

Equity Advisory Group Meeting

October 16, 2023

5 p.m. – 7 p.m.



Welcome and Introductions

Rose McKinney-James
Facilitator



Safety Moment

Demeco Walters

EAG Member



*PUGET
SOUND
ENERGY*

Unplugging Your Appliances

It's estimated most homes harbor an average of 40 appliances, constantly using power. From 2002-2009, the National Fire Incident Reporting System (NFIRS) identified more than 69,000 fires in which an appliance was the primary cause.



- **For Safety**

- Lithium-ion batteries, faulty circuit board components, and improper charging methods can cause everything from phones, laptops, and personal devices to wearable tech, cameras, and dust busters to go up in smoke.

- **For Efficiency**

- Small kitchen appliances, chargers for phones, laptops, toothbrushes, and more add to your electric bill every minute they're not actually in-use.

- **Practical Solution**

- Use a power strip for easier turn-off

Equity Moment

Ray Outlaw

Manager Communications Initiatives, Clean Energy Strategy



Accountability principles (excerpts)

- Design programs that **produce outcomes desired by vulnerable communities** by prioritizing their input and explaining how we used their ideas
- Commit to a future that **reduces or eliminates harmful impacts** to vulnerable communities
- Consistently **review and reflect upon practices that could potentially harm vulnerable communities** during and beyond the planning and implementation stages of the clean electricity transition

Facilitator requests

Participants, please:

- Listen to and appreciate the diversity of views and opinions
- Actively participate in the group
- Behave constructively and courteously towards all participants
- Respect the role of the facilitator to guide the group process

Observers, please:

- Respect the Joint Advisory Group's time to discuss meeting topics

YouTube livestream and Public Comment for observers

Public Comment

- The public comment period will start at 7:00 p.m.
- Instructions to join will be presented during break.
- **Please do not join the meeting until then.** The first 5 individuals will have 2 minutes each to speak.

Livestream

- Observers can watch the meeting through the YouTube livestream link.
- Prepare to provide your verbal comments during the observer comment period on the agenda.

Agenda

5:00 p.m. – Welcome

5:05 p.m. – PSE and EAG Updates

5:20 p.m. – 2023 Bill Discount Rate Update

5:50 p.m. – BREAK

5:55 p.m. – Final 2023 Clean Energy Implementation Plan Biennial Update

6:55 p.m. – Next steps

6:55 p.m. – Public Comment

Objectives

- Receive relevant updates from PSE and EAG committees
- Provide an overview of new Bill Discount Rate (BDR)
- Provide a progress update on final 2023 Clean Energy Implementation Plan (CEIP) Biennial Update

PSE and EAG Updates

Ray Outlaw

Manager Communications Initiatives, Clean Energy Strategy



Equity Forum Update

Valuable outcomes:

- Positive response to acting as a "convener" for broad equity discussion topic
- Hearing about everyday challenges, adding understanding to data evidence
- Creating opportunities to network, organize and share resources

Next steps:

- Prepare brief summary, with enough detail to validate participant experiences
- Include image developed by graphic facilitator
- Debrief event data and summary with EAG members
- Identify further actions to embed Equity Forum learnings in EAG work

Steering Committee updates

Proposal: Engagement Subcommittee (poll)

- Optional
- Format similar to EFPC
- Meetings every 4-6 weeks
- Focus on participation and engagement topics

Looking ahead

- Scheduling end of year check-ins (look for an email from Lysa)
- Setting 2024 meeting schedule (poll)

Bill Discount Rate program overview

John Inge

Marketing Program Manager, Customer Engagement

Melissa Anne Troy

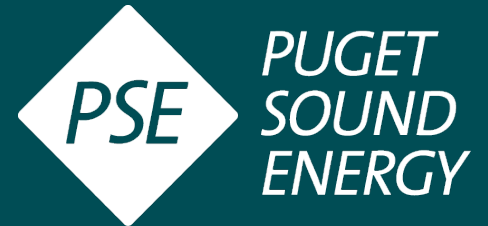
Customer Outreach Supervisor

Suzanne Sasville

Energy Assistance Programs Supervisor

Theresa Burch

Manager Customer Solutions



Bill Discount Rate program – new

Final Bill Discount Rate (BDR) Tiers

PSE Bill Discount Rate (BDR) program:

