

# Puget Sound Energy Resource Planning Advisory Group (RPAG) meeting summary

Wednesday, July 17, 2024 | 1:00 p.m. – 3:00 p.m.

## Meeting purpose and topics

Below are the meeting topics of this Resource Planning Advisory Group (RPAG) meeting:

- Present an overview of PSE’s transition to an Integrated System Plan (ISP)
- Present PSE’s ISP strategy
- Present PSE’s long-term ISP plan
- Receive feedback from the RPAG on PSE’s approach to the 2027 ISP
- Poll RPAG members on future meeting details

## Agenda

Time	Agenda Item	Presenter
1:00 p.m. – 1:05 p.m. <i>5 min</i>	<b>Introduction and agenda review</b> <ul style="list-style-type: none"><li>• Safety moment</li><li>• Introductions</li><li>• Agenda</li></ul>	<b>Sophie Glass</b> , Facilitator, Triangle Associates
1:05 p.m. – 1:25 p.m. <i>20 min</i>	<b>Transitioning to an Integrated System Plan</b> <ul style="list-style-type: none"><li>• Background</li><li>• Actions</li><li>• Next steps</li></ul>	<b>Kara Durbin</b> , Director, Clean Energy Strategy, PSE
1:25 p.m. - 1:50 p.m. <i>25 min</i>	<b>ISP strategy</b> <ul style="list-style-type: none"><li>• Requirements</li><li>• Objective</li><li>• Differences</li></ul>	<b>Phillip Popoff</b> , Director, Resource Planning Analytics, PSE
1:50 p.m. – 2:20 p.m. <i>30 min</i>	<b>ISP planning</b> <ul style="list-style-type: none"><li>• Strategy</li><li>• Long-term evolution</li><li>• Preliminary schedule</li><li>• Inputs and outputs</li><li>• Planning process</li><li>• Opportunities and challenges</li></ul>	<b>Jennifer Coulson</b> , Manager, Operations and Gas Analysis, PSE
2:20 p.m. – 2:50 p.m. <i>30 min</i>	<b>Discussion and poll</b>	<b>Sophie Glass</b> , Facilitator, Triangle Associates

Time	Agenda Item	Presenter
2:50 p.m. - 3:00 p.m. <i>10 min</i>	<b>Next steps and public comment opportunity</b>	<b>Sophie Glass</b> , Facilitator, Triangle Associates
3:00 p.m.	<b>Adjourn</b>	<b>Sophie Glass</b> , Facilitator, Triangle Associates

The complete meeting materials, including the agenda and presentation, are available on the IRP website under the July 17, 2024 meeting heading.

## Action items

What	Who	When
Share what feedback from the 2025 IRP PSE is going to carry over to the 2027 ISP.	PSE	PSE will share a summary of the 2025 IRP feedback we are considering for the 2027 ISP prior to the Sept. 12, 2024 RPAG meeting.

## Introduction and agenda review

Sophie Glass, facilitator, provided an overview of the agenda for the meeting and welcomed RPAG members (see “Meeting attendees” on the last page for a list of RPAG members who joined this meeting).

## Transitioning to an Integrated System Plan

Kara Durbin, PSE, provided background on integrated system plans and an update about how PSE is pivoting from filing an Integrated Resource Plan (IRP) in 2025 to an ISP in 2027. Engrossed Substitute House Bill 1589 of 2024 (HB 1589) requires PSE to combine the IRP and Clean Energy Implementation Plan (CEIP) into a single plan, or ISP. This bill recognizes the needs for clean energy and reliability have outgrown past planning processes. An ISP streamlines planning processes for customers, interested parties, and PSE while maintaining regulatory requirements and clean energy goals.

PSE responded to this by filing a petition to waive its 2025 IRP and CEIP obligations, as prescribed by HB 1589. Additionally, PSE published a [Planning Transition Work Plan](#) in June 2024 to demonstrate its progress towards its clean energy and equity goals.

The Utilities and Transportation Commission (Commission) found that PSE’s work plan demonstrated reasonable progress toward meeting Clean Energy Transformation Act (CETA) requirements and achieving equity goals and granted PSE’s petition. The first ISP is due by Jan. 1, 2027 and will consolidate the gas IRP, electric IRP, and the CEIP into a single filing.

PSE is rapidly yet thoughtfully pivoting toward an ISP by building on its previous 2025 IRP work. Discussions with advisory bodies through September 2024 regarding engagement needs and overall

strategy are informing this work. PSE plans to file an engagement work plan for the new ISP by Oct. 31, 2024.

