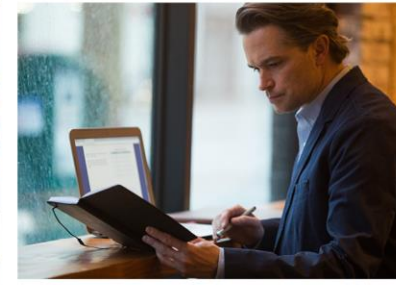


Clean Energy Transformation Act

Washington Equity Advisory Group (EAG)

January 2024 Meeting

January 11, 2024



Clean Energy Transformation Act

1:00 -4:00 pm PT, January 11, 2024

For a Better Meeting Experience



Use Gallery View (icon at top right) when in group discussion



For technical support, chat "Tag Galvin-Darnieder/ E Source" as recipient, and send your message



Questions are welcome at any time
Please mute until speaking
Speak by clicking the "Raise Hand" in the tool bar

Agenda

TIMING	TOPIC
1:00	Objectives & Presenters
1:10	Check In
1:20	Closing the Feedback Loop & Community Calendar
1:30	General Rate Case Background & Regulation Updates
1:50	Demand Response Update
2:05	Break
2:15	EV Washington Landscape Transportation Electrification New Programs (WA)
3:00	Public Comment
3:05	Check Out, Summary & Next Steps

Today's Objectives

Pacific Power's Equity Advisory Group

The PacifiCorp EAG was created to help inform and advise on issues most important to the communities PacifiCorp serves in Washington

1. Close the feedback loop from the last meeting
2. Share information on general rate cases and provide process updates for Pacific Power
3. Share demand response program updates
4. Share information on electric vehicles and technical assistance opportunities in WA
5. Introduce new transportation electrification grants and roadmap

Presenters



Laura James
Senior Project Manager,
Customer and
Community Solutions



Kimberly Alejandro
Equity Advisory Analyst



Stephanie Meeks
Regulatory Manager,
Regulatory Policy &
Operations



Steven Alaman
Transportation Electrification
Customer Programs Manager



Kate Hawley
EV Senior
Product Manager



 **Source**
Jeffrey Daigle
E Source Facilitator



 **Source**
Morgan Westberry
E Source Facilitator

Check-In

What are three things you love
about where you grew up?



Community Calendar

January 2024

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
31	1	2	3	4	5	6	
7	8	9 2024 H-2A, Labor Conference and Annual Meeting @ Yakima Convention Center 8:00am-4:00pm	10 2024 H-2A, Labor Conference and Annual Meeting @ Yakima Convention Center 8:00am-4:00pm	11 ONLINE - Pacific Power's Equity Advisory Group Meeting 1pm-4pm	12	13	
14	15	16	17	18 VOLUNTEER - Food Disribution for Seniors with Blue Mountain Action Council @ 921 W. Cherry St., Walla Walla, WA 99362 12:45pm-3:00pm	19	20	
21 Walla Walla Sustainable Committee Meeting @ 15 N. 3rd Ave. (City Hall), Walla Walla, WA 99362 3:30pm-5:00pm	22	23	24	25	26	27	
28	29	30	31	1	2	3	
4	5	<i>Notes</i>					January 18 - The Science and Practice of Inclusion Community Workshop @ SonBridge Center for Better Living 1200 SE 12th St., College Place, WA 99324 9am-4pm

Closing the Feedback Loop

Closing the Loop

December Topics:

- Reflect on our year together (2023)
- Discuss the Washington Equity Advisory Group's impacts
- Updates and preview of 2024

December Feedback Highlights:

- Resource sharing continues to be important to the group
- Holding space to acknowledge the relevance and equity elements of this group's work together
- Celebrating our successes and lessons learned

Impacts:

- 2024 agenda items will cover several topics important to EAG members
- Addition of 'Regulation Updates' to the standing EAG Agenda to keep members apprised to what is occurring in the regulation space