BDR Tiers	FPL (AMI) Bracket	BDR Discount %
T1	0% FPL to ≤ 20% FPL	45%
T2	>20% FPL to ≤50% FPL	40%
T3	>50% FPL to ≤100% FPL	20%
T4	>100% FPL to ≤150% FPL	15%
T5	>150% FPL to ≤200% FPL	10%
T6	>200% FPL & ≤80% AMI	5%

FPL: Federal Poverty Line; AMI: Area Median Income

- New tiered discount rate program
- Offers income eligible customers reduced energy rates
- Level of discount received corresponds with financial need

Home Energy Lifeline Program – continues

Home Energy Lifeline Program (HELP)

- Provides assistance for eligible residential customers to help pay their electric or natural gas bills

Income based

- Customers can qualify annually for a \$250 to \$1,000 credit towards their energy bill
- Credit on customer energy bill once per program year (10/1-9/30)

What is energy burden?

- Energy burden (EB) is the percent of household income required to pay for utility bills
- Severe energy burden is defined by the industry as households with energy bills that exceed 10 percent of the annual household income

What we are trying to do?

Goal:

- Benefit customers with the highest level of energy burden

Strategy:

- Streamline **customer experience** to motivate completed customer applications
- Reduce **language** and **technology barriers** to increase engagement
- **Increase customer engagement** through segmented communications by language, geographic location, and age

Who are we trying to reach?

- **342,700** residential customers - whose household income is **80% area median income and under**
- **157,600** of these customers **are gas or dual fuel**
- **220,000** of these customers **have not received previous bill assistance or been 30+ days past due in the last two years**
- **119,600** of these customers have **no email**
- **128,400** of these customers are thought to be **65 years old+**
- **45,000** of these customers are native Spanish speakers, **not otherwise proficient in English**

Where are we concentrating our efforts?

General awareness: Reaching all 342,700 residential customers multiple times via online, offline tactics and community outreach

Seniors: Concentrating efforts with primarily offline tactics, with in-person outreach, mindful of reaching rural areas

Native Spanish speakers: All materials & advertising in Spanish; outreach to local non-profits and cultural events serving the Hispanic community

Gas & dual fuel customers: Emphasis on events & outreach efforts in areas where a higher ratio of these customers reside – Seattle, Tacoma & Snohomish County

Climate Commitment Act Tariff/UTC Mandate

“PSE must work with its Low-Income Advisory Group between August and October 2023 to either identify additional [Known Low-Income] KLI customers, or to automatically enroll low-income customers in a bill discount or bill assistance program, to reach a target of at least 70,000 participants by January 1, 2024....”

UTC Order 01 (Aug. 3, 2023) in Docket UG-230470 (pp. 5)

Bill Discount Rate: “Are you eligible?” campaign

See if you're eligible!

Find out if you qualify before applying. Just provide your household's gross monthly income, number of people in your household and the county where you live. After learning your preliminary status, complete the online application below.

Please select number in household
3

Please select county
King County

Please enter monthly income
\$1,000

You're eligible!

It's easy to apply. Just fill out our brief online form using your PSE digital account. If you need help applying, email us at billdiscount@pse.com or give us a call at 888-225-5773. We're here to help.

APPLY NOW

pse.com/discount

How are we reaching our audience?

Multilingual Communications

pse.com

PSE Voice

myPSE app

Email

Direct mail

Social media
advertising

Digital
advertising

AM & FM radio
advertising

Propel
app/EBT
advertising

Community &
Tribal
newspaper ads

Customer Outreach

- Over 70 scheduled activities with paper applications and tablets including sign up workshops, 1:1 appointments, tablings, presentations and partner staff training
- Partnering with non profits to provide interpreters for workshops – examples include Mixteco, Vietnamese, Spanish, Mam, Cantonese, Mandarin, Korean
- Sharing information via partners and local small businesses through posters, newsletter content, Facebook live events, podcasts, social posts, and meal distribution boxes
- All outreach activities include other applicable PSE assistance programs, free/low cost energy efficiency and renewables



Examples of organizations reached

Examples of organizations we're partnering with include:

- Kitsap Immigrant Assistance Center
- Centro Rendu
- King County Catholic Community Services
- APOYO – Kittitas county
- Navy Marine Corp Relief Society
- Unity Care NW
- Burlington Senior Center
- Seamar Health
- Open Doors for Multicultural Families
- Kitsap County Juvenile and Family Court
- Woodland Senior Living
- CIRC Senior Living
- Latino Community Fund
- Early Head Start Program
- Helpline House
- Veteran's Stand Down
- Cross Cultural Center without Walls
- Vamos Outdoor Project
- Deming Library
- Enterprise for Equity

How can you help spread the word

Customer Outreach is always looking for:

- Non profit agencies where workshops could be scheduled
- Newsletters, email distribution groups, community connectors information
- Meal delivery programs to share flyers with
- Local community events where we could have a table
- Any groups we could come present this program

Reach out to outreach@pse.com

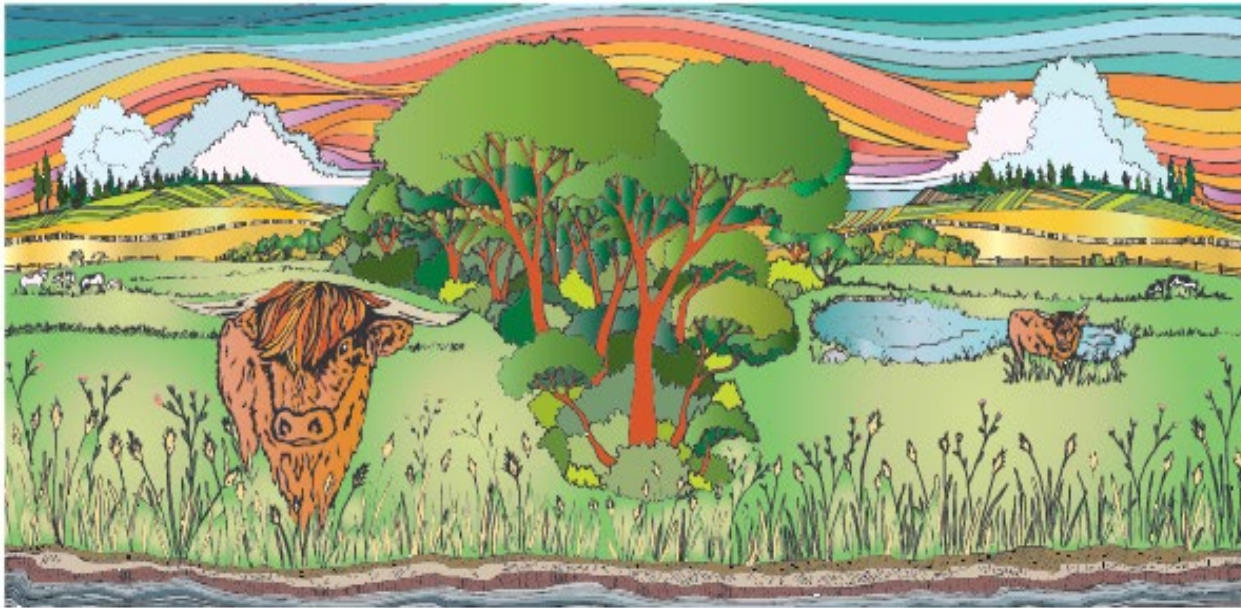
Questions?



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ENERGY*

Break

Please return at 5:55 pm



"Farmscapes" by Tia Savedo of Whidbey Island, WA

The public comment period will start at 7:00 p.m.

Please do not join the meeting until then. The first 5 individuals will have 2 minutes each to speak.

1. Join the Zoom meeting:
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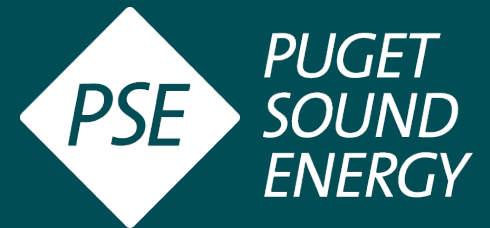
2021 CEIP status update

