# Equity Advisory Group Meeting

March 16, 2026
5 p.m. – 7 p.m.

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# Welcome and Introductions

Ishmael Nuñez, Uncommon Bridges

Facilitator

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# Safety Moment

Em Piro

Energy Equity Program Manager - Community Partnerships

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# Safety Moment: Spring Cleaning

- Open windows, use fans
- Never mix cleaning products
- Consider natural cleaners
- Use hazardous waste collection
- What goes down the drain affects waterways downstream



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*Thank You*

**the EAG's first two cohorts!**

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# Appreciation & Reflection

**Thank you to our departing members for:**

- Your *expertise* and *dedication* over the past half decade
- Challenging us to *center* and *deepen* our understanding of equity
- Helping shape PSE's *approach* to *inclusive* energy planning

**Open floor for reflections**




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# Agenda

**5:00 p.m.** – Welcome & Group Reflections

**5:25 p.m.** – Integrated System Planning cost test

**6:00 p.m.** – BREAK

**6:10 p.m.** – Integrated System Planning – Deep dive sessions

**6:50 p.m.** – Public Comment

**6:55 p.m.** – Next steps



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# 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 Equity Advisory Group's time to discuss meeting topics
- In the chat … describe what lens you are representing today?



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# YouTube livestream and Public Comment for observers

## Public Comment

- The public comment period will start at 6:50 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.



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# Defining key societal impacts for the ISP cost test

**Kara Dubin, PSE**
Director, Clean Energy Strategy

**Brian Tyson, PSE**
Manager, Clean Energy Planning and Implementation

March 16, 2026

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# Objective

**For EAG members to consider...**

How do we demonstrate, document, and/or measure equity when evaluating generic portfolios of resources (within the required regulatory framework)?

**EAG Feedback Level**

Consult

With EAG input, we will...

further define two specific elements of the cost test, and incorporate input on equity considerations in the cost test elements overall

*Topic meets regulatory requirements*



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# 2026 PSE EAG Priority Action Plan Worksheet

| EAG Priority | Goal Statement | System Level Impact | 2026 EAG Actions | EAG Audience |
|---|---|---|---|---|
| Accessibility | Everyone can access PSE's programs and services with relative ease. No one faces unfair obstacles; operations are culturally responsive and respect the diverse experiences of all communities. | Greater leverage of the existing connection PSE has with named communities and deepest-need customers in PSE investments. | • Advocate for and advise on expanding systems that ease enrollment access<br>• Provide guidance on systemic obstacles to program participation for customers with diverse needs and circumstances | PSE Staff, Community-Based Organizations and Other Agencies |
| Affordability | All customers, especially those in named communities, view energy affordability as standard. The cost of energy is no longer a barrier to accessing essential services. By using data and community input to guide decisions, investments, and results are fair and equitable for everyone in all communities. | Elimination of high energy burden. | • Advocate for a more equitable rate structure<br>• Advocate and provide perspective on finding "hidden" customers who need access but are missed by current identification methods | The UTC, PSE Staff |
| Accountability | PSE is a reliable partner that demonstrates how commitment to equity can enhance the well-being of customers. Its accountability systems help lessen burdens and give more power to the voices of the community. | Quantitative and qualitative results reflect the experiential results of distributional equity efforts. | • Support and advise PSE to build trust and stronger accountability measures<br>• Guide and provide perspective on accountability mechanisms that demonstrate how equity commitments translate into community benefits, reflected by community experience | PSE Staff |
| Advocacy | EAG work together to create lasting change. They advocate for fair energy policies and make sure that solutions led by the community help shape a clean and equitable energy future. | Policy and practice change in the areas of energy affordability, reliability, sufficiency, and abundance. | • Leverage collaboration and influence to affect rules, laws, and business practices governing energy utilities | and other regulators, legislatures, business communities, and Named Communities |

| Energy Justice Tenets |
|---|
| **Recognition** - Identifying historically impacted communities, vulnerable populations, and root causes to enable change<br><br>**Procedural** - Developing communication and decision-making processes that enable and empower participation for all<br><br>**Distributional** - ensuring that benefits are distributed equitably and that burdens are reduced across customers and communities<br><br>**Restorative** - Correcting historic recognition, procedural, and distributional inequities through changes to laws, orders, policies, and practices. |
| ***Notes*** |



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# What is an Integrated System Plan?

