

Equity Advisory Group Meeting

July 20, 2026 – Hot Sheet



Topic	Topic Primer
Integrated System Planning for Deepest Need Presenters: Melissa Troy, Supervisor, Customer Outreach Brian Tyson, Manager, Clean Energy Planning & Implementation Ray Outlaw, Manager, Clean Energy Communications	<u>Why is this topic being presented to the EAG?</u> As part of PSE's 2021 Clean Energy Implementation Plan, the UTC established specific requirements to equitably distribute clean energy technologies (solar, batteries, demand response, and energy efficiency) to named communities and deepest need customers. While PSE has generally met these regulatory expectations, we see <u>opportunities to better incorporate customer-stated needs and priorities into our approach, and to consider community-scale impacts alongside individual household impacts and metrics when measuring and distributing clean energy benefits</u>. As PSE develops its first Integrated System Plan, we have an opportunity to evaluate how prior 2021 CEIP requirements affect the distribution of clean energy benefits and explore approaches that advance equity through more responsive, customer-centered support for the clean energy transition. <u>What will you be asked to advise on?</u> <i>EAG members will be asked to assess how responsive and reasonable this approach is with regards to the intent of the 2021 CEIP requirements, and to pose any ideas or suggestions for our consideration.</i> <u>Key Terms & Acronyms You Will Hear</u> Minimum Designation: In the 2021 CEIP, the UTC ordered PSE to designate a minimum of 30% of energy benefits from solar, storage, demand response, and energy efficiency programs to Named Communities, with a specific proportional subset designated for customers in deepest need. The requirement arose in 2023 and applied to the first CEIP period (2022-2025). Tranche resources: The specific clean energy technology areas covered by minimum designation requirements, which are: distributed solar, distributed storage, demand response, and energy efficiency programs. DER (Distributed Energy Resources): Small-scale energy technologies like residential and community solar, batteries, and demand response EE (Energy Efficiency): Helping customers use less energy (e.g., insulation, appliances). DR (Demand Response): Reducing electricity use during peak times DER Solar: Customer-owned residential <i>or</i> community solar that generate electricity to the grid DER Storage: Small-scale batteries that store electricity for later use

	Behind/In Front of the Meter: Energy equipment located either on the customer's side ("behind the meter" - e.g. household solar, residential batteries) or utility's side ("in front of the meter" - e.g. community solar, grid storage) of the electric meter. Where the equipment is located determines ownership and billing responsibility <u>Relevant context & details</u> Legal Requirements: CETA requires utilities to ensure the equitable distribution of clean energy benefits to named communities (highly impacted communities and vulnerable populations) and customers with deepest need through specific programs and measurable outcomes. Commission Expectations: UTC ordered PSE to "designate for Named Communities a minimum of 30% of the energy benefits of its DER solar, DER storage, DR, and EE programs" and set minimum designations for deepest need customers proportional to their share of electric customers in the now 2027 ISP. PSE set a 2.5% target for deepest need customers in the 2023 Biennial CEIP Update covering 2024-2025. Current Situation: PSE consistently met the 30% target for Named Communities in energy efficiency and demand response programs, but distributed solar and storage programs fell somewhat short of the 30% target. All resource types exceeded the deepest need customer minimum designation target from the 2023 Biennial CEIP Update. (See Clean Energy Compliance Report section 6 for more information.) However, PSE hears from deepest need customers that their priorities extend beyond specific technologies to include affordability, reliability, and broader access to clean energy benefits.
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The slide deck and agenda are available on the [website](#).

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)

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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).

Customers and communities with deepest need are those living in areas identified as clusters of severe energy burden 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.