advisory group, organizations or agencies participating in each advisory group, links to advisory group content and recordings, participation information, and the appropriate utility contact for information regarding each advisory group.

2) To better meet the needs of customers with limited English proficiency, energy utilities are encouraged to translate vital documents, including but not limited to: applications for service, informational correspondence once taking new service, and any brochure for Limited English Proficiency (LEP) customers within the utility's service territory outlining customers' rights and responsibilities. Once the utility has determined the top three languages spoken in its service territory using the most recent survey from the United States Census, the utility should post each

of the translated documents in each of the three languages on the utility's website."[14]

Q. Has PSE made an effort to follow this guidance?

A. Yes, PSE has made progress on each of the Commission's recommendations, though some pieces of information are not easily accessible through PSE's webpages. More specifically, we crosswalk below how PSE has aligned or partially aligned with guidance from each recommendation:

1(a) **Partially aligned** – PSE has partially aligned with this guidance by providing a docket link for PSE's 2026 GRC,[15] and a docket link and contact information for PSE's 2027 ISP.[16]

What's missing? A docket link to the "most recently completed" GRC (2024) and contact information for the 2026 GRC, a docket link for the "most recently completed" CEIP (2021), and a docket link for the "most recently completed" IRP (2023).

1(b) **Partially aligned** – PSE has partially aligned with this guidance by summarizing the intent and key content for the 2026 GRC; the intent, key content, next steps, and public input opportunities for the 2027 ISP; and the intent and key content for the 2023 IRP.

What's missing? The intent and key content of the 2024 GRC; the next steps and public input opportunities for the 2026 GRC; and the intent and key content of the 2021 CEIP.

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[14] UTC, Docket A-230217 (May 12, 2025), *Interim Policy Statement Regarding Procedural Justice* at 18–19.

[15] PSE, *Puget Sound Energy 2026 General Rate Case*, *available at* https://www.pse.com/en/pages/rates/pending-utc-filings/2026-general-rate-case.

[16] PSE, Clean Energy Planning, *available at* https://www.cleanenergyplan.pse.com/.

1(c) **Partially aligned** – PSE has partially aligned with this guidance by providing all of the requested information for both its EAG[17] and Resource Planning Advisory Group (RPAG).[18]

What's missing? A publicly accessible list of all advisory groups, and the requested information for its Conservation Resources Advisory Group (CRAG) and Low Income Advisory Committee (LIAC).

2) **Aligned** – PSE has aligned and is actively taking steps to continue to align with this guidance. PSE filed a Language Access Plan (LAP) which identifies "the top non-English languages spoken by limited English proficiency customers in its service territory using 2023 American Community Survey data."[19] In the LAP, PSE states its intention to translate essential communications as outlined in the Commission's Interim Policy Statement Regarding Procedural Justice.[20] PSE must still work to provide the requested essential communications on its website. Since the filing of the LAP, PSE has also updated its top three languages from Spanish, Chinese, and Russian to Spanish, Chinese, and Vietnamese.[21]

Q. Do you have any recommendations in order for PSE to continue to implement the Commission's guidance?

A. Yes. We urge the Company to continue to follow this guidance as it makes PSE's planning, public participation, and language access more transparent and accessible. As the Commission docket A-230217 is still active and will result in additional recommendations for the IOUs, we

[17] PSE, Equity Advisory Group, *available at* https://www.cleanenergyplan.pse.com/eag.
[18] PSE, Resource Planning Advisory Group, *available at* https://www.cleanenergyplan.pse.com/rpag.
[19] Exh. AM-CT-5 (PSE Response to JEA Data Request (DR) 127) at 1.
[20] UTC, Docket UE-240004 (March 30, 2026), *Puget Sound Energy Language Access Plan* at 10, 11.
[21] Exh. AM-CT-5 (PSE Response to JEA DR 127) at 1.

also recommend that the Commission regularly assess and ensure that PSE (and other regulated utilities) sufficiently follow the guidance from its policy statements in this docket.

IV. PROGRESS ON EQUITY REQUIREMENTS FROM PSE'S 2024 GENERAL RATE CASE (UE-240004/UG-240005).

Q. What Commission requirements from Order 09/07 in PSE's 2024 General Rate Case (GRC) relate to energy equity?

A. There are nine equity requirements in Order 09/07 (enumerated below for easier reference):

1. **Hire a 3rd party facilitator for the LIAC.** "[W]e adopt TEP's recommendation that PSE be required to hire an independent third-party facilitator to conduct LIACs meetings applying the IAP2 Spectrum [and] direct PSE to include the LIAC members in the process of selecting a third-party facilitator to ensure the facilitator selected will ensure appropriate engagement with the LIAC."[22]
2. **Review disconnection practices with LIAC and EAG.** "While the Commission acknowledges PSE's acceptance of TEP's recommendation to review its disconnection practices in consultation with LIAC and the EAG, we are not ordering PSE to comply with any specific timelines as recommended in TEP's testimony. However, we do require PSE to submit a letter to the Commission documenting its collaboration with these advisory groups within six months of the date of this order."[23]
3. **Develop a Language Access Plan.** "[W]e adopt TEP's recommendation to require PSE to develop a formal language access plan (LAP). However, given

[22] UTC, Docket Nos. UE-240004/UG-240005 (PSE 2024 GRC), Final Order 09/07 (Jan. 15, 2025) at ¶ 160.
[23] *Id.* at ¶ 180.