A comprehensive, first in the nation, long-term planning document that integrates gas and electric utility planning and includes consistent, equitable, and actionable plans across customer strategies, energy supply, and energy delivery to achieve required clean energy targets and greenhouse gas emission reduction goals, while maintaining reliable and affordable energy systems



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# What does that actually mean? What will be in the plan?*

- 20-year **demand forecast** across a variety of **possible scenarios**
- Evaluate different potential levels of **building electrification**
- Evaluate current and emerging **general energy resources**
- Evaluate **cost implications**

- One or more potential **portfolios** (mix of energy sources and infrastructure)
- Assess **impacts** at the portfolio level
- Specific **actions** to ensure equitable distribution of benefits and reduce burdens
- Required **clean energy and customer program** targets

** Summary, not inclusive of all requirements*



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# What is the cost test?

**WAC 480-96-030 Integrated assessment and planning requirements.**

(8) **Cost test.** Pursuant to RCW 80.86.020(9), each large combination utility must use the cost test for the purpose of determining the lowest reasonable cost of decarbonization and electrification measures in integrated system plans, at the portfolio level. Each large combination utility must use the cost test as a key input in the selection of its preferred portfolio per WAC 480-96-050(7), and as an input to the commission's determination on whether the ISP is in the public interest pursuant to WAC 480-96-080(6).

***Each large combination utility shall determine, through engagement and consultation with the commission, its advisory groups, and the public,*** *how to account for the above-listed impacts.*

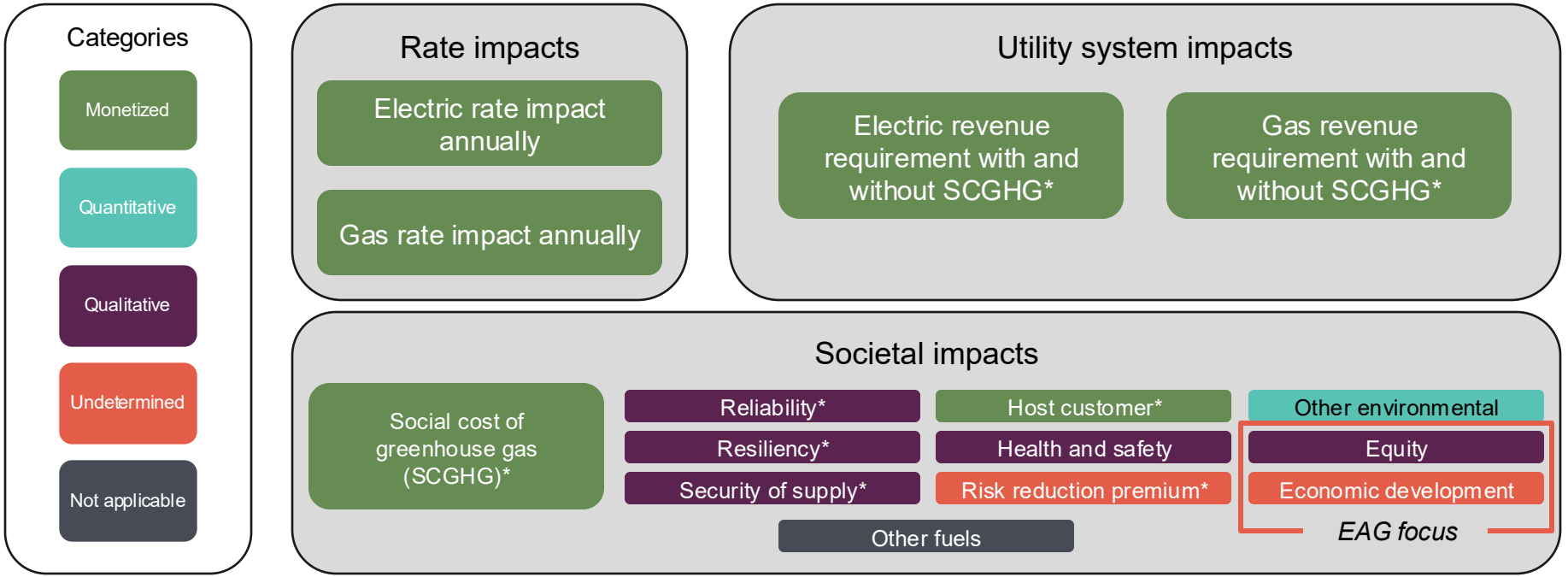
# How can we evaluate impacts and benefits?