General Rate Case Background & Regulation Updates

Utility Commissions at a Glance



Appointed by
Legislature

- South Carolina
- Virginia



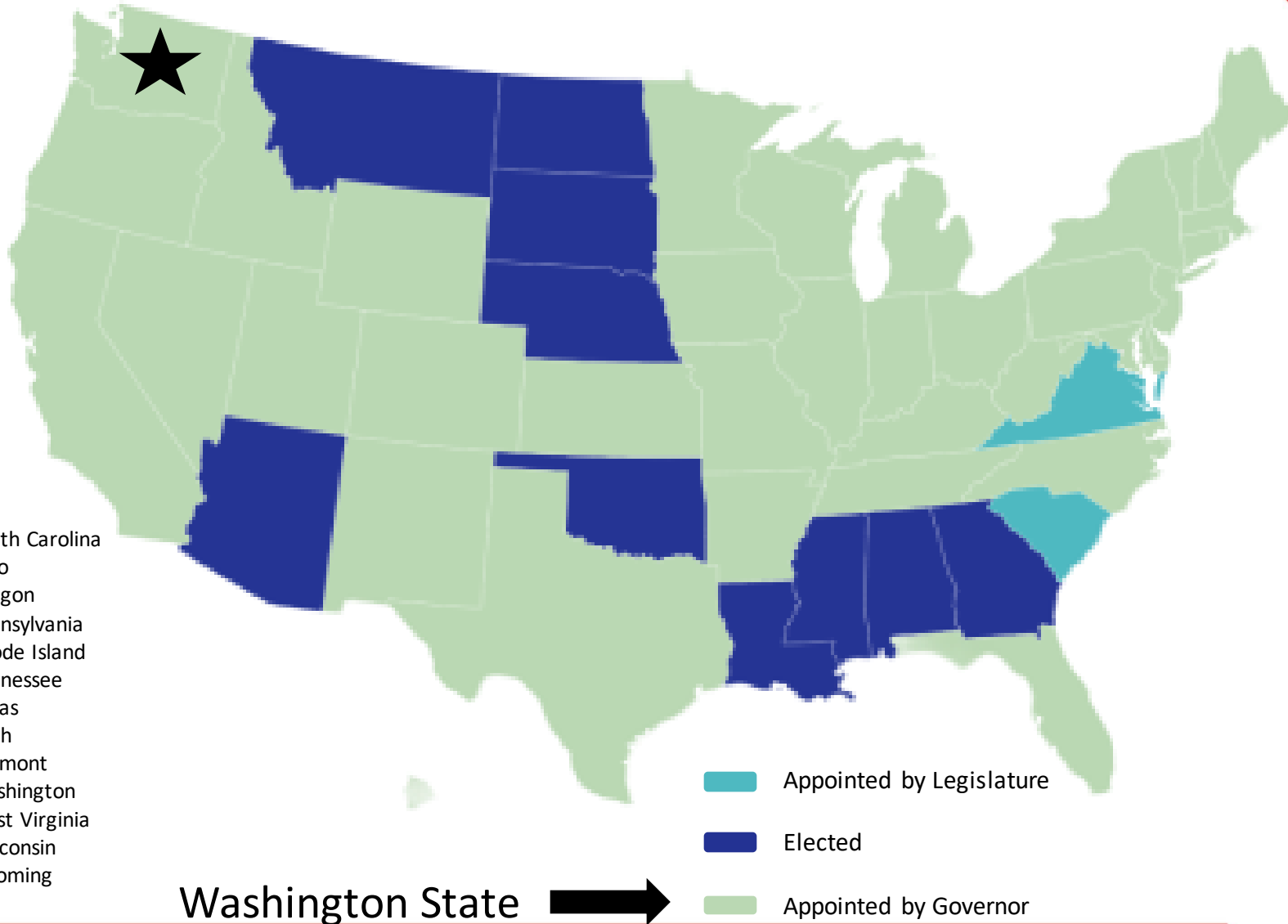
Elected

- Alabama
- Arizona
- Georgia
- Louisiana
- Mississippi
- Montana
- Nebraska
- Oklahoma
- North Dakota
- South Dakota



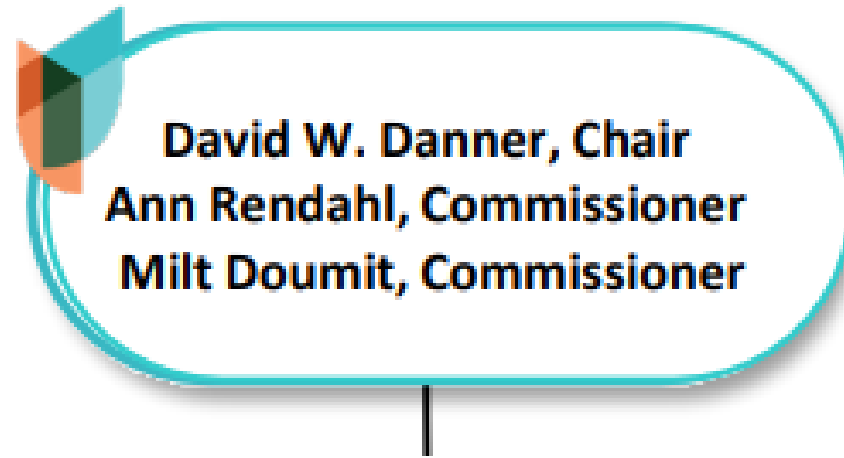
Appointed by
Governor

- Alaska
- Arkansas
- California
- Colorado
- Connecticut
- Delaware
- DC
- Florida
- Hawaii
- Idaho
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Maine
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Missouri
- Nevada
- New Hampshire
- New Jersey
- New Mexico
- New York
- North Carolina
- Ohio
- Oregon
- Pennsylvania
- Rhode Island
- Tennessee
- Texas
- Utah
- Vermont
- Washington
- West Virginia
- Wisconsin
- Wyoming