PSE's commitment to work on such a plan, we reject the specific timelines TEP proposes for PSE to develop the LAP and defer to PSE, and the members of its EAG, LIAC and other key advisory group participants to devise the most appropriate timeline."[24]

4. **Update energy burden analysis (EBA).** "[W]e adopt PSE's recommendation to account for the effects [of] its energy assistance programs in its next iteration of EBA and direct the Company to incorporate these modifications in its next annual report."[25]
5. **Conduct distributed equity analysis (DEA) on the entire 80 MW DER portfolio.** "It is appropriate to amend the restrictive language in Final order 24/10 and the Settlement Stipulation of the 2022 GRC Order that removes references to 'Commission-led process' and 'request Commission approval' so that PSE can conduct its DEA analysis on the entire 80 MW of the DER portfolio and pursue other equity related work while the Commission formalizes a methodology in Docket A-230217."[26]
6. **Help develop an energy burden stratification framework in U-210800 and U-210590.** "[A]ny further changes to the existing [energy burden stratification] framework should be evaluated in the current Commission-led rulemakings in Docket(s) U-210800 (for arrearage and assistance data) and U-210590 (for performance based ratemaking (PBR) metrics)."[27]

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[24] *Id.* at ¶ 185.
[25] *Id.* at ¶ 194.
[26] *Id.* at ¶ 504.
[27] *Id.* at ¶ 505.

7. **File a Demand Response (DR) Equity Action Plan.** "PSE must submit a compliance filing report reflecting the thirty percent DR energy threshold and an action plan as a compliance filing within ninety days of the effective date of this order."[28]

8. **Include PBR metrics in the annual commission basis report.** "PSE should be authorized and required to make an annual compliance filing to report the performance measures outlined in Appendix C for each year of the MYRP (beginning January 1 and ending December 31 of each year) as an appendix or appendices to its annual Commission Basis Reports."[29]

9. **Post pilot information on PSE's website.** "The Commission requires PSE to publish information regarding its targeted electrification, DEA public engagement, DER, and TVR pilots on its website consistent with the terms of this Order and report the publication of this information to its Equity Advisory Group and the Commission within 180 days of this Order."[30]

Q. What Commission requirements from Order 11/09 in PSE's 2024 General Rate Case relate to energy equity?

A. There is one equity requirement in Order 11/09:

1) **Provide an update on Targeted Electrification Pilot (TEP) Phase 2 in the next GRC.** "The Commission should require PSE to include an update on TEP Phase 2 as part of its next GRC filing and file a final report with the Commission by no later than June 30, 2027 regarding its implementation and results of its TEP Phase 2. The report

[28] *Id.* at ¶ 506.
[29] *Id*. at ¶ 564.
[30] *Id.* at ¶ 591.

> shall discuss: 1) PSE's findings from TEP Phase 2; 2) the level of participation in each of the programs contained in TEP Phase 2; and 3) the costs attributable to each TEP Phase 2 program."[31]

Q. Did PSE comply with the equity requirements from PSE's 2024 GRC?

A. Yes, with caveats pertaining to the Order 09/07 requirements enumerated above as:

> 5. Conduct DEA on the entire 80 MW DER portfolio.
>
> 9. Post pilot information on PSE's website.

Q. Please describe what is missing from requirement 5 and provide a recommendation for how PSE can fulfill this requirement.

A. As explained in the testimony of witness Troy Hutson, PSE has worked with Synapse and LBNL to pilot the DEA on two community solar projects, which represent a small portion of the total 80 MW DER portfolio, and partially completed a DEA on its net metering program, which is approximately 70% of the 80 MW DER portfolio.[32] Thus, PSE advanced, but has not fully completed this Commission requirement. With its preliminary learnings from completed work to date, PSE proposes that the Commission remove this requirement to complete a DEA for its 80 MW DER portfolio.[33] PSE proposes to instead redirect its efforts to its ongoing System-Wide Equity Assessment (SWEA), which "could serve as an alternative to the Distributional Equity Analysis methodology for evaluating opportunities to achieve more equitable outcomes."[34]

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[31] UTC, PSE 2024 GRC, Final Order 11/09 (March 17, 2025) at ¶ 131.
[32] PSE Exh. TAH-1T (Troy A. Hutson Opening Testimony) at 25–26.
[33] *Id*. at 24.
[34] *Id*. at 30, lines 6–8.

The SWEA could be a useful tool for PSE external and internal operations and decision-making, though it may not be a substantive replacement for the DEA as the DEA would provide a baseline of data that could be built on to determine who is receiving benefits, who is paying costs, whether disparities are shrinking or growing, and whether investments are aligned with communities with the deepest need.

PSE has correctly prioritized initial SWEA modules in areas with high customer impact, including but not limited to "customer programs, projects, and services, which directly affect customer participation, access to programs, and distribution of program benefits" and "affordability and bill payment operations, which directly affect energy burden and access to service for customers."[35] PSE's illustrative examples include programs related to energy efficiency, distributed energy resources, demand response and bill assistance programs. While we agree with applying the SWEA to customer-facing programs, it is unclear on what timeline PSE will apply this assessment to customer-facing programs and what will be lost if the DEA is not completed. Additionally, analysis of distributional equity is very informative to advocates, the Commission, and other decisionmakers ahead of general rate cases as the rate case provides an opportunity to more holistically evaluate distributional equity in the larger utility context and determine how approval of the next multiyear rate plan will advance distributional equity. Thus, we recommend that:

1) If the Commission agrees with PSE's proposal to use or pivot to the SWEA, PSE be required to apply the SWEA towards each of its customer-facing programs (e.g., energy efficiency, demand response, time-of-use/time-varying rates, transportation electrification, DER, energy assistance). PSE should discuss the results of this analysis

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[35] Exh. AM-CT-4 (PSE Response to JEA DR 14) at 3.

and the effectiveness of the SWEA's application to customer-facing programs with the EAG and other interested parties on a timeline that could inform updates to the SWEA in PSE's next rate case.

