

# Puget Sound Energy Equity Advisory Group Meeting

## Meeting Summary

Monday, November 13, 2023 | 5 – 7 p.m.

## Meeting purpose & topics

Equity Advisory Group (EAG) meeting objectives:

- Receive relevant updates from PSE and EAG committees
- Learn more about non-energy impacts
- Reflect on progress integrating EAG feedback into Delivery System Planning
- Receive Energy Equity updates

## Agenda

1. **Opening:** 5:00 – 5:05 p.m.
  - 1.1. Welcome & safety moment
  - 1.2. Meeting objectives review
2. **PSE and EAG updates:** 5:05 – 5:25 p.m.
  - 2.1. PSE updates
  - 2.2. Steering Committee updates
3. **Non-Energy Impacts:** 5:25 – 6:10 p.m.
  - 3.1. Presentation
  - 3.2. Q&A
4. **Break:** 6:10 – 6:15 p.m.
5. **Delivery System Planning:** 6:15 – 6:35 p.m.
  - 5.1. Presentation
  - 5.2. Q&A
6. **Energy Equity Update:** 6:35 – 6:55 p.m.
  - 6.1. Presentation
  - 6.2. Q&A
7. **Next Steps:** 6:55 – 7:00 p.m.
  - 7.1. Last EAG meeting of 2023
8. **Public Comment:** 7:00 – 7:10 p.m.

The [full meeting materials](#) can be found online.

## Meeting action items

Below is a summary of the action items from the Nov.13, 2023 EAG meeting. A feedback report of questions and comments, alongside PSE's responses, is in [Attachment B](#).

What	Who	When
Respond and follow up on all questions and feedback on presentations	PSE	Dec. 11, 2023

## Meeting summary

Below is a summary of the presentations and discussions from the Nov.13, 2023 EAG meeting. A recording of the presentation portions of the meeting is also available on the [EAG YouTube channel](#).

## Opening

### Welcome

Rose McKinney-James, Advocacy BL/ACK, opened the meeting by welcoming everyone and acknowledged November as Native American Heritage Month. Amy Nichols, EAG member, provided a safety moment on cleaning and changing your HVAC filters. Troy Hutson, PSE Director of Energy Equity, presented an equity moment on the four tenets of energy justice.

## Meeting logistics, agenda, and objectives review

Rose reviewed the following information:

- **Facilitator requests:** Meeting conduct for EAG members and observers.
- **Observer and public comments:** Observers/public participate via a YouTube live stream and have an opportunity to provide public comment at the end of the meeting. Observers can also use a call-in number to provide public comment.
- **Meeting agenda and outcomes**

## PSE and EAG updates

Rose introduced Kara Durbin, PSE Clean Energy Strategy Director, and Ray Outlaw, PSE Communications Initiatives Manager.

### 2023 Biennial CEIP update

Kara thanked all EAG members for their engagement on the 2023 Biennial Clean Energy Implementation Plan (CEIP) Update. PSE appreciates all members who shared their feedback on energy benefits, deepest need, and minimum designation definitions during the joint advisory group meetings in August and the Equity Forums. The Utilities and Transportation Commission (UTC) issued a notice of a comment period that will be open through January 11, 2024. The UTC will review and act on the Biennial update in 2024. PSE will continue to address the

conditions from the June Commission order on the 2021 CEIP. PSE will continue to procure clean energy resources and refine existing and develop new programs, while maintaining our focus on integrating equity.

She also mentioned an update on the EAG's letter of support for funding from the Infrastructure Investment and Jobs Act (IIJA) to the Department of Energy (DOE). PSE was not successful with the IIJA grant application for 2023. She noted that grants and funds were competitive with over 700 applications to the DOE. PSE does plan to pursue future funding opportunities. EAG members asked why PSE's application was not accepted and about opportunities next year to work with other service providers. Kara noted that so far PSE has not heard any feedback on the applications themselves.

## Steering Committee updates

Ray provided updates on the Bill Discount Rate (BDR) program, which has over 12,000 people signed up so far. The interactions between PSE and customers have helped more customers sign up for the program. He noted that the BDR team may come back for an EAG meeting next year and present further updates.

He noted that end of year check-in emails have been sent and the team will continue to schedule those with members in the coming weeks. PSE will be taking notes in the check-ins, but meetings will be unstructured. He emphasized that these end of year check-ins give space and freedom for member feedback.