Washington State Utilities and Transportation Commission

Organizational Chart – External



Regulation

UTC Divisions

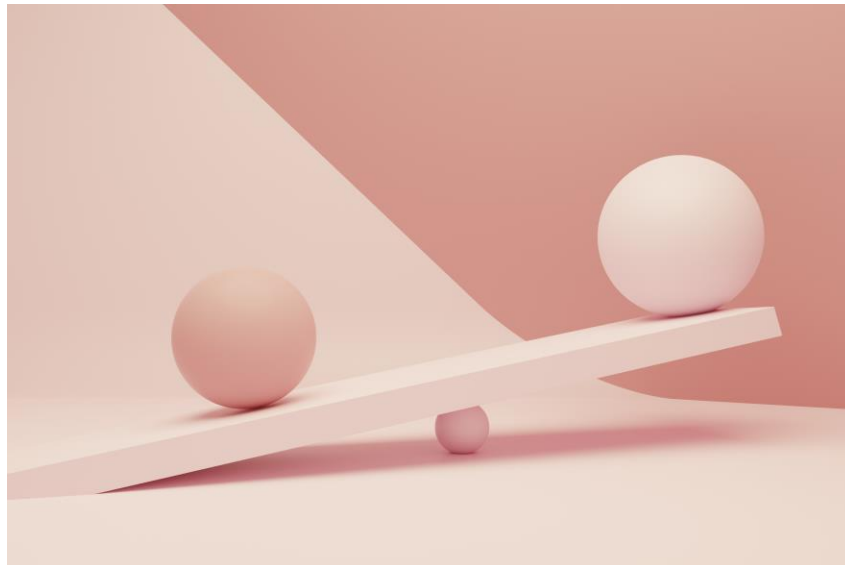
- ✓ Administrative Law
- ✓ Administrative Services
- ✓ Assistant Attorney General
- ✓ Consumer Protection and Communications
- ✓ Human Resources
- ✓ Pipeline Safety
- ✓ Policy and Legislation
- ✓ Regulatory Services ←
- ✓ Transportation Safety

"The purpose of the Regulatory Services Division is to conduct economic regulation of **investor-owned utilities**, solid waste collection companies, household goods movers, private passenger ferries, excursion boats, and bus companies. Activities include reviewing company filings; petitions and applications; inspecting plant and equipment; auditing budgets and reports; making recommendations to the commission on specific filings; and presenting testimony and exhibits in formal hearings. **This division has four sections: Energy, Telecommunications, Water and Transportation, and Conservation and Energy Planning.**"

Source: [Commission Structure \(wa.gov\)](#)

General Rate Case Basics

Rate Case – a formal process conducted by utility regulators to determine if the utility's proposed base rates are just and reasonable



In order for a utility to start the application process, they must be able to demonstrate that revenues do not meet the increasing expenses and recovery of investments

$$\begin{aligned} & \text{Expenses} \\ & + \text{(Rate Base x Cost of Capital)} \\ & \hline & \text{Revenue Requirements} \end{aligned}$$

General Rate Case Process



Rate Case
Application
Submitted



Case Announced
& Commission
Staff
Assignments



Intervenor
Involvement,
including Public
Council when
intervening for
the public good



Interested
Parties Pre-Filed
Testimony



Evidentiary &
Public Comment
Hearings



Final Order &
Public
Notification

Pacific Power's WA General Rate Case | Docket UE-230172

Application Filed
March 17, 2023

Driven by:



Rising power costs



– New investments in renewables.

Pacific Power Request:

March 1, 2024 - \$26.8 million

March 1, 2025 - \$27.9 million

Increase in cost to average residential customers:

2024	\$12.11
2025	\$9.34

(drop in 2025 is due to distribution of the increase)

Ongoing Settlement
December 15, 2023

This Stipulation resolves all the disputed issues in this proceeding except for Net Power Costs (NPC) and Power Cost Adjustment Mechanism (PCAM), which remain litigated issues, and acts as a modification to PacifiCorp's rebuttal filing on the issues included in this Stipulation

Settlement Reached:

March 1, 2024 - \$13.8 million

March 1, 2025 - \$21.1 million

Increase in cost to average residential customers:

2024	\$4.46
2025	\$6.74

*Average residential usage 1,200 kilowatt-hours per month

Pacific Power's WA General Rate Case – Customer Handout



Pacific Power filed a \$54.7 million rate case in Washington seeking an average customer rate increase of 6.6% each year in 2024 and 2025. On average, a residential customer would see a \$12.11 increase in the first year followed by a \$9.34 increase in the second year.

Committed to delivering clean, reliable power in an inflationary environment.

New factors are raising the costs of providing electric service.

- Extreme weather events
- Changing economic conditions



We are actively managing our system to offset these pass-through costs, on which the company does not make a profit. We are reducing impacts to our customers in the following ways:



Integrate low-cost renewables, acquired through competitive solicitations.



We are investing in transmission, wind and repowering that will save customers \$23 million annually in net power costs and production tax credits by 2025.



We have led the region in customer cost-saving programs, including the Western Energy Imbalance Market. The WEIM allows utilities across the West to access the lowest-cost energy available. Since 2014, total WEIM benefits to WA customers are \$47 million and the requested increase to 2024 and 2025 is \$10.5 million lower annually due to expected WEIM benefits.



Working to Mitigate Customer Impacts

Helping Customers Manage Higher Energy Costs

If you need assistance managing your energy costs, contact us toll free at 888-221-7070 and we can set up an equal pay plan or put you in touch with local resources to help you:

- The federally funded Low Income Home Energy Assistance Program (LIHEAP) helps income-eligible households with energy costs. It is administered by the Washington Department of Commerce through local agencies.
- Pacific Power's bill assistance program provides a bill discount to income-eligible households year-round. The program is administered through LIHEAP agencies.

Local agencies provide free weatherization services to income-qualifying homeowners and renters living in single-family homes, mobile homes or apartments.