2) If the Commission agrees with PSE's proposal to use or pivot to the SWEA, PSE work with the EAG and other interested parties to identify existing distributional equity metrics, where there may be gaps in reporting needed to ensure distributional equity for customer-facing programs, and to report these metrics in all future rate cases.

Q. Please describe what is missing from requirement 9 and provide a recommendation for how PSE can fulfill this requirement.

A. PSE did comply with the GRC Order by submitting the compliance filing within 180 days of the Order showing that they put pilot info on their webpage.[36] However, the webpage is not accessible or very useful to customers looking for information about PSE's pilot programs and how to potentially enroll in them. The webpage summarizing PSE's pilot programs is difficult to find ("Account & Billing" → "Rates" → "GRC Compliance"). Additionally, the webpage appears to be outdated as it shows a pilot that ended in July 2025 as still active.

In the JEA's 2024 PSE GRC testimony, we advocated for this webpage with the intention that it serve as a centralized pilot hub for customers to access plain-language information about what PSE is innovatively working on and how customers can sign up. We did not intend for it to simply be a webpage created for "GRC compliance."

Thus, we recommend that PSE build on this effort by making its pilot programs webpage more accessible and useful in order to serve as a one-stop shop for customers by:

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[36] PSE, *Pilot Projects*, available at https://www.pse.com/en/pages/rates/regulatory-compliance/pilot-projects.

1) Placing the webpage under the "Efficiency and Green Options" tab as opposed to the "Account & Billing" tab, renaming it to "Pilot Programs" instead of "GRC Compliance;"
2) Maintaining the currently required information—whether a pilot is active, the purpose of the pilot, and the pilot's timeline;
3) Including relevant enrollment eligibility information and links for how to enroll (if applicable);
4) Including a link(s) to relevant final reports; and
5) Including the appropriate PSE contact for more information.

A peer investor-owned utility, ComEd hosts a webpage for "Beneficial Electrification Pilots," which includes much of the information listed above.[37] This serves as an example of how to share information on customer-serving pilot programs.

V. PROPOSALS THAT THE JEAS SUPPORT.

Q. Are there proposals from PSE that you support?

A. Yes. We support: (1) PSE's proposal to prioritize low-income customers who are energy-burdened for energy assistance, and (2) PSE's proposal to transition its time-varying rate pilot program into a full customer program. In this section of testimony, we will talk about why we support each proposal and any recommendations we have for their advancement, starting with the proposal regarding low-income, energy-burdened customers.

Q. Please briefly summarize PSE's proposal to prioritize low-income customers who are energy burdened for energy assistance.

A. PSE states that "only about a third of estimated low-income customers with high energy

[37] ComEd, Beneficial Electrification Pilots, available at https://innovate.comed.com/be-pilots/.

burdens received energy assistance"[38] in 2024 and that "[t]here remains a significant number of low-income, highly energy-burdened customers who are either (i) not receiving sufficient levels of energy assistance to lower their energy burden below the six percent threshold or (ii) not receiving assistance today at all."[39] PSE states that this is because of the increasing number of low-income customers, and energy assistance funds are being spent on reducing energy burden beyond the six percent threshold and sometimes on customers who are not energy burdened.

Thus, PSE proposes to "lean on procedural justice" and work with interested parties and advisory groups to identify ways to improve its energy assistance programs to more effectively and sustainably serve low-income, energy-burdened households.[40]

Q. How are you involved in PSE's energy assistance programs?

A. As a member of PSE's LIAC since 2022, NWEC helped design the PSE's bill discount and arrearage management programs and redesign the Home Energy Lifeline Program (HELP). PSE and the LIAC used customer and third-party data to inform the design of its assistance programs with the intention of expanding access, increasing program participation, and providing a level of assistance that would sustainably reduce customer energy burden to at or below six percent while offering a way for customers to get out of arrearages.

Currently, NWEC continues to serve on PSE's LIAC and Front and Centered serves on PSE's EAG, helping with PSE's structural approach to addressing energy burden for customers.

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[38] PSE Exh. TAH-1T (Troy A. Hutson Opening Testimony) at 51, lines 8–10.
[39] *Id*. at 53, lines 6–9.
[40] *Id*. at 56, lines 3–7.

Q. Do you support PSE's proposal to prioritize low-income customers who are highly energy burdened described in witness Troy Hutson's testimony? Please explain.

A. Yes. We agree that energy assistance funds should be prioritized for customers with the greatest need, and we support PSE's proposal to have the LIAC lead the analysis and development of recommendations. Per PSE's 2024 general rate case, PSE has worked with the LIAC to hire a third-party facilitator to collaboratively create agendas, lead collaborative discussion on prioritized topics, and track and disseminate action items and meeting materials. The addition of the third-party facilitator will support productive discussions.

PSE's peer utility, Avista, very recently worked with its Energy Assistance Advisory Group (EAAG) to identify ways to recalibrate (not redesign) its bill discount and arrearage management programs to more effectively and sustainably allocate its energy assistance funds.[41] Avista convened a subcommittee of the EAAG to analyze data and impacts of different program changes for each assistance program. Avista and the EAAG subcommittee collaboratively identified several data-informed program design calibrations to better serve the customers most in need and effectively use the budget. NWEC was a part of this process and believes Avista set a great example for how PSE can effectuate its proposal.

Q. What recommendations do you have?

A. We recommend that PSE work with the LIAC and EAG on the "Collaborate" level of the IAP2 Spectrum of Public Participation[42] to identify and propose data-supported ways to recalibrate PSE energy assistance programs to more effectively and sustainably serve low-income, energy-

[41] Avista's EAAG "Calibration Subcommittee" worked together from mid-February 2026 through mid-June 2026, ahead of Avista's proposal with program modifications filed on July 1, 2026 (Docket Nos. UE-260561/260562).

