



APPENDIX X: CLEAN ENERGY IMPLEMENTATION PLAN CONDITIONS AND STATUS

Pursuant to WAC 480-100-650

Table of Contents

- 1. Commission Order 08 conditions and status 1
- 2. Commission Order 12 conditions and status7
- 3. Order 08 Condition 8 – Additional details 8
- 4. Conservation Resource Advisory Group Meetings.....9
- 5. Equity Advisory Group meetings.....9
- 6. Resource Planning Advisory Group meetings10

1. Commission Order 08 conditions and status

WUTC condition	Status	PSE response location
CONDITION 1. In its 2023 Biennial CEIP Update and in future CEIPs, PSE must include descriptions of quantitative (i.e., cost based) and qualitative (e.g., equity considerations) analyses that support interim targets to comply with the CETA 2030 and 2045 clean energy standards.	Completed in 2023 Biennial Update, to be carried forward in future integrated system plans (ISPs)	Biennial CEIP Update, Chapter 2: Updating the Clean Energy Targets
CONDITION 2. In its 2023 Biennial CEIP Update and in future CEIPs, PSE must include quantitative and qualitative risk analysis, if risk is used to justify deviating from the lowest reasonable cost solution that complies with CETA.	Completed in 2023 Biennial Update, to be carried forward in future ISPs, if applicable	Biennial CEIP Update, Chapter 2: Updating the Clean Energy Targets
CONDITION 3. In the 2023 Biennial CEIP Update, PSE must include an update regarding the impact of inflation, supply chain, and permitting issues, if any, on the estimated costs of and likelihood of attaining the accelerated target. PSE should also include an updated target if the 63 percent target is no longer viable by 2025.	Complete	Biennial CEIP Update, Chapter 2: Updating the Clean Energy Targets Petition to adjust CEIP Annual Interim Targets for 2024 and 2025
CONDITION 4. PSE will increase its demand response target to include all cost-effective DR bids it received in response to its recent RFP. PSE will include expanded Direct Load Control offerings in this increased target.	Complete	Biennial CEIP Update, Chapter 2: Updating the Clean Energy Targets
CONDITION 5: In the 2023 Biennial CEIP Update and subsequent CEIPs, PSE must express the renewable energy specific target as a percentage of retail load.	Completed in 2023 Biennial Update, to be carried forward in future ISPs.	Biennial CEIP Update, Chapter 2: Updating the Clean Energy Targets Planning Transition Work Plan, Section 3.1

WUTC condition	Status	PSE response location
CONDITION 6: Within 60 days of the entry of this Order, PSE must file with the Commission a narrative describing the methodology used to develop the renewable energy Specific Target and describing how its renewable energy Specific Target contributes to PSE achieving its Interim Target of serving 63 percent of retail load with renewable, non-emitting resources by 2025. PSE must express its renewable energy Specific Target as a percentage of retail load. PSE must provide sufficient supporting detail in order to be reasonably understood by a generalist, and the Company may not rely on mere “global” references to the underlying AURORA model.	Complete	August 4, 2023, 60-day compliance filing
CONDITION 7: Within 60 days of the date of entry of this Order, PSE must obtain a license for Staff to use the AURORA and PLEXOS models.	Complete	August 4, 2023, 60-day compliance filing
CONDITION 8: PSE must work with the equity advisory group and an advisory group (either new or existing) with sufficient expertise and interest to develop a new or revised DER selection process that is (1) consistent with the distributed energy resources planning process outlined in RCW 19.280.100, and (2) transparent, technology neutral, and robust in its comparison of DER programs considering cost and non-cost factors.	Ongoing	See additional details below beginning on page 9
CONDITION 9: Vulnerable Populations. PSE will include in its list of Vulnerable Populations: - Any census block group that has the highest score for any one of the categories of commonly grouped vulnerability factors: - Sensitive populations (disability, cardiovascular disease, low birth weight, higher rates of hospitalization, home care); - Energy security/insecurity (arrearage/disconnections, estimated energy burden, housing burden); - Other socioeconomic factors (access to digital/internet resources, access to food, access to health care, educational attainment level, historical redline influence, linguistic isolation, race, transportation expense, unemployment, poverty, deep poverty, renter status, seniors with fixed income, housing quality); - Any census block group that PSE identified as “high needs” or “underserved” in the most recent Biennial Conservation Plan; - Any census block group with an average home energy burden of 6% or more for income for households with annual income less than 200% of the federal poverty level; - Any census block group in a census tract that is a Qualified Census Tract as defined by HUD for purposes of the Low-Income Housing Tax Credit program; and - Any census block group in a census tract that is a “community in economic distress” as defined by the U.S. Department of Treasury for purposes of the New Markets Tax Credit program.	Complete	2023 Biennial CEIP Update, Chapter 3: Equity 2023 Biennial CEIP Update Appendix I