The cost test aims to evaluate various benefits and impacts **at the portfolio level** to inform the lowest reasonable cost **of decarbonization and electrification measures**

| 1. Monetized | 2. Quantitative | 3. Qualitative |
|---|---|---|
| • Can be measured in or readily converted to dollars | • Can be measured in some way but not readily converted to dollars | • Cannot be measured quantitatively but impacts and benefits can be described |

Note: We are developing cost test version 1.0. There may be differences between what we can practically do now vs. future ISPs.

# What do Commission rules require us to consider in the analysis?




*Preliminary categorization of required cost test elements*

*Embedded in planning model

# How can the EAG help define specific elements of the cost test?

| | |
|---|---|
| Economic development | Assessing how economic development, such as job creation, could be furthered |
| Equity | Equitable distribution of benefits and reductions of burdens required by CETA |

Monetized

Quantitative

Qualitative

Undetermined

# Breakout discussion: Societal impacts deep dive

**Economic development**

- Option: Estimate jobs created by different energy resource types at the portfolio level (i.e., at a broad scale rather than local)
  - Calculated using an input-output economic model; aligns with previous CBI discussion
- Are there other options we should investigate further?

**Equity** *(equitable distribution of benefits & reduction of burdens)*

- Previously measured, in part, by resource-specific (e.g., energy efficiency, demand response) minimum designations
- Is there a better way?
  - Should we focus more attention on energy burden?
  - Should we focus more on community rather than individual customer benefits?