[42] IAP2 Spectrum of Public Participation, available at https://cdn.ymaws.com/www.iap2.org/resource/resmgr/pillars/iap2_spectrum_2024.pdf.

burdened households. PSE has previously convened joint LIAC-EAG meetings to gather input from both advisory groups. Members have viewed these meetings positively and encouraged more cross collaboration where appropriate. Alternatively, PSE could create a temporary joint LIAC-EAG subcommittee to further this work, similar to the effective approach used by Avista.

Q. Please briefly summarize PSE's proposal to transition its time-varying rate (TVR) pilot program into a full customer program.

A. The program will include two full-scale voluntary residential TVR rate options: (1) a two-tier time-of-use (TOU) rate structure (Schedule 307) and (2) a whole-home electric vehicle-focused TOU rate structure (Schedule 327). PSE proposes that Schedule 307 and Schedule 327 be made available to all residential customers, with the following modifications from the pilot program:

1. Maintain consistent peak and off-peak windows year-round to eliminate seasonal confusion.
2. Keep the same rates throughout the year to improve predictability.
3. Remove the morning peak window to simplify the structure and focus on the highest-cost and highest-load hours and more flexible evening loads.
4. Expand the evening peak window from 5:00–8:00 p.m. to 4:00–9:00 p.m. for both Schedules 307 and 327, and end the super-off-peak window at 6:00 a.m. instead of 7:00 a.m.[43]

[43] PSE Exh. AAA-1T (Aaron A. August Opening Testimony) at 67, lines 1–19.

Q. How were you involved in PSE's TVR pilot program?

A. Members of the JEAs have supported the TVR pilot since it was established in the settlement stipulation of PSE's 2022 GRC (UE-220066). We have been a part of the group of interested parties who have helped PSE evaluate the program through PSE-led stakeholder meetings from 2023 through 2025.

Q. Do you support PSE's proposal to transition the TVR pilot to the program described in witness Christopher Mickelson's testimony? Please explain.

A. Yes. We support PSE's proposal to transition the TVR pilot to a permanent program as described in witness Christopher Mickelson's testimony.

Throughout the pilot, PSE and Cadmus maintained a transparent stakeholder process, regularly sharing information on the pilot design, implementation, preliminary findings, and anticipated recommendations. NWEC participated in seven stakeholder meetings between September 2023 and mid-August 2025 and found that PSE's proposed program modifications are consistent with the findings and recommendations that emerged from Cadmus' Year 1 evaluation.

The proposed changes appropriately respond to key lessons from the pilot. They simplify the rate design by maintaining consistent peak periods and rates year-round, eliminating seasonal variation that many customers found confusing. For example, Cadmus found that 57% of Schedule 307 participants incorrectly identified the summer peak period, contributing to customer dissatisfaction and bill confusion.[44] Keeping a single, consistent peak window and rate structure will improve customer understanding and predictability.

[44] PSE Exh. CTM-1T (Christopher T. Mickelson Opening Testimony) at 81, lines 4–10.

As the program is young, we support eliminating the morning peak period and focusing the price signal on a single evening peak. Cadmus's evaluation demonstrated that evening hours coincide with PSE's highest system costs and loads and that customers responded more effectively to evening price signals. Beginning the full program with a single peak period will make it easier for customers to understand, become comfortable with, and participate successfully in the program while establishing a foundation for future enhancements, such as seasonal rates or an additional morning peak period, as customer familiarity grows.

We are open to PSE's proposal to expand the evening peak window from 5:00–8:00 p.m. to 4:00–9:00 p.m. while reducing the on-peak to off-peak price differential. This modification aligns the rate with PSE's actual system costs while helping "customers adapt to the expanded peak window without feeling penalized, while still aligning rates with system cost patterns and promoting overall grid efficiency."[45]

Finally, NWEC supports retaining Schedule 327 and its super off-peak period for electric vehicle owners. The pilot demonstrated that Schedule 327 delivered significant customer savings and the greatest peak load reductions among residential participants.[46] Preserving this successful design will continue to benefit EV customers while encouraging flexible electric vehicle charging that supports grid reliability. It also establishes an important foundation for integrating additional demand response technologies, such as managed EV charging and vehicle-to-grid capabilities, in the future.

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[45] *Id*. at 83, lines 7–9.

[46] Cadmus, *Time-Varying Rate Pilot Evaluation: Year 1 Report* (Aug. 8, 2025) at 1, 3.

Q. Were there elements of the TOU pilot that aren't included in PSE's proposal for the TOU program?

A. Yes. PSE's pilot program offered bill protection to half of residential bill discount rate customers, giving them "a bill credit if they paid 10% more on TOU rates than what they would have paid on standard Schedule 7 rates."[47] PSE is not proposing to continue this bill protection in the program. Additionally, PSE is not proposing to continue its distribution of smart thermostats.

Q. Why does PSE not propose to include bill protection for bill discount rate customers or distribution of smart thermostats?