WUTC condition	Status	PSE response location
CONDITION 10. Vulnerable Population Designation Methodology. PSE will modify its designation methodology for Vulnerable Populations for the 2025 CEIP as follows and will, starting in 2023, begin gathering any additional data necessary to apply this new designation methodology: • Evaluate vulnerability factors to assess whether some factors are measuring the same underlying attribute, and consolidate factors where this is the case; • Include as vulnerability factors deep poverty, housing quality, and death and illness from extreme heat; • Consider the synergistic impacts of vulnerability factors that render people with multiple vulnerabilities significantly worse off than people with just one, considering compounding impacts.	Partially completed in 2023 Biennial Update. 2025 CEIP requirement will be carried forward in future ISPs.	2023 Biennial CEIP Update, Chapter 3: Equity 2023 Biennial CEIP Update Appendix I
CONDITION 11. PSE must demonstrate its compliance with the modified conditions above in this section (Condition 9 and 10) by submitting a compliance filing to the Commission within 60 days of the entry of this Order.	Complete	August 4, 2023, 60-day compliance filing
CONDITION 12. PSE must begin tracking data immediately and incorporate the following CBI metrics in its 2023 Biennial CEIP Update. a) PSE must add the following CBIs and metrics to the CETA category of Reduction of Burden: i) CBI: Decrease number of households with a high energy burden ($\geq 6\%$) ii) Metrics: (1) Number and percent of households (2) Average excess burden per household This CBI must be separately tracked and reported for all PSE electric customers that include Known Low-Income (KLI) customers and Named Communities. KLI customers are defined as those who have received energy assistance during the prior two years. b) PSE must add the following CBI and metrics to the CETA category of Energy Security: i) CBI: Decrease residential arrearages and disconnections for nonpayment ii) Metrics: (1) Number and percentage of residential electric disconnections for nonpayment by month, measured by location and demographic information (zip code/census tract, KLI customers, Vulnerable Populations, Highly Impacted Communities, and for all customers in total). If residential disconnections are not required to be reported quarterly to the Commission in any other docket (e.g., U-200281 or U-210800) or rule, PSE must report residential disconnections as reported pursuant to Commission Order 04 (Appendix A Third Revised Term Sheet, Section J, Part 2.a), in Docket U-200281,	Complete	2023 Biennial CEIP Update, Chapter 6: Customer Benefit Indicators

WUTC condition	Status	PSE response location
on a quarterly basis through the end of this CEIP implementation period (December 31, 2025). (2) Residential arrearages as reported pursuant to Commission Order 04 (Appendix A Third Revised Term Sheet, Section J, Part 8 a-c) in Docket U-200281. If residential arrearages are not required to be reported to the Commission in any other docket (e.g., U-200281 or U-210800) or rule, PSE must track the following residential electric data by month, measured by location and demographic information (zip code/census tract, KLI customers, Vulnerable Populations, Highly Impacted Communities, and for all customers in total) and (3) The number of customers with past-due balances (arrearages); and, (4) The amounts of past-due balances that are past due 30+, 60+, and 90+ days, as compared to total arrearages. c) PSE must add the following metrics to the CBI for “Improved participation in clean energy programs from Highly Impacted Communities and Vulnerable Populations”: i) Number of residential appliance and equipment rebates provided to customers residing in Named Communities. ii) Number of residential rebates provided to customers residing in rental units		
CONDITION 13: In the 2023 Biennial CEIP Update, PSE must remove directionality language from any discussion about metrics and distinctly separate the language suggesting a goal or directionality from the metrics. The directionality language may be included in the CBI or may be developed into a specific target. PSE must track without regard to directionality and must immediately modify its data collection of any metrics that currently include directionality language to meet this requirement.	Complete	2023 Biennial CEIP Update, Chapter 6: Customer Benefit Indicators
CONDITION 14: In the 2023 Biennial CEIP Update, PSE must update Table 7-5 to remove directionality from metrics and create a separate column that indicates the desired directionality for each CBI (e.g., “increase” or “reduce,” etc.) or specific target (if available). PSE must also add a new column to the table that lists specific actions that are relevant to or directly intended to achieve the desired directionality for each relevant CBI.	Complete	2023 Biennial CEIP Update, Chapter 6: Customer Benefit Indicators
CONDITION 15: Within 10 days of a Commission Order, PSE must file in the CEIP docket a comprehensive CBI metric report card of all CBIs and metrics that the Company currently reports, CBIs and metrics that it has been directed to report by the Commission, and CBIs and metrics that it must evaluate through an interested persons’ process before the 2023 Biennial CEIP Update.	Complete	June 16, 2023, 10-day compliance filing