# Appendix

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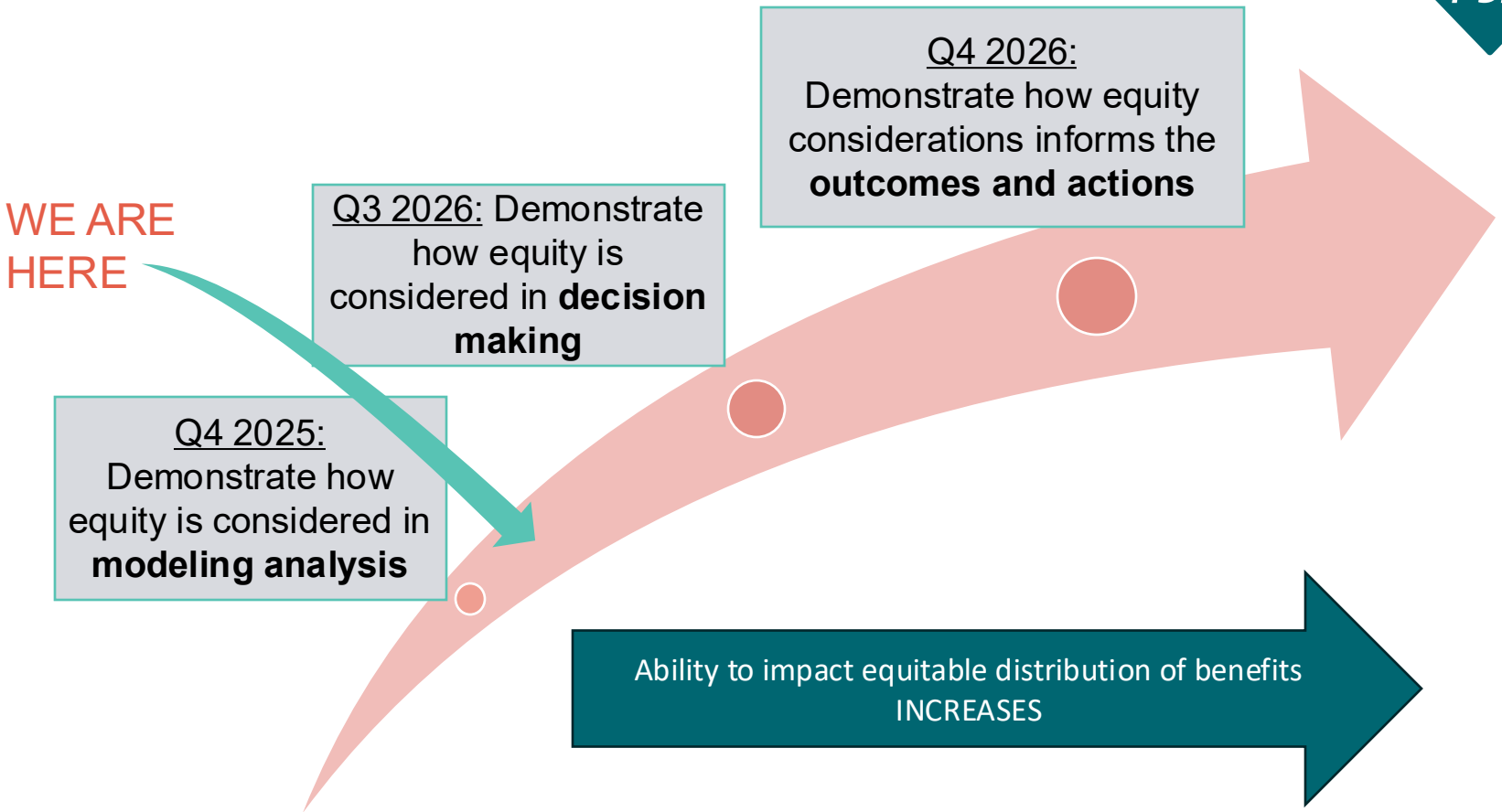
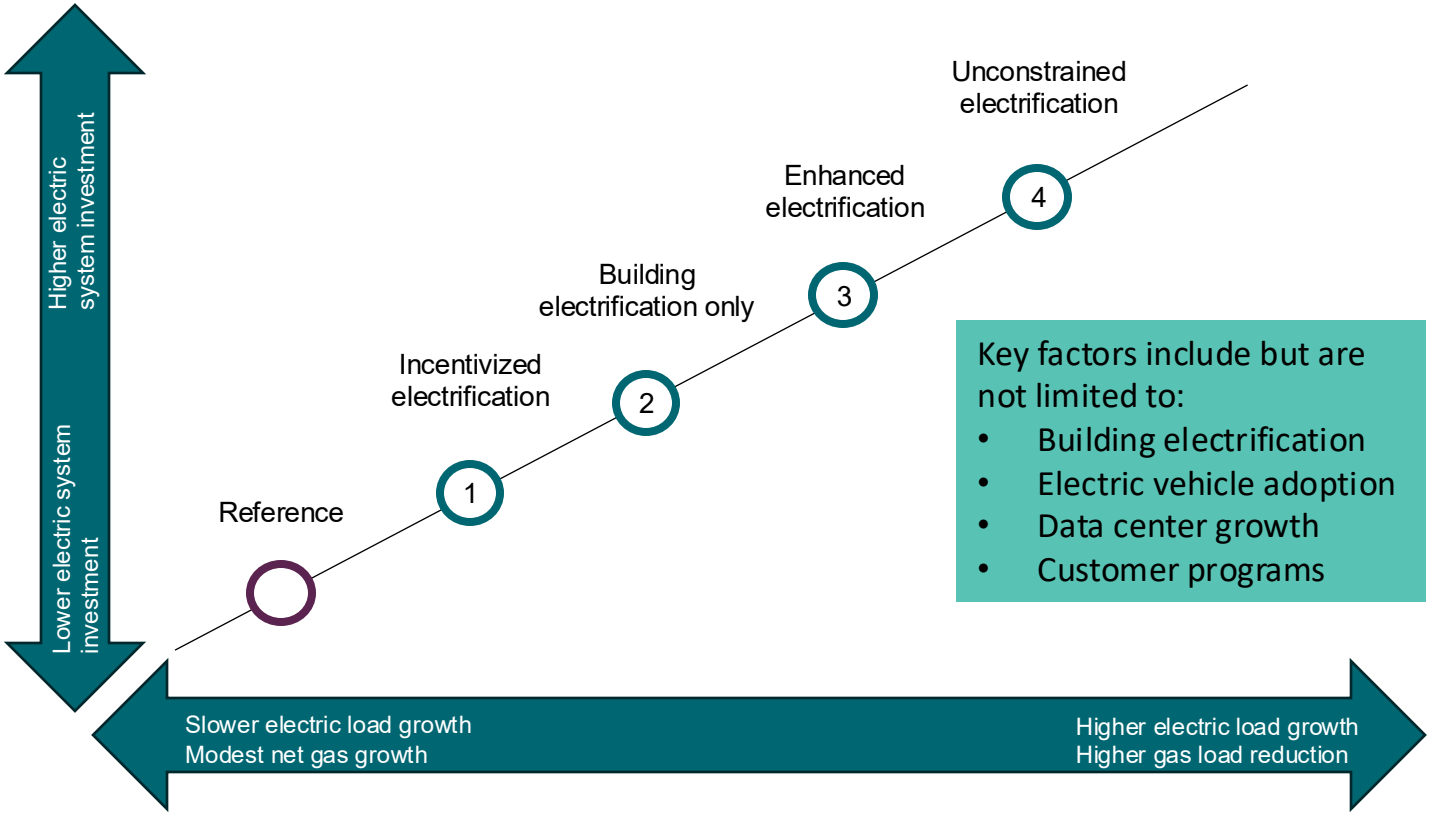
# ISP process equity considerations