A. While witness Mickelson's testimony does not discuss these elements of the pilot, we believe the bill protection is not included in PSE's proposal for the full program because of the outcome and recommendation described in Cadmus's Year 1 evaluation report, which found that "[o]nly 11% of participants with bill protection earned a credit (averaging $18 for the year)"[48] and ultimately recommended that "PSE and the evaluation team should determine whether this offering is a beneficial component of TVR offerings based on the cost to administer relative to leveraging existing BDR program infrastructure to address any potential customer need."[49]

Additionally, we believe that the distribution of smart thermostats was not included given Cadmus found that "only 10% of surveyed recipients confirmed the installation of the smart thermostat they received"[50] and "[m]ost of these customers reported that they did not

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[47] *Id*. at 11.
[48] *Id*.
[49] *Id*. at 12.
[50] *Id*. at 11.

know how to install the smart thermostat [...] had tried but failed to complete their installation, or had not installed the thermostat because they believed it was not compatible with existing HVAC systems."[51]

Q. Should PSE continue bill protection for bill discount rate customers and continue to offer smart thermostats?

A. PSE should continue providing bill protection for residential bill discount rate customers. Even a modest bill credit provides meaningful value to income-qualified customers, while bill protection reduces the perceived risk of participating in the TVR program. This can encourage both enrollment in the bill discount program and participation in TVR by giving customers the opportunity to realize additional savings.

If PSE offers smart thermostats or other demand response technologies, it should improve its customer support approach. Rather than relying primarily on self-installation, PSE should provide installation assistance and customer education, either directly or through third-party partners, to reduce participation barriers and improve program success.

Q. What recommendations do you have as PSE begins implementation of its voluntary TVR program?

A. We recommend that the Commission approve PSE's TOU program proposal and direct PSE to:

1) Continue to provide bill discount rate participants with bill protection, and
2) Provide installation assistance and customer education, either directly or through third-party partners if these technologies are integrated into the program.

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[51] *Id*.

VI. PSE'S PROPOSAL ON CREDIT AND COLLECTION PRACTICES.

Q. Are there proposals from PSE that you oppose?

A. Yes. We oppose PSE's proposal to "[reinstate] the Commission's [credit and collections] rules that will allow PSE to continue issuing late fees, disconnection and reconnection fees for non-AMI meters, and deposits."[52]

Q. What specifically does PSE propose regarding credit and collection practices?

A. PSE proposes that the Commission "at a minimum, specifically authoriz[e] PSE to resume:

- Charging a security deposit (per WAC 480-100-113, 480-3 90-113; Electric Schedule 80, section 16; Gas Rule 5).
- Charging for disconnections that are not remote capable and require a field visit (per WAC 480-100-128, 480-90-6 128; Electric Schedule 80, section 17; Gas Rule 9, section 7)
- Charging for reconnections that are not remote capable and require a field visit (per WAC 480-100-133, 480-90-133; Electric Schedule 80, section 18; Gas Rule 9, section 7).
- Assessing a late payment fee on past due balances (per Gas 12 Rule 9, and Electric Schedule 80)."[53]

This would similarly return PSE's credit and collection practices to those in place prior to the COVID-19 disconnection moratorium.

Q. Why does PSE propose these changes to credit and collection practices?

A. Witness Aaron August's testimony describes two primary reasons, including: (1) that the slow

[52] PSE Exh. AAA-1T (Aaron A. August Opening Testimony) at 90.
[53] *Id*. at 80–81.

guidance for credit and collections in docket U-210800 is harming customers, and (2) arrearages have increased 159% from November 2019 to November 2025,[54] impacting PSE's financial health and customer affordability. On the first point, witness August says there has been virtually no progress in U-210800, noting that the last action was in February 2024.[55] On the second point, witness August explains that since the moratorium began in 2020 PSE has foregone a total of approximately $90.1 million in fees and security deposits[56] resulting in PSE's entire rate base covering the costs of customers with arrearages through recovery in base rates.

Q. Has any progress been made in U-210800 since PSE has filed its initial testimony?

A. Yes. While PSE's initial testimony was filed on February 27, 2026, the Commission filed a Notice of Opportunity to Provide Comments on March 13, 2026, including a second set of draft rules that address guidance on deposits and fees. Eight different sets of comments were filed, including by PSE and a subset of the Joint Environmental Advocates on April 17, 2026.[57]

Q. Please briefly summarize the recommendations for fees and security deposits from PSE's comments filed on April 17, 2026.

A. PSE's recommendations are very similar to its recommendations as described in witness August's testimony and listed above. On every issue directly related to reconnection fees, disconnection fees, late fees, and security deposits, PSE's position is generally to retain the prior existing utility practices, including to:

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[54] *Id*. at 83, tbl. 3.

[55] *Id*. at 82, lines 10–13.

[56] $27.5 million from security deposits (Exh. AAA-1T (Aaron A. August Opening Testimony) at 84, lines 11–24), $232,050 from reconnection and disconnection fees (*id*. at 85, lines 1–8), and $62.3 million from late fees (*id*. at 86, lines 1–9.).

[57] While the JEAs in this case include NWEC, Sierra Club, Front and Centered, Washington Conservation Action (WCA), and Climate Solutions, a subset of the JEAs filed comments on April 17, 2026 in Docket U-210800, including NWEC, Sierra Club, Front and Centered, and WCA (along with Spark Northwest).

- Keep late fees
- Keep reconnection fees
- Allow recovery of disconnection-related field visit fees
- Keep existing security deposit eligibility standards, amounts, payment structures, and timelines.

Q. Please briefly summarize the recommendations for fees and security deposits from the JEA's comments filed on April 17, 2026.