Kara Durbin

Director, Clean Energy Strategy

Brian Tyson

Manager, Clean Energy Planning and Implementation












2021 Clean Energy Implementation Plan (CEIP) review

Goals and targets


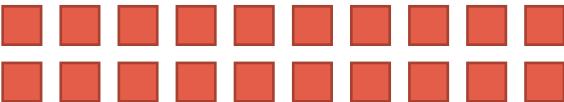







2025	<ul style="list-style-type: none"> Coal-free electricity Increase from 35% to 63% clean electricity
2030	<ul style="list-style-type: none"> Carbon-neutral electric system
2045	<ul style="list-style-type: none"> 100% clean electricity

Customer benefits

	Energy benefits
	Non-energy benefits
	Burden reduction
	Public health
	Environment
	Cost reduction
	Energy security
	Risk reduction
	Resiliency

2025 clean resources

	Utility-scale renewables  (800 MW)
	Distributed renewables  (80 MW)
	Demand response  (23.7 MW)
	Energy efficiency 1,073,434 MWh

CEIP Status Update

- **First** Clean Energy Implementation Plan (CEIP) submitted in **December 2021**
- Began formal adjudication (legal process) in **mid-2022**
- Public comment & formal UTC hearings in **January 2023**
- Commission issued **formal decision on June 6, 2023**

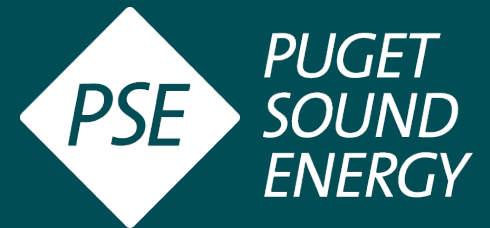
Biennial Update overview

Kara Durbin

Director, Clean Energy Strategy

Brian Tyson

Manager, Clean Energy Planning and Implementation



What is the 2023 Biennial CEIP Update?

- Refines how we're delivering clean electricity through the remainder of the first implementation period (2023-2025)
- Responds to Commission decision issued on June 8, 2023

Key updates:

- Integrating four tenets of justice
- Updating definition of Named Communities
- Defining “deepest need” and related minimum designation
- Updating interim and specific targets
- Refining and adding specific actions
- Reporting on public engagement progress

Integrating the four tenets of justice

Resources

- Energy Equity Project (EEP) Report, University of Michigan
- American Council for an Energy Efficient Economy (ACEEE)
- Cascade Natural Gas Order
- Pacific Northwest National Laboratories (PNNL)

Recognition justice

- Designation of Named Communities – highly impacted, vulnerable populations, deepest need
- Disparities and root factor analysis – identify barriers and measures to address disparities/barriers

Procedural justice

- Robust engagement **with named communities**, advisory groups, interested parties, CBOs, external SMEs, academic and research institutions, etc.
- Targeted education and awareness outreach for customers in named communities
- Document and integrate feedback from engagement efforts