Demand Response

Demand Response Program Update

Irrigation Load Control

ONGOING

Commercial & Industrial

ONGOING

Optimal Time Rewards (Res)

SOFT LAUNCH!

- Recruitment for **multi-family water heaters** has begun! Recruitment is through property managers
- Enrollment for **smart thermostats** and **single-family water heaters** expected to launch in Q1 2024

Residential EV Managed Charging

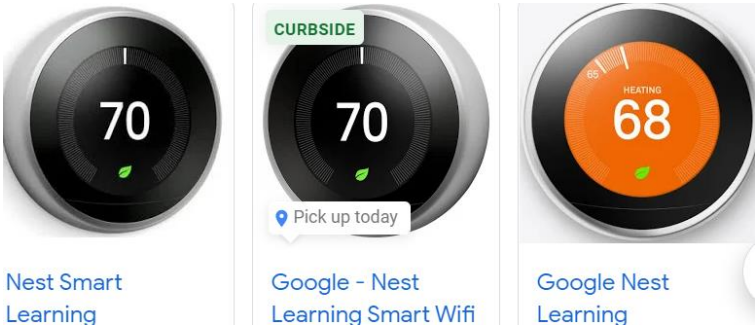
IN DEVELOPMENT

- Approved in TE Plan
- Received 11 proposals in response to RFP – currently under review
- Program expected to launch mid-2024

Batteries

EXPECTED FOR 2024

- At early stage of development



Smart Thermostats

Residential customers with

- A smart thermostat
- Electric heating or cooling
- Wi-Fi

Launch Q1 2024

\$50 to enroll + **\$25** annual participation

- Sign up through thermostat manufacturer app
- 20 min notification, can opt out of any event

Optimal Time Rewards (Residential)

Water Heaters

Multifamily: Recruiting Now!

Residential customers with

- An electric water heater
- Wi-Fi

Single Family: Launch Q4

\$25 to enroll* + **\$25** annual participation

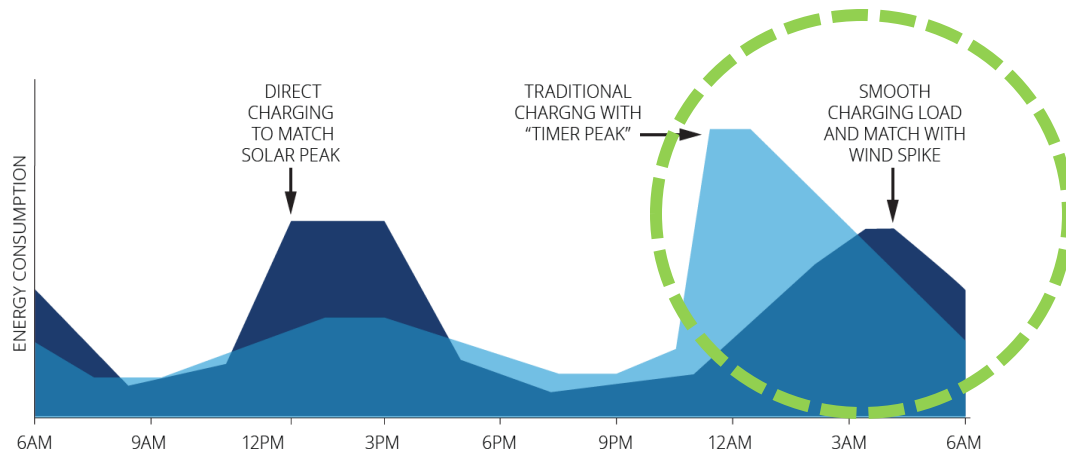
***Incentives also available for property managers**

- Sign up through property manager, control via Armada app
- No notification or event opt-out
- Pre-heat ensures sufficient hot water



Other Updates

- Issued an RFP for an implementer for **EV Managed Charging Program** in fall 2023, received 11 proposals
- Expect to start negotiations with selected firm in a couple weeks
- Program details TBD



EV Managed Charging Program "flexes" residential charging to overnight hours, outside peak

- Expect to issue RFP for **process and impact evaluation for DR programs** in Q2 2024
- Scope will cover each active program, with level of effort depending on how long program has been active
- Will share draft workplan with EAG prior to issuing RFP

Break

Transportation Electrification



Transportation Electrification in Community

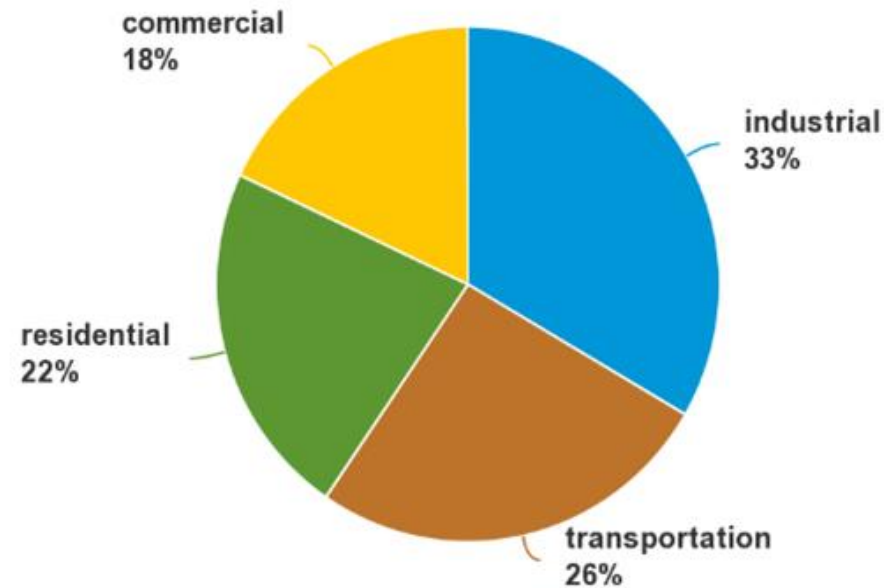


Why electric transport?

