

Equity Advisory Group Meeting

January 20, 2026 – Hot Sheet



Topic	Topic Primer
<p>Equity Strategy in PSE's 2026 General Rate Case</p> <p>Presenter: Troy Hutson, Director, Energy Equity</p>	<p><u>Why is this topic being presented to the EAG?</u></p> <p>A General Rate Case (GRC) is a legal process when a Utility shares the programs and investments it wants to pursue, and proposes the rates it must charge to make these investments possible. Troy Hutson will share how the EAG's input contributed to the Equity Strategy in the 2026 General Rate Case, and how we believe these will lead to systems-level changes.</p> <p><u>What will you be asked to advise on?</u></p> <p>The Rate Case reflects how EAG priorities influenced PSE's equity approach. You'll consult on whether our process for gathering and using EAG input (Priority Framework, retreats, meetings, and other feedback methods) is working to drive equity changes at the utility.</p> <p><u>Key Terms & Acronyms You Will Hear</u></p> <p>GRC (General Rate Case): The formal legal process where PSE requests approval from regulators to change programs and rates. A GRC involves interested parties, many attorneys and an administrative law judge. The judge hears arguments and reviews utility operations and requests, then makes recommendations to the UTC.</p> <p>UTC (Utility and Transportation Commission): State agency regulating utilities and transportation companies. Their mission is to protect the people of Washington by ensuring investor-owned utility and transportation services are safe, equitable, available, reliable and fairly priced. One of their responsibilities is to approve rates and can require certain activities, including equity requirements.</p> <p>Rate Structure (also called Rate Design): How utilities set up customer rates based on usage and customer class (residential, commercial, industrial)</p> <p>High Energy Burden/Energy-Burdened: Customers spending more than 6% of annual household income on home energy bills¹. Those with over 10% energy burden may be called deepest need or severely energy burdened.²</p> <p>Categorical Eligibility: Automatic qualification for assistance programs based on participation in other qualifying programs.</p> <p>Relevant Programs</p> <p>GRACE: Grid Resiliency and Clean Energy Program. Developed to work with tribal communities to co-develop energy solutions that support both power reliability and energy sovereignty. Investments can also serve critical facilities such as schools and community centers.</p> <p><u>Relevant context & details</u></p> <p>Legal Requirements: State regulations require utilities to consider equity and affordability in its decisions, including rate making and program design. The Clean Energy Transformation Act (CETA) and other laws and regulations require utilities to ensure affordability, and for named communities to receive equitable distribution of benefits from clean energy programs.</p>

¹ Energy burdened threshold comes from the WA Department of Commerce.

² Deepest need threshold came from input from EAG, LIAC, and CRAG on how PSE should define deepest need customers. Applies to electric customers.

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	<p>Commission Requirements: The Washington Utilities and Transportation Commission has established expectations for utilities to address equity in rate cases and demonstrate how they're removing barriers for named communities.</p> <p>The Commission has <u>not</u> required PSE to present the Rate Case strategy to the EAG. The purpose of this presentation is to provide a feedback loop to the EAG about how their input over several years has shaped PSE's equity proposed in its upcoming 2026 General Rate Case.</p>
Topic	Topic Primer
<p>Year in Review and Year Ahead</p> <p>Presenters: Ishmael Nuñez and Ariam Ford, Uncommon Bridges</p>	<p><u>Why is this topic being presented to the EAG?</u></p> <p>The EAG made significant strides in 2025 in its strategic framework and key advising to PSE. This session will share key outcomes from 2025, and look ahead to what is planned for 2026 so members can consistently engage and provide meaningful input.</p> <p><u>What will you be asked to advise on?</u></p> <p>Based on what we accomplished in 2025 and what we have planned for 2026, where do you see the most important opportunities for EAG activities? What activities resonate with you? How can we best prepare you to provide meaningful advising within our planned timelines?</p> <p>The EAG will be asked to identify priority areas where their input would be most valuable and discuss how to optimize their engagement given the structured planning schedules.</p> <p><u>Key Terms & Acronyms You Will Hear</u></p> <p>Priority Framework: Also called "Strategic Priority Framework." The tool by which the EAG articulates its intended Energy Equity future state.</p> <p>"4As": The four primary areas of the Priority Framework: Accessibility, Affordability, Accountability, Advocacy</p> <p><u>Relevant context & details</u></p> <p>Legal Requirements: PSE operates under various state mandates and timelines that drive their planning cycles, including clean energy targets, equity requirements, and regulatory filing deadlines that create fixed schedules.</p> <p>Commission Requirements: While this meeting's topic is <u>not</u> required by the UTC, it may be helpful for members to keep in mind that the Commission has established reporting timelines and expectations for utility planning processes that PSE must meet, which influences when and how the EAG can provide input.</p> <p>Planning Constraints: PSE's planning processes often have regulatory deadlines and interconnected timelines that limit flexibility in scheduling, making advance communication with the EAG essential for meaningful engagement.</p>