WUTC condition	Status	PSE response location
CONDITION 16. For the 2023 Biennial CEIP Update, PSE must update all specific actions and provide all available detail as required by WAC 480-100-640(5) as it relates to those specific actions.	Complete	2023 Biennial CEIP Update, Chapter 5: Specific Actions
CONDITION 17. For the 2025 CEIP, PSE must file a draft CEIP on a timeline the Company determines sufficient to incorporate comments on the draft CEIP into the final CEIP. PSE must also file a detailed narrative explaining why specific comments were not incorporated in the final CEIP.	Complete.	PSE is no longer filing a 2025 CEIP, per the Commission's approval of the ISP workplan. PSE will be following the ISP rules, which do not require a draft CEIP or ISP.
CONDITION 18. Community Solar. PSE will increase its community solar target from 25.4 MW to 50 MW by 2025.	Complete	2023 Biennial CEIP Update, Chapter 2: Updating the Clean Energy Targets and Chapter 5: Specific Actions 2026 Clean Energy Compliance Report, 2.4.1 Distributed Solar
CONDITION 19. Eliminate Leasing. PSE will remove the residential rooftop solar leasing and residential battery leasing program concepts from consideration in its list of DER programs and will instead develop rent-to-own or other options for Named Communities and other residential customers.	Complete	2023 Biennial CEIP Update, Chapter 5: Specific Actions
CONDITION 20. Minimum Designations. PSE will file with the Commission an amendment to this CEIP to designate for Named Communities a minimum of 30% of the energy benefits of its DER solar, DER storage, DR, and EE programs, with benefits measured across each tranche of resources. PSE will commit to developing a targeting approach to identify the customers and communities with deepest need within the broader category of Named Communities in consultation with interested persons and advisory groups. By the 2023 Biennial CEIP Update, PSE will designate a minimum percentage of energy benefits that will flow to Named Communities with deepest need.	Complete	2023 Biennial CEIP Update, Chapter 3: Equity 2026 Clean Energy Compliance Report, 5.3 Analysis of minimum designation of energy benefits
CONDITION 21. DER Program Design. To implement the 30% energy benefit minimum designations for Named Communities discussed above, PSE will develop mechanisms for intentionally serving customers in Named Communities in each of its individual DER programs, including carve-outs for program costs (including outreach/education) and minimum participation thresholds. PSE will also modify its program design for solar and storage DER programs to better ensure benefits flow to Named Communities, including by developing targeting for Named Communities beyond using income as the sole criterion for program eligibility; offering higher incentives for low-income customers and Named	Complete	2023 Biennial CEIP Update, Chapter 5: Specific Actions Planning Transition Work Plan, Section 4.2.3