- Cleaner air
- Fight Climate Change
- Battery technology continues to improve
- More environmental regulations on the way
- OEMs are committing to electric
- Energy dollars stay local
- Lower total cost of ownership

Share of total U.S. energy consumption by end-use sectors, 2020



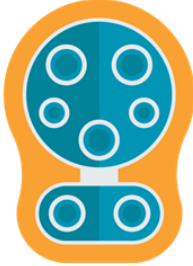





Total = 92.94 quadrillion British thermal units



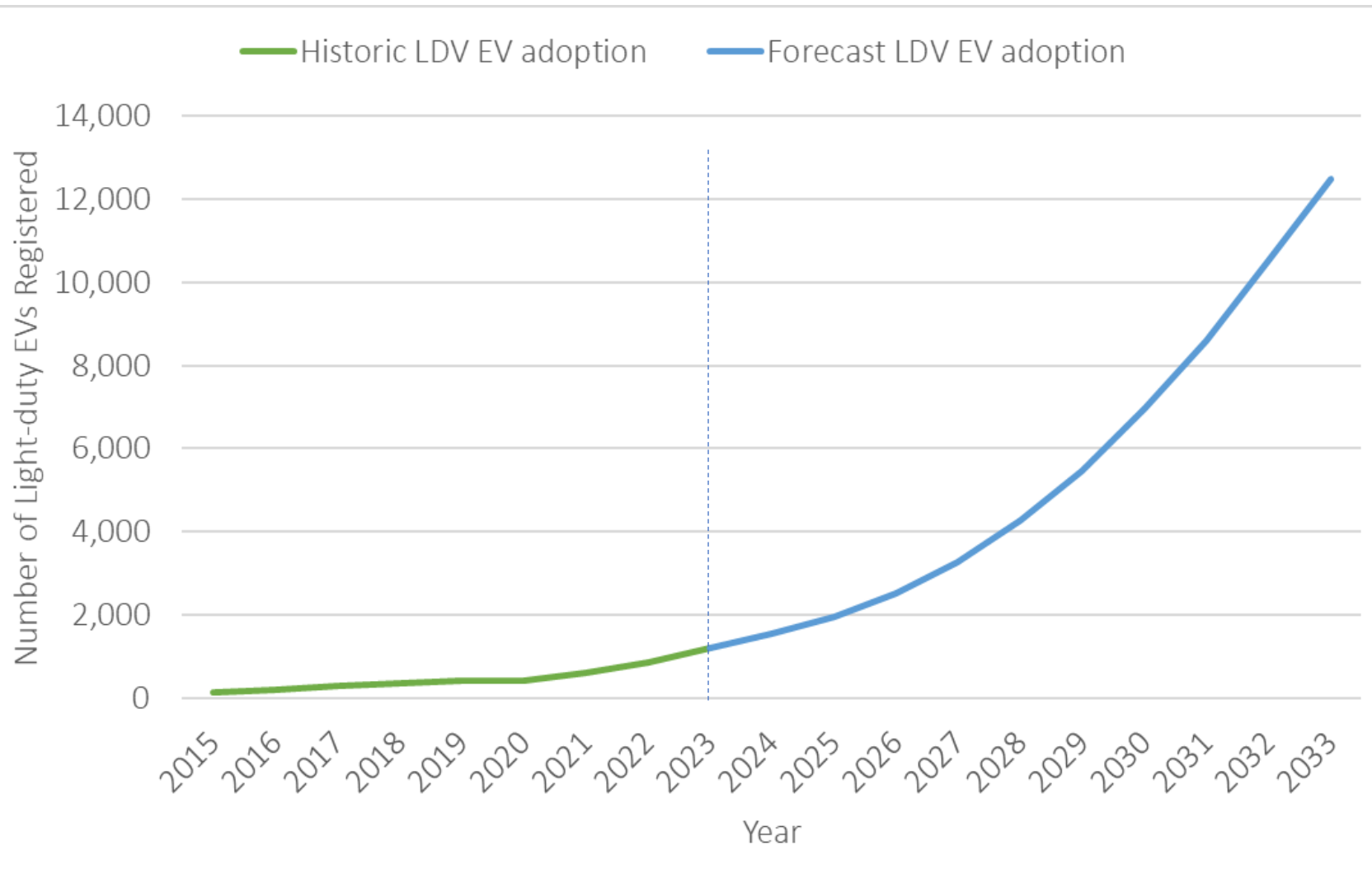
Source: U.S. Energy Information Administration, *Monthly Energy Review*, Table 2.1, April 2021, preliminary data
Note: Sum of individual percentages may not equal 100 because of independent rounding.