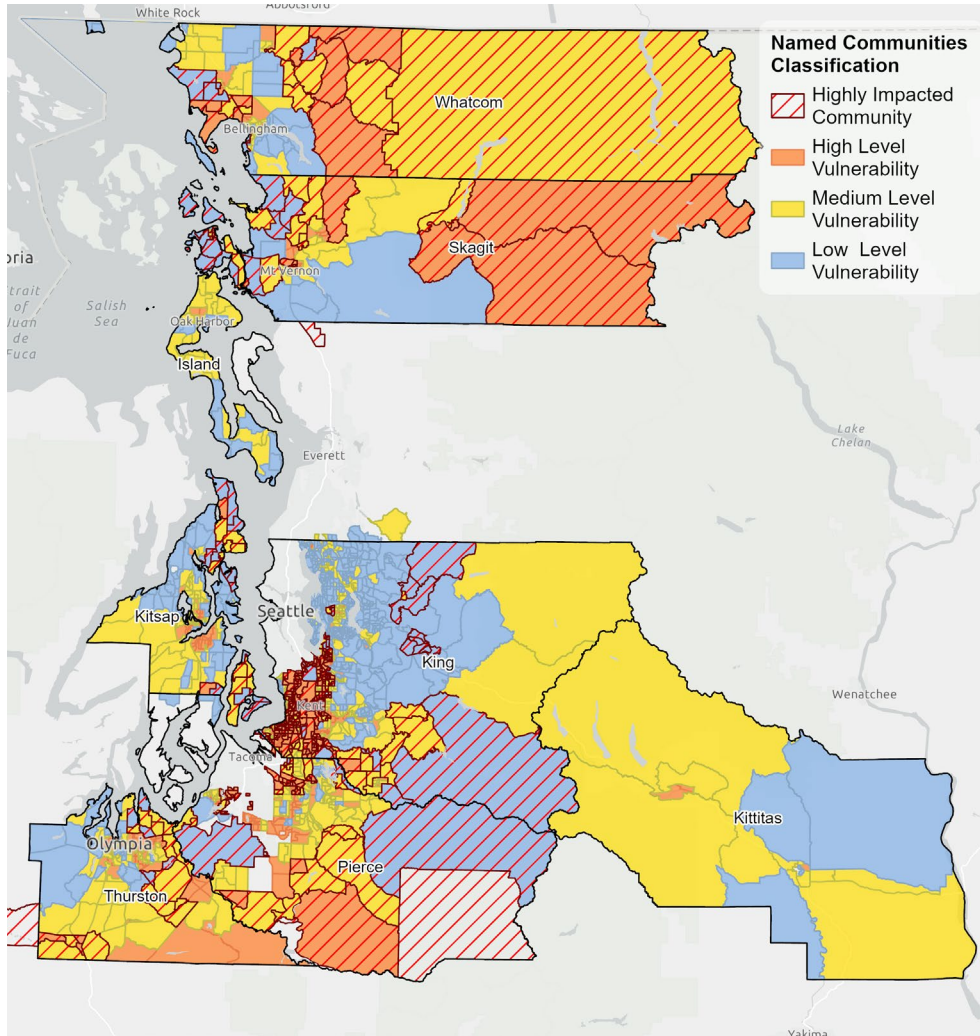
Distributive justice

- Program **design**, CBIs, minimum designations for named communities
- Tracking and measuring **benefits** and **burdens** across named communities

Restorative justice

- Deliberate actions to incorporate equity and minimize inequities
- Track efforts in advancing recognition, procedural and distributional justice

Insights into highly impacted communities and vulnerable populations



These insights will help us **ensure equitable distribution of benefits** by:

Identifying existing disparities

Measuring and tracking progress in addressing disparities

Understanding and including specific needs in:

- Education and awareness
- Resource acquisition process
- Program design

*Data refreshed since 2021 CEIP

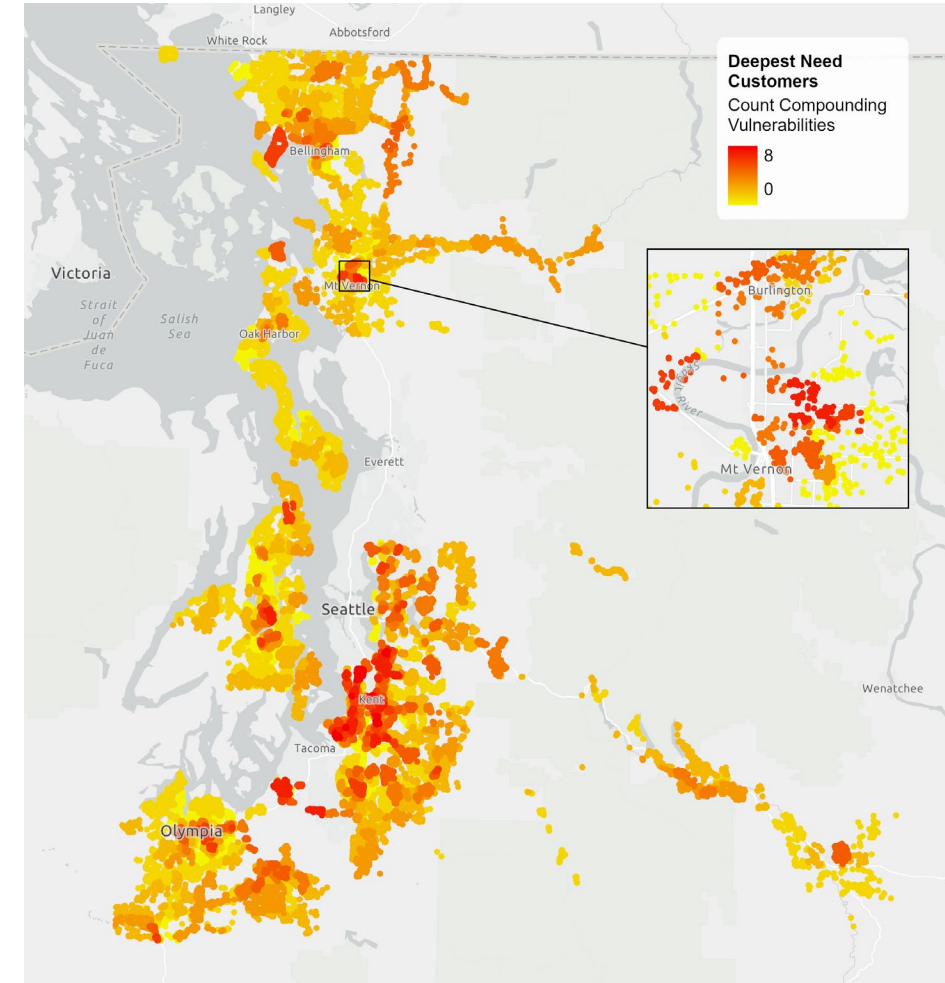
Proposed new definition of Named Communities