Despite this changing planning environment, no specific changes have been identified for the RPAG at this time. The RPAG charter and group were designed with flexibility in mind allowing them to adapt to these changes. Originally, RPAG engagement was envisioned to continue through the completion of the 2025 IRP planning process with the option for members to continue into the next cycle. In the interest of time and efficiency, PSE hopes all current members will continue through this first ISP.

PSE summarized feedback it received on its equity analysis approach from the June 6 public webinar, June 12 RPAG meeting, and June 18 Equity Advisory Group (EAG) meeting. Generally, the feedback has been supportive of PSE's updates. On the electric IRP side, PSE heard a desire to introduce more nuance to equity metric scoring to better reflect the varying impact of different metrics. Additionally, PSE heard a desire to ensure that equity metrics avoid double counting attributes, include a qualitative assessment, and continue involving a diverse group of parties in developing its equity approach. Lastly, PSE heard a desire to explore methods beyond the scorecard to measure equity in the planning process. On the gas side, PSE heard comments to reconsider equity metrics to better align with electric equity metrics. Additionally, PSE received feedback to ensure metrics avoid double counting attributes and the suggestion to review and reconsider individual resource scoring.

PSE responded to comments from RPAG members:

- RPAG member: Is PSE looking back at previous comments and reevaluating if you can incorporate them into the 2027 plan now that you have more time?
  - PSE response: Yes, we will revisit those comments where we initially responded, “not yet” and see if we can incorporate them.
- RPAG member: The Commission is undertaking rulemaking while PSE is starting the ISP process. Could you speak as to how you plan to navigate this? How will PSE tackle working without a final set of rules? Additionally, an initiative to repeal HB 1589 will likely qualify to appear on the ballot, potentially impacting decarbonization efforts in Washington. Can you speak to what assumptions PSE is thinking about using related to decarbonization and electrification in the 2027 ISP? There is some discussion in the development of the legislation about whether assumptions in decarbonization studies should be used moving forward or if there is more room for PSE to start from updated assumptions.
  - PSE response: In response to your first question, PSE has been in a similar position with CETA and has some lessons learned. We are mindful and must manage risks as best we can. Regarding the second question, it is still fairly early. PSE is still considering what the upcoming initiatives might mean. HB 1589 is really about electrification and whether PSE can incentivize electrification. Even if the repeal is successful, PSE is still required to follow through with the ISP process. Enormous amounts of change are going on in the industry. However, local government actions on the gas side will still be relevant and PSE's ISP work will still be necessary by law even if parts of HB 1589 are repealed.

- RPAG member: One of the main purposes of the ISP is to get at intersectional issues around electrification, such as how the gas and electric utilities respond to one another. Given the need to decarbonize, electrification remains an obligation regardless of what happens. Legislation does not repeal electrification; it just repeals specific language on how to do it. Electrification will always be something PSE must consider and plan for.
  - PSE response: PSE is looking at this as a holistic decarbonization plan and regardless of what the outcome of the ballot is. PSE will get into more details in future conversations this fall.
- RPAG member: What is the status of the feedback report from the latest meeting?
  - PSE response: It has been published on the [IRP website](#).

## ISP strategy

Phillip Popoff, PSE, summarized the ISP requirements per HB 1589. Some of the requirements in the law for an ISP are:

- Achieve the statutory obligations of all plans filed under the Integrated System Plan
- Include scenarios that achieve gas utility and electric utility emissions reductions equal to their proportional share of emissions reductions under the statewide greenhouse gas emissions reduction limits
- Achieve two percent of electric load annually with conservation and energy efficiency resources, unless the Commission finds a higher target is cost effective, and unless the Commission determines that a lower target is acceptable because the requirement is neither technically nor commercially feasible
- Include low-income electrification programs
- Include a 10-year clean energy action plan for implementing CETA at the lowest reasonable cost and at an acceptable resource adequacy standard
- Achieve annual demand response and demand flexibility equal to or greater than 10 percent of winter and summer peak electric demand, unless the Commission finds that a higher target is cost effective. However, the Commission may accept a lower level of achievement if it determines that the requirement in subsection 9 (4)(g) is neither technically nor commercially feasible during the applicable emissions reduction period

The overall goal of the ISP is to develop consistent, equitable, and actionable plans across customer strategies, energy supply, and energy delivery to achieve clean energy and targeted greenhouse gas emission reductions while maintaining reliable and affordable energy systems.