Electric Vehicle Charging

Slow → Fastest			
	<i>Home Work Public</i>		<i>Public Charging</i>
	Level 1 (120V) (<2 kW) 3-5 miles / hr	Level 2 (240V) (3.3-20kW) 20-40 miles/ hr	DC Fast Charging (480V) 50kW-350kW (more for heavy duty) 80% charge in 30 mins-40 mins
Plug Shape (Into Vehicle)			   CCS CHAdeMO Tesla
Outlet Shape		 	Electric Vehicle Supply Equipment (EVSE) 

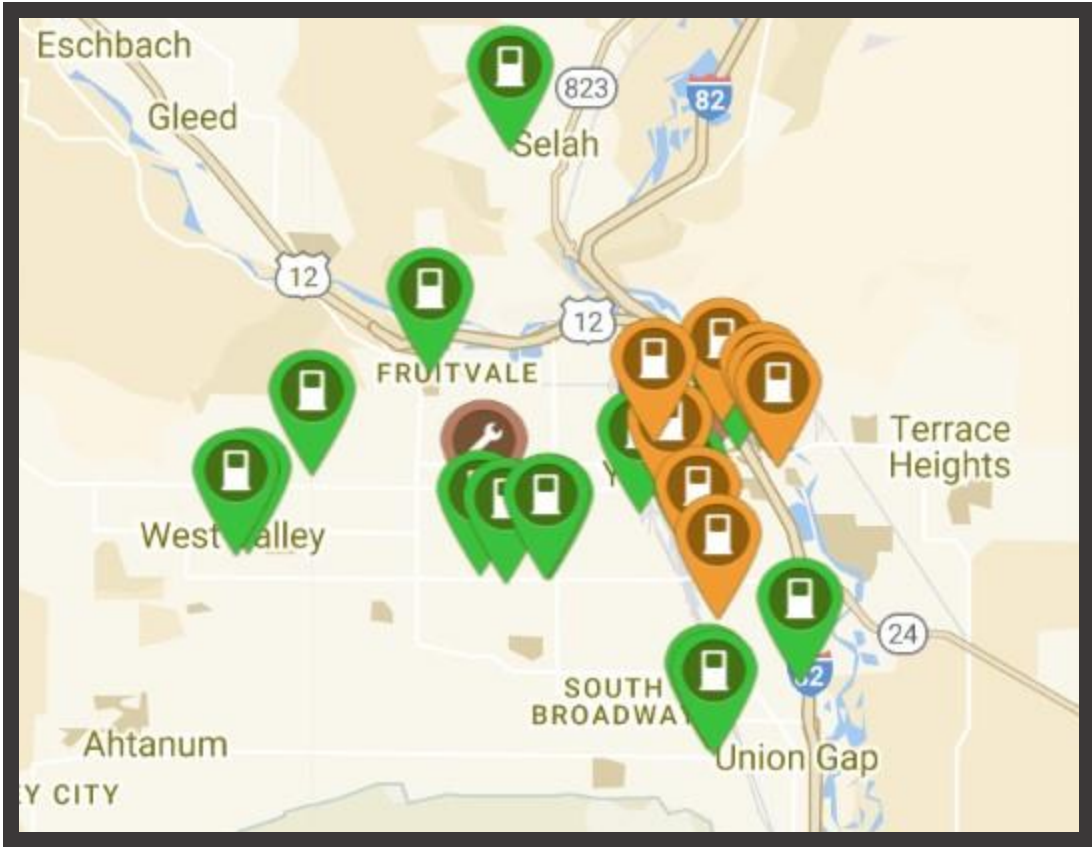
Current and future EV adoption in Pacific Power's WA service area