- Condition 9 approach showed high vulnerability across entire service area
- Proposing new approach to include the following improvements:
 - Updated older data sets
 - Replaced data with better data resources
 - Limited factors to percentage values rather than percentage and counts
 - Selected one measure of a vulnerability factor when there were many
 - Added factors for heat risk, housing quality, wildfire vulnerabilities

Defining “deepest need”

- Defined at the customer level
- Severely Energy Burdened* (EB) customers within:
 - Neighborhood pockets (clusters)
 - Or block groups with many EB customers
- Compounding vulnerabilities add context for prioritization
- Qualitative guidance from PSE community and customer teams
- ~65k customers

** Severe energy burden is defined as households with energy bills that exceed 10 percent of the annual household income.*



Minimum designation for customers with deepest need

Considerations

- Work to date has focused on Named Communities more broadly
- Designation should be achievable by the end of 2025 (remainder of implementation period)
- Achieving target will require highly focused strategy (program design, enrollment, engagement)
- Intend to re-evaluate working definition of deepest need and any minimum designation as part of the development of the 2025 CEIP

Updated CETA annual goals for Biennial Update

Category	2022 actual	2023 actual + projected	2024 projected	2025 projected	Average actual + projected
2021 CEIP targets	43%	53%	59%	63%	54.5%
Current goals based on draft Biennial Update projections	45.4%	53%	60%	60%*	54.5%

Successes:

- Forecasted to meet or surpass annual goals in **3 out of 4 years**
- On track to **deliver approximately 2,500,000 more MWh** over the 4-year period than originally planned in the 2021 CEIP

Challenges:

- Load forecast for CEIP period has **increased significantly** (~ 7% greater in 2025) compared to 2021 CEIP
- Some short-term hydroelectric contracts are ending in 2024
- New resources may not be constructed and online in 2025
- Short-term contract options in 2025 are uncertain with growing demand for CETA qualifying resources
- Forecasted generation trending lower than expected (e.g., hydroelectric)

***PSE will strive to meet 63% but achievement is uncertain at this time.**

Specific targets

Type	2021 CEIP	2023 Biennial Update	Notes
Renewable energy percentage (expressed as avg. over 4 years)	54.5%	54.5%	Adjusted to 4-year average; see previous slide
Energy efficiency	536,717 MWh (2022-23)	397,820 MWh (2024-25)	Updated based on 2024-2025 Biennial Conservation Plan
Demand response by 2025	23.7 MW	86 MW	Increased based on Commission order and cost-effective RFP resources
Distributed energy resources – solar by 2025	80 MW	80 MW	On track
Distributed energy resources – storage by 2025	25 MW	25 MW	On track

New clean energy resources (2022-2025)

2022	2023	2024	2025
<ul style="list-style-type: none">• 250 MW CETA eligible short-term transaction(s)	<ul style="list-style-type: none">• 350 MW Clearwater wind project in Montana• 500 MW CETA-eligible short-term transaction(s)	<ul style="list-style-type: none">• 265 MW CETA-eligible short-term transaction(s)	<ul style="list-style-type: none">• 90 MW Vantage wind project in Eastern WA