Compared to PSE's previous planning processes such as the IRP and CEIP, an ISP has an increased focus on customer strategy, with customer resources as inputs. Additionally, it is a more holistic process that integrates both the gas and electric utility decarbonization plans and evaluates transmission, distribution systems, and energy supply needs together. Unlike the IRP, the ISP requires Commission approval. However, similarly to the CEIP, the ISP must contain specific actions.

PSE responded to comments from RPAG members:

- RPAG member: Concerning the second bullet on the ISP requirement slide, is it stating there is a specific statutory requirement or just a planning requirement?
  - PSE response: We read it is a planning requirement. There is more to come on how we navigate all these details. We still have details to sort out regarding how we navigate the ISP.

## ISP planning

Jennifer Coulson, PSE, explained PSE's approach to developing an ISP strategy. In developing this new energy plan, PSE is incorporating lessons learned from the IRP, CEIP, delivery system planning, and other past planning processes. Additionally, PSE has been in communication with Salt River Project, a leader in the ISP world, to discuss challenges and opportunities in shifting to an ISP framework. Lastly, PSE is incorporating HB 1589 and rules formed through the Commission process to shape its 2027 ISP.

Through the ISP, PSE can bring together its separate resource planning processes. In the future, continuing to file ISPs will allow PSE to improve alignment with long-term purposes and objectives. PSE shared a preliminary 2027 ISP schedule. One key challenge of this new process is that PSE's work begins while the Commission is still in the rulemaking phase. PSE will have to adjust as needed. Engagement, customer program needs, and equity, specifically the four tenets of justice (recognition, procedural, distributive, and restorative), are all key components of the ISP and shape customer and PSE clean energy goals and priorities:

The core change from the IRP to the ISP is transitioning to a customer-centric planning process. PSE is addressing this through four key steps in ISP development.

1. Aligning planning assumptions and scenarios
2. Identifying customer strategies and load forecasts
3. Developing distribution, transmission, and resource plans
4. Synthesizing outputs and developing a plan

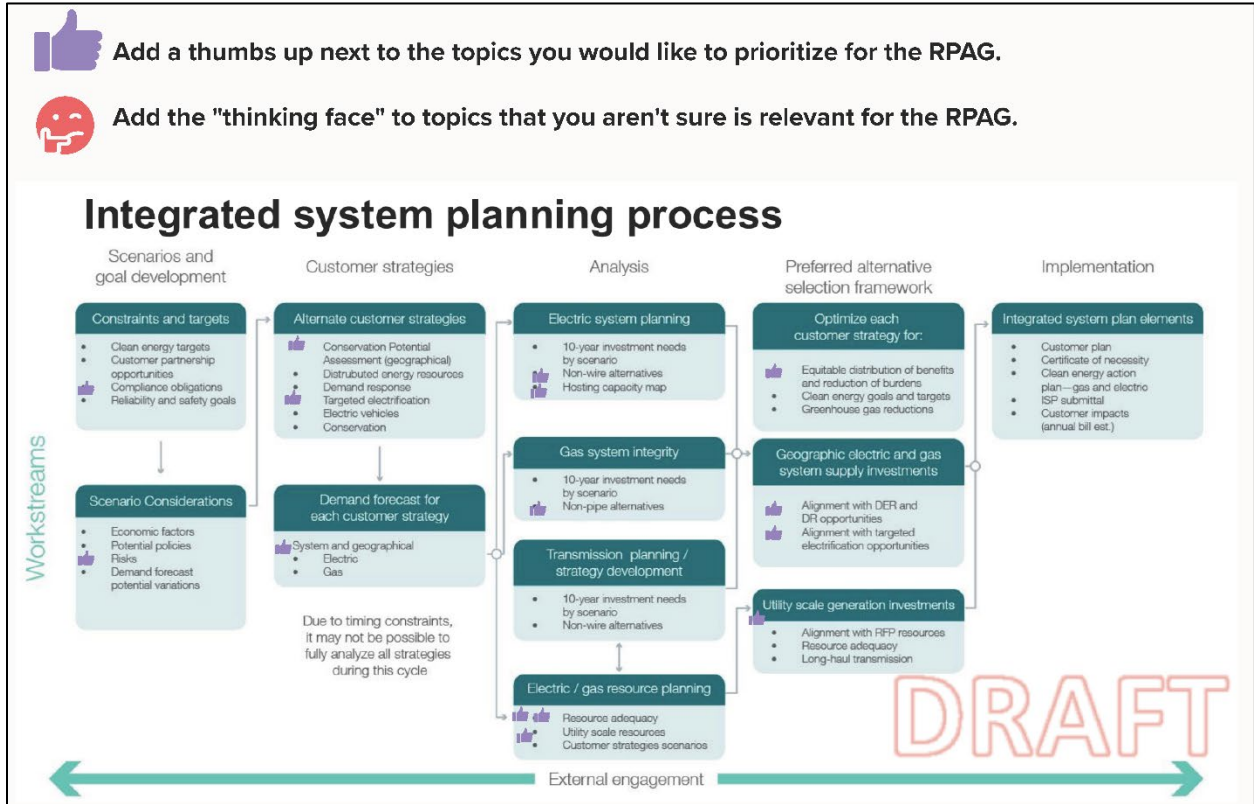
These outputs include the total system costs, customer bill estimates, a risk assessment, and a decision framework. After the ISP filing, PSE will deliver customer programs and complete resource acquisitions. Core components of the ISP process include scenarios and goal development, customer strategies, analysis, and preferred alternative selection framework.