A. Recommendations from the subset of the JEAs included the following:[58]

- Maintain the guidance from the Commission's 2023 draft rules that all fees be prohibited for all residential customers.
- Prohibit residential deposits.
- We support the Commission's proposed reporting, and recommend the Commission require the continuation of U-200281 reporting in its entirety to capture missing and crucial pieces of data, including data on fees and security deposits.
- A reporting template should be standardized and easy to analyze.
- Data should be reported at the census tract level where possible.
- IOU reporting should be due no later than sixty days after the end of the reporting period if reporting is moved to an annual cadence.
- Annual U-200281 reports for all five IOUs should be placed in a single docket or that, if this reporting is moved into the Commission Basis Reports, the data

[58] *Please see* UTC, Docket No. U-210800, "Comments, on behalf of the NW Energy Coalition (NWEC), Sierra Club, Front and Centered, Spark Northwest and Washington Conservation Action, from Charlee Thompson, Jim Dennison, Aqsa Mengal, John Seng and Julian Santos" filed on April 17, 2026.

reports since 2020 and future data reports also be easily accessible on each IOU's website or a new UTC webpage.

- We encourage Commission-led analysis of this reporting at a cadence that fits within Staff's capacity.

Q. Is $90.1 million a significant portion of PSE's revenue?

A. No. In 2025, PSE recorded an annual operating revenue of approximately $5.378 billion.[59] The total revenue PSE lost in fees and security deposits over the last six years since the beginning of the moratorium in March 2020 ($90.1 million) is approximately 1.8% of PSE's total annual operating revenue. Thus, the annual revenue PSE loses in fees and security deposits from households that are navigating impossible tradeoffs is a miniscule portion of PSE's total annual operating revenue.

In the same vein, evidence from other IOUs across the country shows that a very small percentage (1.4%) of the dollars IOUs spent on shareholder dividends ($6.836 billion) could be used to eliminate all customer arrearages.[60] Progressing towards a just transition requires us to re-evaluate our operating assumption that human wellbeing is on a balanced scale with private utilities' authority to collect fees, deposits, and arrearages.

Q. What do you recommend?

A. Given that: (1) the Commission has reactivated U-210800 and is leading discussion on draft credit and collections rules, and (2) the total revenue PSE has lost from foregone fees and deposits since in 2020 is 1.8% of their annual operating revenue, we do not believe PSE's

[59] PSE, *Annual Report (Form 10-K)* (Feb. 27, 2026) at 76, 89–90 (Reporting total electric operating revenue of $3.891 billion, total natural gas operating revenue of $1.462 billion, and total operating revenue of $5.378 billion). Available at https://www.sec.gov/Archives/edgar/data/1085392/000108539226000008/psd-20251231.htm?.

[60] Center for Biological Diversity, *Powerless in the United States: How Corporate Utilities Drive Energy Unaffordability and Climate Chaos* at 4, tbl. 1. Available at https://www.biologicaldiversity.org/programs/energy-justice/pdfs/Powerless_Report_2025.pdf.

request that the Commission issue a waiver of certain moratorium restrictions currently until a rule is passed is necessary. We recommend that the Commission reject PSE's proposal and work with PSE and other stakeholders to resolve the issues in U-210800.

VII. PSE'S ARGUMENT REGARDING GREATER NATURAL GAS RELIANCE FOR AFFORDABILITY.

Q. Why is PSE considering greater gas-fired electric peaking resources as part of its resource portfolio?

A. By prioritizing affordability as the central concern of its approach to equity, PSE notes that:

> gas-fired electric peaking plants represent cost-effective solutions that support PSE's capacity and reliability needs while meeting customer needs and achieving equitable outcomes. These resources can provide essential grid reliability at a lower cost than the high levels of renewable resources needed to achieve the same capacity, making them a viable option that directly supports affordability and reliability goals for customers.[61]

A greater reliance on gas-fired electric peaking resources is thus seen as a cost-effective means for PSE to prioritize affordability and reliability for customers as the central focus of equity.

Q. What is your opinion of PSE's general assertion that gas-fired peaking resources are cost-effective?

A. We are concerned by general assertions that affordability requires reliance on natural gas, which in many cases is not supported by analysis or the available data. In many instances, PSE appears to have assumed that natural gas options are most affordable without actually evaluating the costs of renewable alternatives. For example, PSE did not select the Centralia coal-to-gas conversion project through a competitive request for proposals (RFP) process that

[61] PSE Exh. TAH-1T (Troy A. Huston Opening Testimony) at 17, lines 14–19.

could have revealed lower-cost alternatives, as discussed in the testimony of JEA Witness Elizabeth Stanton (Exh. EAS-1T). Likewise, PSE's request for construction work in progress (CWIP) to procure gas-fired turbines without identifying a location or project where they will be used relies on the assumption that these turbines will be determined as the lowest-cost resource when those projects are developed. Similarly, JEA Witness Bradley Cebulko's testimony (Exh. BTC-1T) shows that PSE has failed to meaningfully evaluate potentially lower-cost non-pipe alternatives to most of its proposed natural gas distribution system investments. And JEA Witness Danielle Velez's testimony (Exh. DAV-1T) describes a non-pipe alternative program for service line replacements that is by design lower-cost than PSE's proposed gas infrastructure investments.

Q. In addition to affordability, what other key considerations must be factored into PSE's approach to equity?

A. Given rising costs of living, long-standing energy burdens, and broader concerns around energy poverty for Washingtonians, it is not surprising that affordability and reliability are two of the most salient concerns that PSE frequently hears from its customers and advisory bodies. PSE's 2025 Clean Energy Survey results show that 77% of PSE customers see "highly reliable energy" as a must-have feature and "lower than average energy bills" as a close second with 54% of PSE customers noting it as a must-have feature.[62] These numbers are even higher in the case of respondents from Tribal communities (80% for "highly reliable energy" and 63% for "lower than average energy bills") where energy poverty rates and energy bills are disproportionately high.[63]