- PSE continues to evaluate projects and pursue opportunities to achieve our clean energy goals in this CEIP period and beyond

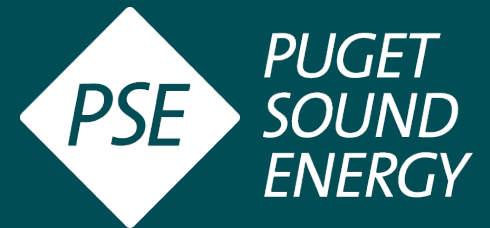
Specific actions in the Biennial Update

Kara Durbin

Director, Clean Energy Strategy

Brian Tyson

Manager, Clean Energy Planning and Implementation



Specific actions – energy efficiency*

Energy efficiency includes a variety of programs with a focus on reducing energy consumption and usage within customer homes and businesses

- Total 2024-2025 energy efficiency target = 397,820 MWh
- Named communities designation = 30% across programs*

Sample energy efficiency programs targeting Named Communities**

Program/Product	Description	MWh (2024-2025)	Year(s)	Counties
Low Income Weatherization	Home weatherization (e.g., windows, insulation) assistance for low-income customers	4,308	2024-25	All counties
Multifamily Retrofit	Energy-efficient upgrades for condos, townhomes and managed properties	11,026	2024-25	All counties
Multifamily New Construction	Lower the cost of incorporating energy-efficient systems and equipment into your design	8,015	2024-25	All counties
Small Business Direct Install	Help conduct energy-efficiency surveys and <u>install free or low-cost solutions</u>	26,000	2024-25	All counties

* Excludes Northwest Energy Efficiency Alliance or Schedule 258 programs

** The full program list will be included in the 2024-25 Biennial Conservation Plan on November 1, 2023

Specific actions – demand response

Demand response (DR) is a measure for reducing energy load in response to supply constraints, generally during periods of peak demand to manage and maintain system reliability

Program/Product	Description	Program Launch	Counties
Flex Rewards	Customers receive rewards for <u>shifting their behavior</u> to reduce their energy usage.	Winter 2023	Territory wide
Flex Smart	Customers receive rewards for <u>enrolling smart devices</u> in automatic energy reduction - such as smart thermostats, water heater, and EV	Summer 2023	Territory wide
Flex Events	Customers notified and given tips on how to <u>shift their behavior</u> and reduce their energy usage.	Summer 2023	Territory wide
Flex Rewards – Business Demand Response	Businesses receive rewards for participating in <u>personalized energy reduction plan</u>	Winter 2023	Territory wide

Specific actions – distributed energy resources (storage)

DER storage includes programs and products that provide localized energy storage within PSE's service territory to enable direct customer interaction with renewable energy and use to meet system needs

Program/Product	Description	Capacity (2025)	Year(s)	Counties
Distributed Storage Projects	Standalone storage projects (batteries), ranging from 1 – 5 MWs, that <u>store energy</u> for use <u>during peak times</u> to increase reliability	33.5 MWs	2025	Pierce, Thurston, Skagit, King, Whatcom
Customer Voluntary Products/Programs	PSE offers an <u>incentives on battery energy storage systems</u> will help remove the high upfront cost of installing a battery and further increase access to battery ownership	5 MW	2025	Throughout PSE's service territory

Specific actions – distributed energy resources (solar)

DER solar includes programs and products that provide localized solar generation within PSE's service territory to enable direct customer interaction with renewable energy

Program/Product	Description	Capacity (2025)	Year(s)	Number of projects	Counties
Community Solar and Income Eligible Community Solar	Offers electric customers the opportunity to choose <u>100% locally generated</u> solar energy by subscribing to shares	50 MW (increased from 30 MW in 2021 CEIP)	2023-25	~25	Kittitas, Thurston, King, Pierce, Whatcom, Skagit
Green power solar grants	Annual grants that <u>fund solar projects</u> at nonprofits, public housing authorities and Tribal entities serving low-income and/or BIPOC community members	1.5 MW	2023-25	20 - 30	All
Net metering	PSE tracks energy used and the amount of <u>excess power</u> a customer's solar system generates; renewable energy sent back to the grid is <u>credited to PSE account</u>	59 MW	2024-25	5,500-7,000	All
Distributed generation	Developer and PSE owned projects in the range of 200 kW – 5 MWs. Projects include solar, storage and hybrid (solar + storage)	Solar: 9 MWs; Hybrid: 8.9 MWs solar	2025	10-15	Whatcom, Skagit, South King, Pierce, Thurston, Kitsap
Solar Purchase Rate	Aims to grow new <u>customer owned distributed solar capacity</u> . The program contains Equity-Focused design elements to address barriers identified through community engagement	13.6 MW	various	30-60	Any
Residential Rent-to-Own	PSE developing <u>rent-to-own options</u> for both residential rooftop solar and residential battery for Named Communities and other residential customers	2 MW	various	TBD	various