The slide deck and agenda are available on the [website](#).

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Additional questions or concerns? Please reach out to EAG@PSE.com

Frequent Acronyms & Key Terms

PSE's Energy Glossary is [here](#).

Relevant Policy & Legislation

UTC (Utility and Transportation Commission): The state agency that regulates utilities in Washington, setting rates and ensuring companies follow state energy laws.

CETA (Clean Energy Transformation Act): Passed in 2019 and commits WA state to a carbon-neutral electric supply by 2030 and 100% clean electricity by 2045 (RCW 19.405)

CCA (Climate Commitment Act, "Cap and invest"): Passed in 2021, state law that seeks to reduce greenhouse gas emissions from the largest emitting sources and industries, to work towards the state's greenhouse gas limits set in state law, through a market-based carbon allowance compliance cap-and-invest program. (RCW 70A.65)

HB 1589 (Decarb Bill for Large Combined Investor-Owned Utilities) – passed in 2024, it streamlines the planning processes by requiring PSE to prepare a first in the nation Integrated Systems Plan (ISP), to support the future energy choices of our customers in alignment with the Washington state's clean energy goals.

Energy Equity Tenets: Identified by the University of Michigan [Energy Equity Project](#) and adopted by the Washington Utilities and Transportation Commission in [Docket UG-210755, Final Order 09](#), they are: Recognition Justice, Procedural Justice, Distributional Justice, and Restorative Justice.

PSE Terms

ISP (Integrated System Plan): a plan that considers gas and electric systems as a whole, which includes electric integrated resource plan (IRP), gas integrated resource plan, transportation electrification plan (TEP), and clean energy implementation plan (CEIP).

CEIP (Clean Energy Implementation Plan): PSE's detailed plan for achieving CETA requirements and clean energy goals. The CEIP is essentially the clean energy details of the larger ISP.

Named Communities (NCs) are a combination of Highly Impacted Communities and Vulnerable Populations. Customers in highly impacted communities as outlined in CETA.

Highly impacted communities (HICs) are areas identified by the Washington State Department of Health as facing high environmental and health risks or located on tribal lands. Census tracts scoring 9 or 10 on a cumulative impact scale are included.

Vulnerable populations (VPs) are communities facing greater cumulative risks from environmental burdens due to socioeconomic challenges (like unemployment, high living costs, limited access to food and healthcare, and language barriers) and health sensitivities (such as low birth weight and higher hospitalization rates).

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Customers with deepest need are those living in areas identified as clusters of severe energy burden (greater than 10%) and multiple compounding factors hindering the ability to access adequate resources

Energy Burden: The percentage of household income spent on energy bills. Higher percentages indicate greater financial stress from energy costs.

Community Terms

CBO (Community Based Organizations): Community-led groups that serve local communities and understand their unique needs.

Suggest new acronyms/terms you'd like to see on the hot sheet list by emailing them to EAG@pse.com.