# How will PSE evaluate what the future may look like?




Key factors include but are not limited to:

- Building electrification
- Electric vehicle adoption
- Data center growth
- Customer programs

# Example Societal Impacts: What are they, How are they measured?

| Element | How might it be defined? | How might it be measured? |
|---|---|---|
| Equity<br>Qualitative | Equitable distribution of benefits and reductions of burdens required by CETA | • Estimated over the CEAP's 10-year horizon<br>• Describe how specific actions are consistent with the long-term strategy |
| Health and safety<br>Qualitative | Must meet existing health and safety requirements (e.g., permitting and approval requirements) | Consistency with existing health and safety requirements |

# How can we look at impacts through the lens of affordability?

| | |
|---|---|
| Electric rate impact annually | Electric customer rates ($/kWh)? |
| Gas rate impact annually | Gas customer rates ($/therm)? |
| Electric revenue requirement | Cost to deliver full electric portfolio |
| Gas revenue requirement | Cost to deliver full gas portfolio |
| Host customer | Cost to customers for electrification or demand-side measures (e.g., heat pump purchase) and potential savings ($) |
| Risk reduction premium | Accounts for risk associated with variably priced Climate Commitment Act allowances |

Monetized

Quantitative

Qualitative

Undetermined

# How can we look at impacts through the lens of accountability?

| | |
|---|---|
| Social cost of greenhouse gas | Costs to society for greenhouse gas emissions, using Commission required conversion factor ($) |
| Reliability, resilience, security of supply | Ability to maintain consistent and dependable supply, withstand and recover from disruptions, and access essential resources |
| Health and safety | Consistency with existing health and safety requirements |
| Other environmental | Other emissions besides GHG, such as estimated NOx, SOx, PM 2.5 (tons) |

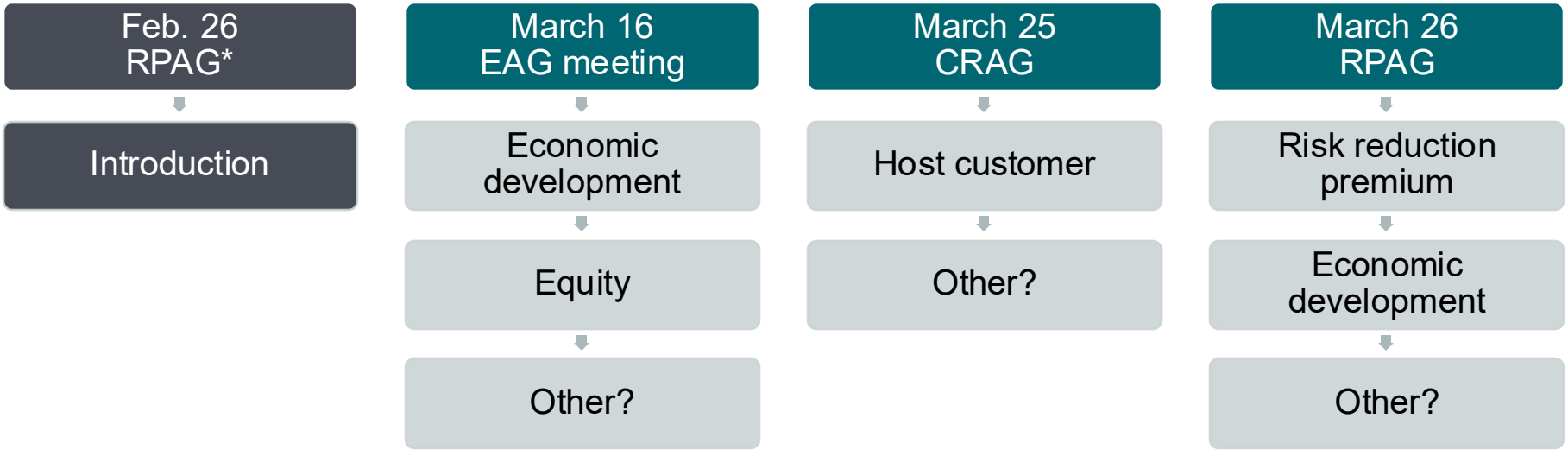
Monetized

Quantitative

Qualitative

Undetermined

# Societal impacts (of the cost test) engagement timeline






*CRAG and EAG members were invited to join as guests and were provided materials and recording in preparation for their March meetings