WUTC condition	Status	PSE response location
Communities; ensuring benefits flow to tenants in affordable multifamily housing; and targeting storage programs to Vulnerable Populations where increased reliability would reduce vulnerabilities.		2026 Clean Energy Compliance Report, 3.5 Distributed energy resources – solar and 3.6 Distributed energy resources – storage
CONDITION 22. In the 2023 Biennial CEIP Update, PSE will include information regarding any planned DR programs for commercial and industrial customers as required by WAC 480-100-640(5) and (6) as well as information regarding the expected cost-effectiveness of these programs.	Complete	2023 Biennial CEIP Update, Chapter 5: Specific Actions
CONDITION 23. PSE must include a narrative in the 2023 Biennial CEIP update and 2025 CEIP describing anticipated impacts on customer benefits and burdens from DR programs.	Completed in 2023 Biennial Update, to be carried forward in future ISPs	2023 Biennial CEIP Update, Chapter 5: Specific Actions
CONDITION 24. PSE must include in its 2023 Biennial CEIP Update an explanation of the TVR pilot program and how the program will be structured to gather data about the program's impacts on benefits and burdens for Named Communities.	Complete	2023 Biennial CEIP Update, Chapter 5: Specific Actions
CONDITION 25. In the 2023 Biennial CEIP Update, PSE must explain the selection process for NWA projects developed prior to preparing the CEIP and clarify how the Company views DERs as compared to NWAs. PSE must also describe the differences between the DER selection process and the NWA selection process and why they follow different evaluations and selection processes. PSE must also explain how it distinguishes between NWA projects that are necessary to meet CETA requirements and NWA projects that should be considered part of the Company's core business operations (i.e., reliability, etc.).	Complete	2023 Biennial CEIP Update, Chapter 5: Specific Actions
CONDITION 26. In the 2023 Biennial CEIP Update, PSE must explain why the NWAs evaluation tool and associated costs are included in the CEIP and explain why the tool is necessary for CETA compliance.	Complete	2023 Biennial CEIP Update, Chapter 5: Specific Actions
CONDITION 27. PSE commits to developing and implementing a DER Public Engagement Pilot to gain experience with and understanding of engaging Named Community members at the "Empowerment" level on the International Association for Public Participation's Public Participation Spectrum in developing DER offerings specifically for Named Communities. PSE will collaborate with the EAG, other relevant advisory groups, and interested persons to develop this pilot. PSE will begin work on the design of the pilot within three months of a final Commission order and will implement the pilot after the 2023 Biennial CEIP Update.	Complete	DER Public Engagement Pilot, Outcomes and next steps ; Concepts and status
CONDITION 28. Within 60 days of this Order, PSE must retain a facilitator for the EAG. Among other tasks, the facilitator would document EAG members' feedback and PSE's responses to that feedback.	Complete	August 4, 2023, 60-day compliance filing

WUTC condition	Status	PSE response location
PSE must select a neutral, third-party facilitator that is mutually acceptable to both the Company and to Public Counsel.		
CONDITION 29. PSE will not use the projected incremental cost of compliance as a planning constraint in the 2025 CEIP.	Ongoing	To be further addressed in 2027 ISP
CONDITION 30. PSE must remove the following costs from the CETA portfolio: Hosting Capacity Analysis (\$6.19m); Virtual Power Plant (\$9.62m); Data Lake and Analytics (\$3.65m); Substation SCADA – Accelerated (\$41.36m); and Circuit Enablement-DER and Microgrid (\$57.5m). The removal of these costs from the projected incremental cost of compliance with CETA in this Docket should not impact PSE’s ability to request cost recovery for these investments in a future filing.	Complete	2023 Biennial CEIP Update, Chapter 5: Specific Actions
CONDITION 31. PSE must remove corporate marketing and promotional costs from its Communications and Education costs that are categorized under the PSE CEIP incremental cost calculation. At a minimum, PSE must remove all actions and costs associated with “In-language marketing partnerships” from this CEIP. PSE must explain in the 2023 Biennial CEIP Update how it derived its Communications and Education costs, what the Communications and Education actions specifically entail, and demonstrate how these costs are directly attributable to specific actions that are necessary to comply with or make progress toward CETA requirements.	Complete	2023 Biennial CEIP Update, Appendix E: Biennial Cost Update
CONDITION 32. PSE will rerun its portfolio optimization models with an updated methodology for incorporating the Social Cost of Greenhouse Gas Emissions and updated capacity values for energy storage. PSE will recalculate its interim clean energy targets and energy storage sub-target, and its projected incremental cost of compliance with CETA, based on these new model runs. PSE will incorporate any changes in its 2023 Biennial Update.	Complete	2023 Biennial CEIP Update, Chapter 2: Updating the Clean Energy Targets and Appendix A-1

2. Commission Order 12 conditions and status

WUTC condition	Status	PSE response location
CONDITION 1. Interim Targets a. PSE will maintain the Interim Targets approved by the Commission in Order 08 of Docket UE-210795 for the remainder of this compliance period (i.e., 2022 – 43 percent of retail load served by renewable and nonemitting electric generation; 2023 – 53 percent; 2024 – 59 percent; 2025 – 63 percent).	Complete	2026 Clean Energy Compliance Report, 1. Interim targets