Ray discussed that during the most recent Steering Committee meeting, members asked about the feedback from EAG meetings and follow-ups. He mentioned that PSE is continuing to record member feedback and following up with responses. He asked members to take a close look at the feedback report in the monthly summaries and ask any follow-up questions.

Looking ahead, PSE is considering how to adjust the approach to EAG feedback. The team is working on the 2024 work plan and discussing topics that will be covered in future EAG meetings. There is interest in discussing the Climate Commitment Act (CCA) and the creation of a subcommittee on engagement. Steering Committee members also discussed how to provide better onboarding for new members going into next year.

Ray reminded members that PSE sent out a draft Equity Forum summary two weeks ago, and asked members to review by the end of week so it can be shared with attendees from the Forums. He concluded by showing the 2024 EAG meeting schedule and noted that meetings will be moved from Monday to Tuesday starting in January.

Rose took a moment to thank EAG member, Cheryn Weiser, who is ending her participation due to moving out of state. Cheryn expressed thanks to everyone. Rose also mentioned that

Amasai Jeke, the newest EAG member, would now be representing UTOPIA and extended a thank you to Everly-Moey Faleafine for her tenure on the EAG as UTOPIA's representative.

- A member asked about the Equity Forum materials and if there is a form to fill out or should members just reply to the email.

Additional details on PSE and EAG updates are on [slides 11 to 14](#) of the meeting presentation. A recording is also available to watch on the [EAG YouTube channel](#).

## Non-energy impacts

Rose introduced Kasey Curtis, PSE Senior Market Analyst.

### Presentation

Kasey presented on non-energy impacts (NEIs) also known as non-energy benefits. NEIs are an important part of how the industry values the benefits of energy efficiency programs. The UTC finds them valuable as well which is why, in 2019, the Commission added conditions to PSE's two-year conservation plans relating to NEIs in relation to engaging advisory groups.

He explained that non-energy impacts are the quantified costs or benefits of energy efficiency that are not already accounted for in avoided energy costs. He noted the difference between avoided energy costs and non-energy costs. Non-energy impacts can include things such as reduced air pollution, water savings, increased comfort, and reduced customer averages.

He gave a more specific example on NEIs regarding PSE's weatherization program. He also showed an example of how PSE's energy efficiency portfolio must pass a cost effectiveness threshold called the Total Resource Cost (TRC) test. NEIs can make a significant difference when it comes to assessing the cost effectiveness of energy efficiency because they include benefits that can be otherwise harder to capture. He went over how PSE calculated NEI values including direct measurement, modeling, and surveys.

He gave a brief overview of a NEI project from 2021. The project included three investor-owned utilities in Washington State, PSE, Avista, and PacifiCorp, who partnered together with a consulting firm to create a database of NEIs.

NEIs now make up a larger portion of benefits. For example, the 2024-25 Biennial Conservation Plan (BCP) that was just submitted mentioned that NEIs will yield about \$32 million in lifetime benefits. He reiterated that NEIs continue to be an interest to the UTC and in 2022 produced a goal to adopt a Washington-specific cost test which incorporates all known NEI benefits within the framework of the National Standard Practice Manual (NSPM).

PSE is eager to be part of this work because it is important as PSE tries to incorporate work such as carbonization, electrification, and other programs. He outlined some of the challenges of measuring NEIs and why some can be negative such as how operations and maintenance costs increase with control systems. PSE is trying to figure out how to allocate impacts of NEIs across disparate populations, since we recognize that some values may be more impactful to one population than another.

## Full group discussion on Non-Energy Impacts

During the full group discussion on the non-energy impacts, the following themes arose:

- Questions and comments about whether health benefits can be considered.
- Members asked for examples of some unintended consequences on clean energy and how those are measured and monitored. Members used examples such as heat pumps and thermostats as potentially having unintended consequences that could lead to high energy costs.
- One member asked if NEI models are used by the DOE for their weatherization calculations and how many households can get approved for weatherization measures.
- Members asked questions regarding specific slides on the NSPM framework and working groups.
- Members wondered how this information is shared with customers and what kind of data is collected. One member noted that it is important for the community to know how the math works.
- Additional questions from members were asked about if the increased costs of renewable energy are measured as an NEI and if this thought process runs along the same lines as a regressive tax increase.

Additional details on PSE and EAG updates are on [slides 15 to 28](#) of the meeting presentation. A recording is also available to watch on the [EAG YouTube channel](#).

## Delivery System Planning

Rose introduced Corey Corbett, PSE Operations Rate Plan Performance Manager, and Niece Weatherby, PSE Gas System Integrity Manager.