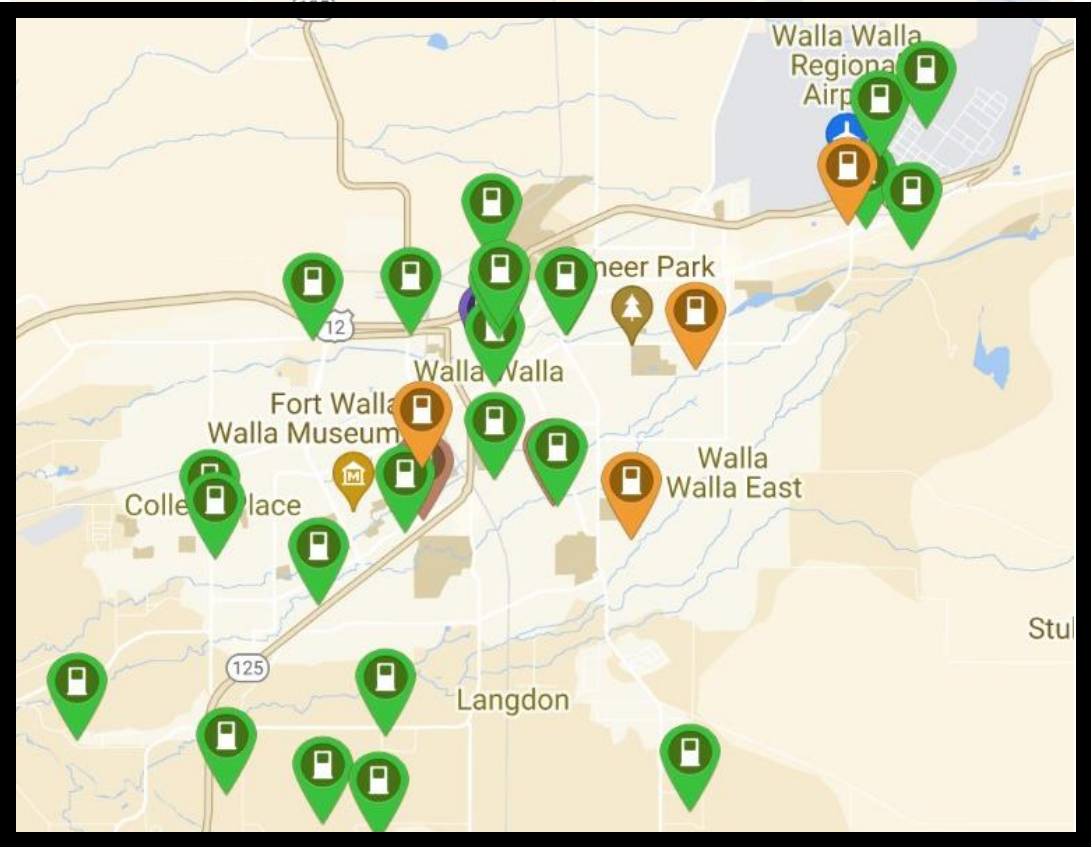
Electric vehicles were under 1% of U.S. light duty vehicles in 2022, [according to J.D. Power](#), but were 7% of new vehicle sales, [the Alliance for Automotive Innovation reported March 23](#).

Charging Infrastructure: Pacific Power Service Area

Yakima Charging Infrastructure



Walla Walla Charging Infrastructure



Key Market Barriers

- General lack of exposure to EVs or desired EV options such as used EVs or pickup trucks and all-wheel drive vehicles
- The cost of EVs
- General lack of awareness about PacifiCorp's current Transportation Electrification programs or offerings
- Lack of operational Direct Current Fast Charging options available to customers
- Expensive and inconsistent rates for charging EVs at publicly available stations
- The cost of electric infrastructure system upgrades for fleets and public charging installations
- Lack of Level 2 charging at multi-family properties



Transportation Electrification New Programs



Residential Managed Charging Pilot Program

Actively manage electric vehicle loads through vehicle- and charger-enabled protocols

Customers served: Residential customers; potential for expansion to multi-family applications



Communities Grant Program

Grants support projects that advance electric transportation in underserved communities, including areas without ample access to public charging

Customers served: Non-residential customers in WA, projects must benefit Pacific Power's residential customers in WA



Outreach and Education Program

Providing future EV drivers with greater awareness and understanding through multiple outreach and educational platforms

Customers served: Pacific Power communities and customers

WA Communities Grant Program: Key Objectives

Reduce costs of ownership by covering up to 100% of the eligible costs of studying, planning, promoting, or deploying electric transportation technology and projects

Encourage traditional industries to adopt and shift towards transportation electrification

Raise awareness and education around transportation electrification for customers by highlighting what transportation electrification can do

Remove barriers to applying for grant funding

Provide a simple, flexible, and equitable grant funding mechanism

Program Eligibility & Requirements

Who should apply?

- Non-residential Washington customers that focus on serving named communities

What's covered?

- Costs associated with studying, planning, promoting, and marketing, or deploying electric transportation infrastructure, technology, vehicle purchase or lease and projects
- Other eligible expenses include project management costs, upfront network subscription costs, ongoing operations and maintenance costs, ongoing network subscription or other software costs and co-marketing projects with PacifiCorp.

What's NOT covered?

- Ineligible expenses would include energy costs, insurance, private fleet costs, auxiliary equipment costs (e.g., solar systems, battery storage systems) and costs that would occur without the project (e.g., staff salaries, landscaping)

What are the project requirements?

- Must benefit residential customers
- Benefits accrue to and within named communities, which includes “highly impacted communities” and vulnerable populations.
- Selected applicants will be required to provide reports throughout the process on a quarterly basis
- For projects installing infrastructure, recipients would be required to share data with the scheduled reporting and allow PacifiCorp to be the aggregator

Proposed Schedule

Washington Community Grant Program Timeline		Y1				Y2				Y3				Y4				Y5			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1.0 Launch steps																					
1.1	Develop application portal	█																			
1.2	Develop grant program materials (application, terms and conditions, etc.)	█																			
1.3	Develop program implementation manual	█	█																		
1.4	Launch outreach		█																		
1.5	Open application window		█																		
2.0 Application Screening																					
2.1	Application window opens		█				█				█			█				█			
2.2	Application window closes				█			█			█			█			█			█	
3.0 Evaluation & Selection																					
3.1	Develop selection committee		█	█																	
3.2	Conduct initial screening					█				█				█							
3.3	Host selection committee decision meetings					█				█				█					█		
3.4	Selection completed for grantees					█				█				█					█		
4.0 Funding Awarded																					
4.1	Executive approval of awardees					█															
4.2	Notify recipients					█															
4.3	Grant agreements executed						█														
4.4	Prepayment available						█														
4.5	Project delivered						█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
4.6	Project closeout executed												█								█