Pivoting to an ISP presents many opportunities and challenges to PSE. As this will be PSE's first ISP, PSE has few examples to leverage lessons learned. Additionally, the timeline is aggressive by necessity. This places a time constraint on extensive engagement opportunities and requires PSE to begin its ISP development concurrently with Commission rulemaking.

# Discussion and poll

Sophie asked two questions to RPAG members: What are opportunities and challenges from your perspective? What topics are you most interested in discussing as an RPAG?

Below is a Mural Board documenting these responses. This Mural Board is also on the PSE [IRP website](#) under the July 17, 2024 RPAG Meeting heading:



### What other opportunities and challenges do you see with the ISP?

Opportunities			Challenges		
Add your thoughts!	pulling stakeholders at the center of planning	how our shared resources are used in a coordinated fashion	Add your thoughts!	How to focus RPAG members' attention on their shared set	Meeting allows us to address the gaps in the current regulatory set
Streamlining processes	Integration between our state planning and PSE's internal efforts	Opportunities for more RPAG member input on critical areas of expertise	Embedding climate change into RPAG members' meetings and work	How to get the general public and customers engaged in a way that is meaningful	meeting our 2030 standards!
Some of the key elements of the integrated planning process	Integrating electric and gas system planning		Updating PSE's utility resource planning process to include DER and distributed energy resources		How to ensure that the regulatory process is transparent and that the public has a meaningful role in the process
Some of the key elements of integrated electric system planning	This is what we are doing here. It is innovative and important.		Customer engagement and public input		

#### Opportunities and challenges

- Engagement opportunities are extensive but time constrained
- Timeline is aggressive by necessity
- This will be our first ISP, with few examples to leverage lessons learned
- Rulemaking concurrent with ISP development is not ideal, but work must proceed to deliver an ISP by Jan. 1, 2027

# Next steps

- July 24, 2024: Feedback form for this meeting closes
- September 2024: RPAG meeting (day to be determined)
- Oct. 31, 2024: PSE files 2027 ISP engagement plan with Commission

# Public comment

The public comments shared during this meeting can be viewed online in the feedback report posted under the July 17, 2024 heading on the PSE [IRP website](#).

# Attendees

Attendees are listed alphabetically by first name. These numbers do not include viewers on PSE's YouTube channel.

# Members of the public

1. Don Marsh
2. Jaclynn Simmons
3. James Adcock
4. Jennifer Gross
5. Jon Lange
6. Joshua Dennis
7. Paul Barrager
8. Quinn Weber
9. Sofya Atitsogbe
10. Sophie Major
11. Taylor Nickel

# RPAG members

1. Ezra Hausman
2. Fred Heutte
3. Froylan Sifuentes
4. Jim Dennison
5. Joel Nightingale
6. John Ollis
7. Lauren McCloy
8. Stefan de Villiers

# Presenters

1. Kara Durbin, PSE
2. Jennifer Coulson, PSE
3. Phillip Popoff, PSE

# Other PSE staff

1. Brett Rendina
2. Elizabeth Hossner
3. Jennifer Coulson
4. Meredith Mathis

5. Ray Outlaw

## Facilitation staff

1. Emilie Pilchowski

2. Kim Zamora Delgado

6. Wendy Gerlitz

3. Sophie Glass

4. Will Henderson