### Presentation

Corey presented an update on delivery system planning and how the EAG's feedback was incorporated into that process. He first gave a definition of the energy delivery system and delivery system planning. The energy delivery system is the infrastructure between the generation sources to the customer's home or building. Delivery system planning (DSP) refers to PSE's financial and engineering planning process that is used to look at investments to that

energy delivery system. He noted that the DSP team's previous engagements with the EAG in 2022 and in March 2023, garnered feedback that has been incorporated.

Niecie presented what was heard previously from the EAG and what went into the 2025 portfolio, such as equity in the portfolio funds. The equity layer that has been added to the benefit cost analysis was built off the Customer Benefit Indicators (CBIs) that members had worked on in the Clean Energy Transformation Act (CETA). She overviewed what PSE had learned from previous engagements with the EAG, including equity advancement, projects directly benefiting communities, and achieving desired targets for equity advancement. This information has been incorporated into PSE's analysis, resulting in 48% of funded electric projects providing benefit to named communities.

Corey presented some additional work in DSP. PSE is piloting a community engagement framework. In infrastructure projects, PSE engages with the community but that has typically been later in the process. Now, PSE is trying to do community engagement earlier in the process to understand customer needs as well as potential solutions to address those needs. He talked about a project in the Lake Youngs area that looks to better understand the impacts and customer energy burdens from power outages.

He then discussed the next steps moving into 2024. PSE will be wrapping up the pilot engagement and incorporating some of the new equity energy data that is available from the CEIP update into work for 2027. PSE will continue engagement with the EAG as they continue to evolve our process.

## Full group discussion on Delivery System Planning overview

During the full group discussion on delivery system planning, the following themes arose:

- Members asked about the Lake Youngs community engagement framework regarding if this area is a named community, the amount of feedback from the survey, and the outcomes and alternative solutions that came from the project.
- A member asked if there's availability to offer smart panels that directs energy towards necessary devices for medical reasons.

Additional details on PSE and EAG updates are on [slides 30 to 35](#) of the meeting presentation. A recording is also available to watch on the [EAG YouTube channel](#).

## Energy Equity Update

Rose introduced Troy Hutson, PSE Energy Equity Director.

## Presentation

Troy presented on PSE's energy equity progress. He noted two important insights from the UTC including the expansion of the public interest standard to include equity and overarching expectations to incorporate equity in decision-making. He explained some of the regulatory background, including CETA, CEIP, and the General Rate Case Order (GRC), which require PSE to advance energy equity. To operationalize equity across the company, PSE is prioritizing work focused on key processes identified by the GRC, followed by processes that impact the GRC equity-related performance metrics that were part of the settlement on which PSE must report. In addition, PSE is conducting equity analyses on some of its current processes to better understand how PSE is incorporating equity in decisions and if there are inequities in the process(es). He highlighted an example of equity analysis regarding substation security.

Troy explained PSE has been reviewing various data and has preliminarily identified clusters of customers in named communities, which PSE is calling equity investment zones (see map on slide 40 of the presentation). This will inform PSE employees and make it simpler for them to understand where to focus their work and engagement efforts. He highlighted the equity forums, thanked the EAG members who were able to attend and participate, and looks forward to holding similar events more regularly in the future. He also noted the locations of the equity forums were within the preliminary equity investment zones.

He concluded by discussing equity and benefit cost analysis. Benefit cost analysis is a key tool used in the utility industry to make decisions and prioritize investments. In addition to the benefit cost analysis, PSE has incorporated equity in this process by applying an equity analysis that is based on a combination of community benefit indicators from CETA and the four tenets of equity justice from the Cascade Natural Gas' GRC Order.

## Full group discussion on Energy Equity Update

During the full group discussion on energy equity, the following themes arose:

- Members asked about the community engagement approach and what kinds of plans there are to directly engage with communities beyond engagement with CBOs and other community representatives.
- One member asked if there is an effort to reflect the diversity of its service area within PSE's workforce.

Additional details on PSE and EAG updates are on [slides 36 to 44](#) of the meeting presentation. A recording is also available to watch on the [EAG YouTube channel](#).

## Next Steps

Rose discussed next steps, reminders, and planning logistics. Besides end of year conversations with individual members, this is the last EAG meeting of 2023.

Meeting materials are available at [cleanenergyplan.pse.com](https://cleanenergyplan.pse.com).

## Public Comment

Rose provided step-by-step instructions for how observers could join the meeting to provide verbal public comments.

There were no public comments.