Other specific actions

- Time varying rates pilot (2023) ~ 7,500 customers (2,500 in Named Communities)
- Grid modernization to enhance resiliency and enable DERs and microgrids
- Virtual power plant to enable, control and monitor distributed energy resources (ex. Thermostats, water heaters, etc.) in an efficient manner

Public engagement for the Biennial Update

Ray Outlaw

Manager, Communications Initiatives



Reporting on Biennial Update public engagement

Advisory Group/Organization	Meetings	Topics included
Equity Advisory Group	7	<ul style="list-style-type: none">• Vulnerable populations• Deepest Need and minimum designations• New required and potential CBIs• Specific actions• Initial design of DER Public Engagement Pilot
Conservation Resource Advisory Group	4	
Low Income Advisory Committee	4	
Joint advisory group meetings	2	
Joint advisory group work sessions	2	
Community Based Organization 1:1 interviews	20	
Online survey	2,028 responses*	

*Responses accepted through Oct. 16, 2023

Public engagement lessons learned

- Basic needs must come first before engaging on clean energy
- Clean energy knowledge is highly varied across communities
- Interest in learning more about clean energy is high across most groups, but also highly varied
- Clean energy transition is seen as both a risk and an opportunity across communities
- Reliability and resiliency are a key concern in many communities
- Community organizations and leaders are extremely important as partners and messengers, but many are resource-constrained

What happens next?

2023 Biennial Update

- Formal submittal on Nov. 1, 2023
- Commission public comment period to follow
- Commission review and approval process

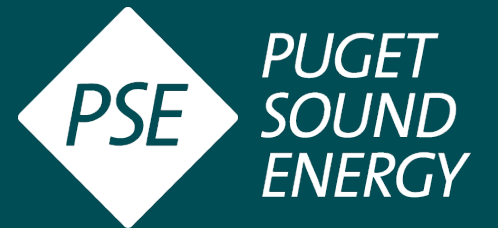
Beyond the update

- Continue addressing Commission conditions
- Continue clean energy resource acquisition
- Continue refining existing and developing new programs
- Continue and advance equity efforts
- Develop 2025 CEIP (2026-29)

Upcoming Meetings

- **Steering Committee Meeting**
 - October 30th 5:00 p.m.- 6:00 p.m.
- **EAG Meeting**
 - November 13th 5:00 p.m.- 7:00 p.m.

Public comment period



Public comment – how to join

The first five individuals will each have 2 minutes to speak.

There are two ways to join.

Option 1: Join the Zoom meeting

- a) Visit <https://zoom.us/join>
- b) Insert Meeting ID: 819 5803 4613

Option 2: Call-in by phone

- a) Call number: +1 253 215 8782
- b) Insert Meeting ID: 819 5803 4613

Appendix

Reducing energy burden through combined programs

Tiers	FPL Brackets	Customer count	Avg. Income	Avg. Annual Bill	Avg. HELP Award	Avg. EB	Avg. Annual Bill Post-HELP+ BDR	Avg. EB post HELP+ BDR
T1	0% to <= 20%	3,705	\$379	\$1,271	\$644	>>100%	\$55	14%
T2	>20% to <=50%	32,683	\$7,226	\$1,056	\$573	21%	\$61	1%
T3	>50% to <=100%	55,901	\$14,577	\$1,108	\$560	11%	\$326	2%
T4	>100% to <=150%	66,920	\$24,907	\$1,197	\$546	7%	\$472	2%
T5	>150% to <=200%	71,703	\$34,766	\$1,198	\$493	5%	\$585	2%
T6	>200% & <=80% AMI	265,109	\$57,845	\$1,230	\$375	3%	\$794	1%