[62] PSE Exh. TAH-8 (PSE Clean Energy Survey Results) at 6.
[63] *Id.*

At the same time, however, results from PSE's 2025 Clean Energy Survey show strong recognition and support for transitioning to cleaner, renewable sources of energy under a changing climate, particularly amongst BIPOC and Tribal communities and communities facing language access barriers, all of whom comprise the frontline communities facing the worst impacts of climate change and historical inequities from energy production and consumption. Based on PSE's 2025 Clean Energy Survey, 64% of communities facing language access barriers, 59% of BIPOC adults, and 57% of Tribal community respondents see transitioning to clean energy as "very important."[64] Similarly, 62% of respondents from communities facing language access barriers and 53% of BIPOC adults are concerned about climate change.[65] And 71% of Tribal community respondents, 71% of BIPOC adults, 68% of low-income respondents, and 68% of respondents from communities facing language access barriers personally support the clean energy transformation—illustrating some of the highest proportion of respondents supporting the clean energy transition across surveyed audiences.[66]

It is also interesting to see that of the surveyed audiences, only 38% of Tribal community respondents support using natural gas, even if it's the cheapest option and will keep electric bills low.[67] Correspondingly, support for using natural gas if used to augment wind and solar when those resources are less available is lower amongst communities facing language access barriers (41%), Tribal communities (42%), and BIPOC adults (48%) compared to other surveyed audiences.[68] On the other hand, communities facing language access barriers, Tribal

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[64] *Id*. at 5.
[65] *Id*. at 18.
[66] *Id*. at 19.
[67] *Id*. at 15.
[68] *Id*.

communities, and BIPOC adults show some of the highest levels of interest in participating in an electrification program over the next 12 months, at 82%, 80%, and 72% respectively.[69]

Based on these results from PSE's 2025 Clean Energy Survey, it is apparent that while affordability and reliability are indeed key concerns across different audiences, there is simultaneously strong recognition and concern regarding climate impacts and the critical need for transitioning towards cleaner and renewable sources of energy. This concern is particularly salient amongst frontline communities who historically and presently face first and worst the impacts of pollutants, climate change, public health disparities, and socio-economic disinvestment. A comprehensive and holistic approach to equity thus requires PSE to address these burdens in tandem by weaving together all four of the energy justice tenets rather than taking a siloed approach which prioritizes certain equity concerns over others.

Q. How can trade-offs between short-term savings over long-term affordability and other important equity concerns lead to inequitable outcomes for customers in the future?

A. Affordability concerns across Washington and the nation call for utilities to implement programs and utilize approaches that alleviate energy burden and rising costs for customers. At the same time, however, it's important to recognize what the underlying cost drivers are of rising energy bills. Over the past decade, climate impacts such as extreme weather, flooding, wildfires, and droughts have started causing lasting damage to the Northwest's energy infrastructure. Compounded by an aging grid in need of modernization, costs continue to rise for utilities and in turn their customers. Prolonged periods of extreme weather, such as heat waves or winter storms, are driving up energy demand, causing more frequent and prolonged outages, and reducing energy efficiency for households.

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[69] *Id*. at 12.

Addressing affordability challenges for its customers thus requires PSE to recognize the ways in which climate change continues to reshape our energy infrastructure and systems in both the short and long term. Moreover, it also requires utilities to address the historical impacts caused by industries that have been dominant contributors to global greenhouse gas emissions. While inaction on climate change could potentially lead to negligible savings for households in the short-term, the consequences of this inaction will be far more severe in the long-term, replicating the harmful socio-economic impacts and public health burdens faced by frontline, BIPOC, and low-income communities under a fossil fuel-based energy system. Rising emissions and consequently climate impacts will lead to higher energy demand; increase the frequency and duration of power outages; cause damage to aging transmission and distribution infrastructure; exacerbate energy burdens faced by households; increase public health risks caused by lack of access to reliable, affordable, and clean energy; cause households to make difficult choices between paying for food, housing, medical bills, and energy bills; and eventually drive a larger proportion of Washingtonians into poverty and a public health crisis.

Q. How are affordability and a transition to renewable resources complementary?

A. Energy is a necessity and a human right that allows our communities to secure dignified livelihoods. When energy prices fluctuate or increase, it is frontline, BIPOC, and low-income households that take the worst hit, often foregoing the energy they need or taking on utility debt to pay for other basic needs like food, healthcare costs, or rent. Energy systems reliant on fossil fuels and associated fuel costs are highly susceptible to global supply chain fluctuations and geopolitical crises, leading to price volatilities.

Renewable resources, which do not rely on ongoing fuel costs and are decoupled from dependency on imports, insulate energy prices from these volatile fluctuations. There is also increasing economic research which finds that utility scale renewables are not associated with higher residential electricity prices but can rather lead to lower prices for customers.[70] Combined with grid enhancing technologies, battery storage, and other distributed energy resources (DERs), utility scale renewables can address both affordability and reliability concerns for customers—particularly communities that have historically not had access to reliable, affordable, and clean energy— by driving down energy bills and providing a stable supply of power at all times.

Given the historical and ongoing harms that frontline, BIPOC, and low-income communities in Washington face from a fossil-fuel based energy system, treating the existing system and limited pathways for action as givens in a way that places affordability and the clean energy transition in opposition to one another is not a productive exercise. Identifying potential channels for cost increases throughout the transition is a useful exercise as long as the goal is mitigating these costs. In order to further an affordable and equitable clean energy transition for Washingtonians, PSE must consider options for equitable rate design and targeted investments for named communities that incorporate a holistic approach to equity.