*The meeting officially adjourned at 7:05 p.m.*



# Attachment A: Meeting Attendees

## Equity Advisory Group members

1. Jenny Harding, GSBA and New Chapter Wedding Events
2. Emily Larson Kubiak, Sustainable Connections
3. Marco Morales Mendez, Community advocate
4. TJ Protho, Community advocate
5. Dennis Suarez, Washington Soldiers Home
6. Megan Walsh, Community advocate
7. Demeco Walters, Community advocate
8. Karia Wong, Chinese Information and Service Center
9. Monica Guevara, Emerald Cities Collaborative
10. Amy Nichols, Community advocate
11. Xi Wang, Community advocate
12. Cheryn Weiser, Community advocate
13. Rachel Perlot, African Community and Housing Development

## Puget Sound Energy

1. Kara Durbin, Clean Energy Strategy Director
2. Ray Outlaw, Communications Initiatives Manager
3. Brian Tyson, Clean Energy Planning & Implementation Manager
4. Troy Hutson, Energy Equity Director
5. Kasey Curtis, Senior Marketing Analyst
6. Corey Corbett, Operations Rate Plan Performance Manager
7. Niece Weatherby, Gas System Integrity Manager
8. Talysa McCall, Communications Initiatives Consultant

## Consultant Staff

1. Rose McKinney-James, Advocacy BL/ACK
2. Kim Zamora Delgado, Triangle Associates
3. Zachary Ott, Triangle Associates
4. Seth Baker, Maul Foster & Alongi
5. Will Henderson, Maul Foster & Alongi

## Attachment B: Feedback Report

Topic	Question/Comment	PSE Response
PSE and EAG Updates	Any reasons why the awards weren't accepted?	No specific reason was given right now. There were over 700 applications and only 78 were accepted. Hopefully, we have learned some lessons in this process, and we will pass along if we get any information.
PSE and EAG Updates	There was not really time to work with other service providers. Is there time in the future to work with other energy providers?	We will have to see what partnerships can be done in terms of funding. It is important we pursue these opportunities. We will look at ways we can structure our applications in the future. The DOE was trying to get this as soon as possible. We hope to be more deliberate the next time.
PSE and EAG Updates	For the equity forum materials, was there a form to fill out or do we just reply to the email?	You can just reply to the email. Thank you for any thoughts!
Non-Energy Impacts	Are health benefits able to be taken into account as an NEI?	Yes. Health benefits can be linked to non-energy impacts. One NEI provides a benefit due to lowered emissions of air pollutants from electrical generation. PSE uses models such as the EPA's CO-Benefits Risk Assessments (COBRA) health impacts model to develop the monetary benefit of such reduced risks.
Non-Energy Impacts	Unintended consequences on clean energy. How is that measured and monitored?	Land use impacts are not an NEI that PSE uses at this time. Typically, the costs and benefits of land use are incorporated into the levelized cost of the resource, which is a basis by which different resources are selected. An example of an unintended consequence that we then use as a negative NEI would be a new, more sophisticated building equipment controls that require more employee time to monitor and manage. The cost of the employee's time is an example of a negative NEI. Large scale wind power is not something we look at. When people talk about carbon reduction at a solar plant, that is often considered a non-energy impact, however the way that PSE does its resource planning, the social cost of greenhouse gas emissions is embedded in the energy costs.

Topic	Question/Comment	PSE Response
Non-Energy Impacts	An example I can think of heat pumps are great but if you just install one central unit then space heaters might be used in bedrooms and energy use and costs can go up.	Thank you for your feedback.
Non-Energy Impacts	Another example is people are used to playing a thermostat game with a furnace and may carry over those same habits to a heat pump system which may result in higher energy costs.	Thank you for your feedback.
Non-Energy Impacts	Do you think the DOE would adapt an NEI model in their weatherization calculation? How many more households can get approved for weatherization measures with NEI as a part of the calculation?	NEI's are not new to the DOE. PSE's low-income weatherization used NEIs a lot. They still use a lot of the NEIs.
Non-Energy Impacts	Thanks for the presentation! Can you talk a bit more about the goals and work of the Cost Effectiveness Working Group? And define the NSPM framework on slide 25?	Meetings of the cost effectiveness working group typically look at the programs currently being conducted, and how their cost-effectiveness is decided. We share across utilities about NEI's. NSPM stands for the National Standard Practice Manual, an industry-recognized guide for cost-effectiveness. Making sure we are measuring things correctly. This is standard that PSE uses for cost-effectiveness.
Non-Energy Impacts	How is information shared with all stakeholders? What kind of data will be collected? What kind of reports will be available? How will the evaluation of the process be conducted?	<p>PSE provides the WUTC annual and biennial reports that detail the work we've done in each reporting period. PSE's work in NEIs can be found on the WUTC website in the following links:</p> <p><i>Report to WUTC to meeting NEI conditions:</i>  <a href="https://apiproxy.utc.wa.gov/cases/GetDocument?docID=62&amp;year=2019&amp;docketNumber=190913">https://apiproxy.utc.wa.gov/cases/GetDocument?docID=62&amp;year=2019&amp;docketNumber=190913</a></p> <p><i>Summary of NEI Methodology</i></p>