WUTC condition	Status	PSE response location
b. PSE will maintain the methodology of an annual series of interim targets for the current CEIP compliance period (i.e., one interim target for each of the four years of the compliance period). c. If PSE would need to purchase unreasonably costly energy to meet the 2025 Interim Targets, the Commission will consider this in determining whether the Company has complied with the Interim Targets for the first compliance period.		
CONDITION 2. Deepest Need PSE will set a minimum designation of energy benefits to customers in deepest need that is at least equal to that subset's proportion of electric customers in the Company's 2025 CEIP. PSE will continue to work with its advisory groups and other interested persons as appropriate to refine the definition of deepest need. If the Company finds that investments to meet this standard are not reasonable given costs or other considerations, the Commission will consider this as a factor when considering compliance at the end of the first compliance period.	Ongoing. To be carried forward in the 2027 ISP	Planning Transition Work Plan, Section 4.2.3 (Table 9)
CONDITION 3. Renewable Energy Specific Target PSE will work with Staff to ensure that its expression of the Renewable Energy Specific Target in future CEIP filings aligns with the intent of Condition 5 for Order 08. This target should be cumulative (not incremental) and should reflect renewable energy (not all clean energy).	Complete. To be carried forward in renewable energy specific target development in future ISPs.	Planning Transition Work Plan, Section 3.1 2026 Clean Energy Compliance Report, 2.3 Renewable Energy target

3. Order 08 Condition 8 – additional details

Since the 2023 Biennial CEIP Update, PSE has been moving away from the initial approach it took with the illustrative suite of distributed energy resources (DER) in the 2021 CEIP. With the transition to the ISP, PSE has begun to implement a process where products and programs are developed based on engagement with advisory groups and customers. PSE also uses the results of the request for proposal (RFP) process to align selected projects with specific program offerings. For example, PSE may use a project from the distributed solar and storage (DSS) RFP to support deployment of additional community solar. For other products and programs, customer advisory group feedback provides valuable input to PSE on the types of programs and products to offer. Two recent examples highlighting this work are the

[DER community engagement summary](#) and the [DER Public Engagement Pilot](#). PSE will continue building upon these efforts and learnings in the 2027 ISP process. Below PSE outlines previous advisory group conversations that have informed DER offerings.

4. Conservation Resource Advisory Group meetings

Date	Meeting Focus / Topic	DER Selection Relevance	Notes
March 23, 2022	Schedule 120 filing, clean energy strategy, program updates	Indirect	General CEIP and program discussion
August 3, 2022	Demand Response and DER RFP Summary Report	Direct	Included DER procurement discussion
October 12, 2022	Roadmap for equitable DER/DR use	Direct	Discussed equitable deployment of DER
March 15, 2023	Schedule 120 and DER CRAG membership concept	Indirect	Introduced DER engagement concept
June 7, 2023	DER update and target setting methodology	Direct	Included status of DER activities
July 26, 2023	DER advisory and draft targets	Direct	Engagement on DER advisory topics
October 9, 2024	DER roadmap and DR deep dive	Direct	Discussed regulatory and product roadmap
March 19, 2025	Schedule 120 filing and ISP discussion	Direct	Included DER acquisition discussion

5. Equity Advisory Group meetings

Date	Meeting Focus / Topic	DER Selection Relevance	Notes
October 17, 2022	DERs and new product development	Direct	Feedback on potential DER and demand response programs
June 12, 2023	Community engagement for equity-focused program design	Direct	Feedback on potential DER programs
January 21, 2024	Customer journeys for upcoming solar and battery product launches	Direct	Feedback on benefits, barriers and customer journey to solar and battery programs
February 20, 2024	DER EmPOWERment pilot	Direct	Product options - Development discussion on DER product options including 4 types of DER products
January 21, 2025	DER EmPOWERment pilot	Direct	Detailing the program's success in engaging diverse communities through

Date	Meeting Focus / Topic	DER Selection Relevance	Notes
			solar energy, battery storage and demand response solutions
June 16, 2025	DER EmPOWERment pilot	Direct	Findings and lessons learned during pilot community engagement
July 21, 2025	Customer strategy includes planning now for the future energy system of the future	Direct	Discussion and feedback on barriers to DER participation including costs and technology.
Sept. 15, 2025	DEA for net metering and distributed energy programs	Direct	Defining metrics and strategy

6. Resource Planning Advisory Group meetings

Date	Meeting Focus / Topic	DER Selection Relevance	Notes
March 25, 2025	Customer Strategy: Solar and Storage	Direct	Review planning methodology, assumptions, inputs and challenges
June 18, 2025	Customer Strategy: Solar and Storage	Direct	Continued discussion on development of customer strategy