Q. What steps can PSE take to approach equity from a more comprehensive and inclusive lens?

A. By creating and advancing programs that center both affordability and a transition to clean energy as part of their integrated approach to equity, PSE can provide tangible benefits to its

[70] Climate Portal, *Renewables and Electricity Affordability: Untangling Correlation from Causation*, available at https://climate.mit.edu/posts/renewables-and-electricity-affordability-untangling-correlation-causation.

customers which include affordable bills, healthier homes, improved health outcomes, and overall resilience to climate change. Steps PSE can take in order to advance a more integrated approach to equity include:

- Refer to the full energy justice framework which includes four tenets of justice, namely procedural, distributional, recognition, and restorative, when designing programs and practices. PSE's approach to equity needs to incorporate all four tenets in a manner that distributes benefits for customers and addresses burdens holistically. This should include impacts customers face from pollutants caused by energy generation, climate impacts that cause shutoffs, hinder reliable access, cause adverse public health impacts, and increase energy burden.
- Confer with PSE's advisory groups to help co-create and/or provide input on PSE's customer-facing surveys which assess customer attitudes and concerns regarding the clean energy transition. It is important to ensure that the language and questions used as part of these surveys can be understood intuitively by audiences in accordance with their livelihood needs.
- Sharpen PSE's vision on affordability to ensure alignment between PSE's approach to expanding customer access to clean energy and affordability for customers. PSE's current vision on affordability is going in the right direction and includes a focus on "the simplification of processes for customers to participate in affordability and clean energy programs."[71] In addition to improving customer access to clean energy programs, PSE must see this work as integral to its overall approach to affordability for customers.

[71] PSE Exh. TAH-1T (Troy A. Huston Opening Testimony) at 33.

- Lean into what more equitable rate design could look like under performance-based ratemaking, including considering which costs currently recovered in trackers could be integrated into base rates, what cost-sharing mechanism(s) PSE could begin to implement to shift risk away from customers, and, as PSE ideated in testimony, how to implement a reduced monthly charge for income-qualified residential customers.[72]
- Consider how a fund similar to Avista's Named Community Investment Fund (NCIF)[73] could benefit PSE's deepest need customers and named communities.
- Fulfill its statutory obligations to meet CETA's 2030 greenhouse-gas emission neutrality target and conduct a fair, competitive, and thorough assessment of renewable resources rather than acquiring imprudent and expensive investments in gas-fired generation through the Conversion of the Centralia Energy Transition Project. The Centralia project will exacerbate affordability concerns for customers and position PSE further away from its statutory CETA obligations.[74]
- Adequately and meaningfully evaluate potentially lower-cost non-pipe alternatives to proposed costly gas distribution system investments.[75]

VIII. CONCLUSION.

Q. What are your recommendations to the Commission?

A. Our recommendations are as follows:

1. PSE should continue to follow the guidance in the Commission's Interim Policy

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[72] *Id*. at 47–49.
[73] Avista, *Named Communities Investment Fund*, available at https://www.myavista.com/about-us/washingtons-clean-energy-future/named-community-investment-fund.
[74] *See* JEA Witness Stanton's testimony (Exh. EAS-1T) at 3.
[75] *See* JEA Witness Cebulko's testimony (Exh. BTC-1T) at 3–4, and JEA Witness Velez's testimony (Exh. DAV-1T) at 9.

Statement Regarding Procedural Justice. As the Commission docket A-230217 is still active and will result in additional recommendations for the IOUs, the Commission should regularly assess and ensure that PSE (and other regulated utilities) sufficiently follow the guidance from its policy statements in this docket.

2. If the Commission agrees with PSE's proposal to use or pivot to the SWEA, PSE be required to apply the SWEA towards each of its customer-facing programs (e.g., energy efficiency, demand response, time-of-use/time-varying rates, transportation electrification, DERs, energy assistance). PSE should discuss the results of this analysis and the effectiveness of the SWEA's application to customer-facing programs with the EAG and other interested parties on a timeline that could inform updates to the SWEA in PSE's next rate case.
3. If the Commission agrees with PSE's proposal to use or pivot to the SWEA, PSE work with the EAG and other interested parties to identify existing distributional equity metrics, where there may be gaps in reporting needed to ensure distributional equity for customer-facing programs, and to report these metrics in all future rate cases.
4. PSE should make its pilot programs webpage more accessible and useful in order to serve as a one-stop shop for customers by:
    a. Placing the webpage under the "Efficiency and Green Options" tab as opposed to the "Account & Billing" tab, renaming it to "Pilot Programs" instead of "GRC Compliance;"
    b. Maintaining the currently required information— whether a pilot is active, the purpose of the pilot, and the pilot's timeline;

c. Including relevant enrollment eligibility information and links for how to enroll (if applicable);

d. Including a link(s) to relevant final reports; and

e. Including the appropriate PSE contact for more information.

5. PSE should work with the LIAC and EAG on the "Collaborate" level of the IAP2 Spectrum of Public Participation[76] to identify and propose data-supported ways to recalibrate PSE energy assistance programs to more effectively and sustainably serve low-income, energy-burdened households.

6. The Commission should approve PSE's TOU program proposal and direct PSE to:

   a. Continue to provide bill discount rate participants with bill protection, and

   b. Provide installation assistance and customer education, either directly or through third-party partners if these technologies are integrated into the program.

7. The Commission should reject PSE's proposal on credit and collection practices and work with PSE and other stakeholders to resolve the issues in U-210800.

8. PSE should confer with its advisory groups to help co-create and/or provide input on customer-facing surveys which assess customer attitudes and concerns regarding the clean energy transition.

9. PSE should consider how a fund similar to Avista's Named Community Investment Fund could benefit PSE's deepest need customers and named communities.

[76] IAP2 Spectrum of Public Participation, available at https://cdn.ymaws.com/www.iap2.org/resource/resmgr/pillars/iap2_spectrum_2024.pdf.

Q. Does this conclude your direct testimony?

A. Yes.