Topic	Question/Comment	PSE Response
		<p><a href="#">210822;210823-PSE-BCP-2022-2023-Exh-2-Suppl-2-NEIs-Overview.pdf</a></p> <p><i>Full NEI Report Prepared by DNV</i></p> <p><a href="#">210822;210823-PSE-BCP-2022-2023-Exh-2-Suppl-3-NEIs-Rpt.pdf</a></p> <p><i>List of measures with NEI values</i></p> <p><a href="https://apiproxy.utc.wa.gov/cases/GetDocument?docID=97&amp;year=2019&amp;docketNumber=190905">https://apiproxy.utc.wa.gov/cases/GetDocument?docID=97&amp;year=2019&amp;docketNumber=190905</a></p> <p>As to the evaluation, we are required by the WUTC to conduct independent, third-party evaluations on our efficiency programs every 4 years it is evaluated. We hire professional evaluators to conduct them.</p>
Non-Energy Impacts	Are the increased costs of renewable energy measured as an NEI?	The increased cost of renewables is not an NEI but are part of the costs evaluated in our resource plans. The Integrated Resource Plan (IRP) looks out for 25 years and sees what is required to meet our demand. So whatever premium renewable energy adds to energy costs, those will be incorporated into our avoided costs.
Non-Energy Impacts	Given the studies around increased asthma rates for households that have gas stoves I wonder if decreased rates of asthma are taken into account in NEI's?	Have not done a study on that yet.
Non-Energy Impacts	My question is how much of this information will be shared with the public? It is important for the community to know how the math works.	We had some forums where we talked about this. We had a high-level summary. There is interest in sharing this work more broadly.
Non-Energy Impacts	I was looking at the non-linear effects upon named communities and vulnerable populations. This thought process runs along the same lines as a regressive tax increase.	The non-linear effects, or what one might consider “scaling” of benefits to account for their proportionality among different communities is not an area of research we’ve conducted, but we understand the issue being raised and our future research efforts will look at this.

Topic	Question/Comment	PSE Response
Delivery System Planning	Super encouraged by this community engagement framework. More on the ground. Is Lake Youngs a named community or a vulnerable population? What percentage of that community was able to give you feedback from the survey? What were some of the inputs from that approach? Wondering about the outcomes and alternative solutions. Really try to provide a stipend for those who do not have the luxury of time.	We selected this location because it was a named community with more environmental factors and moderate vulnerability. We surveyed about two hundred customers who experienced outages and received 46 responses. None of those respondents were in the deepest need definition. We are going to try to do more direct engagement. What we learned is that it is more of a rural area with agriculture land and livestock. We heard input on irrigation pumps, flooding, impact on farm animals, and some customers who needed power for medical devices. We did hear that more customers were on generators. We can identify where customers with medical needs are. Those are a few of the takeaways.
Delivery System Planning	Is there the ability to offer smart panels that would direct energy towards necessary devices for medical reasons?	PSE will mention that with our products team; thank you for your suggestions.
Energy Equity Update	Slide 41 question. Wondering about the community engagement approach. Are there plans to directly engage with the community?	We are trying multiple approaches. Providing power to these communities, making sure to do a better job to engage beyond CBOs, door-knocking and other creative ways. The broader our engagement, the better the outcome. We provided stipends during the Forums, and we would like to do that going forward. As for how we engage with those who are not customers, we are looking at partnering with other agencies.
Energy Equity Update	Is there an effort within PSE to reflect the diversity of its service area within its workforce? Nothing speaks louder than employment equity.	Yes, PSE has been working on a diversity, equity, and inclusion function that has some workforce components. As PSE thinks about folks that reflect the communities we are serving that is key thing PSE is paying attention to going forward.
Next steps	Thank you to all the presenters! Very informative and encouraging.	Thank you for the feedback.