Public Comment

Washington Equity Advisory Group 2024 Meeting Schedule

Date / Time / Meeting Format

Proposed Agenda Topics*

January 11, 2024 (1pm-4pm) Online	Transportation Electrification New Programs (WA) Residential Demand Response (DR) Program General Rate Case Background & Regulation Updates
February 8, 2024 (1pm-4pm) Online	Weatherization Programs Presentation Presentation of the 2025 Integrated Resource Work Plan
March 14, 2024 (1pm-4pm) Hybrid: WorkSource Yakima	South Central Workforce Council Presentation Energy Efficiency Updates
April 11, 2024 (1pm-4pm) Online	Multi-Family Electric Vehicle Supply Equipment (EVSE) Program Integrated Resource Planning (IRP) Intro
May (Dates TBD)	Local, in-person visits with the WA Equity Advisory Group May – Wildfire Awareness Month
June 13, 2024 (1pm-4pm) Online	Integrated Resource Planning (IRP) Update Energy Efficiency & Communications Updates
July 11, 2024 (1pm-4pm) Online	Clean Energy Implementation Plan (CEIP) Annual Progress Report Demand Response Program Updates Disconnections
August	No Meeting
September 12, 2024 (1pm-4pm) Hybrid: TBD (Walla Walla / College Place Area)	Integrated Resource Planning (IRP) Update Energy Efficiency Updates - (Preview 2025 Annual Conservation Plan including potential updates to Utility Actions and preview 2025 program changes)
October 10, 2024 (1pm-4pm) Online	CommunityConnections
November	No Meeting
December 12, 2024 (1pm-4pm) Online	End of the Year Reflection; 2025 Planning / Integrated Resource Planning (IRP) Update

Next Steps

Upcoming Equity Advisory Group Meetings

February 8, 2024 (Online) 1pm-4pm

[Washington Equity Advisory Group Meeting Zoom Link](#)

March 14, 2023 (Hybrid) 1pm-4pm

Online: [Washington Equity Advisory Group Meeting Zoom Link](#)

Onsite: *WorkSource Yakima* 1205 Ahtanum Ridge Dr, Union Gap, WA 98903 (large conference room; lunch will be provided ahead of the meeting)

Meeting materials can be found online at [Washington Clean Energy Implementation Plan](#), Spanish materials will also soon be available after each session.

Resources

For more information:

[Washington Clean Energy Implementation Plan](#)

Washington Feedback Tracker:

[Washington CEIP Feedback Tracker Through June 2023 Uploaded 10 10 2023.xlsx \(live.com\)](#)

Energy Resource Center:

[Energy Resource Center \(pacificpower.net\)](#)

Equity Advisory Group Post-Meeting Survey

Link: <https://forms.office.com/r/SiumPWXaTq>



Appendix

NOTICE OF PROPOSED RATE CHANGE

On March 17, 2023, PacifiCorp dba Pacific Power & Light Company (PacifiCorp) filed a multi-year rate plan (Docket UE-230172) with the Washington Utilities and Transportation Commission (UTC) to recover rising power costs, new capital investments needed to continue providing safe and reliable power, and rising capital costs, which includes an increase to PacifiCorp's authorized return on equity from 9.5% to 10.3%. This filing reflects a customer rate increase spread over two years: \$26.8 million (6.6% overall) starting March 1, 2024, and \$27.9 million (6.5% overall) starting March 1, 2025. Based on PacifiCorp's current rates and costs as estimated in April 2023, the company is expected to operate at a significant loss in 2023. Provided in the tables below is a breakdown of PacifiCorp's drivers for a rate increase:

Rate Year 1 Price Change Summary	Estimated Impact	
\$ million	\$ million	%
Reduction in coal depreciation & net book value	(65.4)	-16.05%
Net Power Costs (including production tax credit benefits)	56.3	13.82%
Non-Coal Pro Forma Capital Additions	13.4	3.29%
Amortization of Deferred Costs (COVID, Electric Vehicle Supply Environment, and Clean Energy Transformation Act)	7.4	1.81%
Increase in Other Operating Costs	9.1	2.23%
Proposed Change to Return on Equity	6.0	1.47%
Projected Rate Year 1 Price Change	26.8	6.57%

Rate Year 2 Price Change Summary		Estimated Impact	
\$ million		\$ million	%
Pro forma Capital Additions - Transmission & Wind		38.5	8.87%
End of Amortization of Deferred Costs (COVID, Electric Vehicle Supply Environment, and Clean Energy Transformation Act)		(7.4)	-1.70%
Wheeling Revenues & Other Adjustments		(3.2)	-0.74%
Projected Rate Year 2 Price Change		27.9	6.44%

For an average residential customer using 1,200 kilowatt-hours (kWh) per month, the bill will increase by \$12.11 in the first year, followed by \$9.34 in the second year. Average changes to monthly bills are provided in the table below.

The UTC will be reviewing and evaluating the merits of PacifiCorp's requests. Based on the results of the investigation and stakeholder advocacy, the UTC will decide whether to approve the requests. In addition, the UTC has the authority to increase or decrease the requested rate changes. You have the opportunity to comment on these filings as described below.

\$ Per Month				
kWh Per Month	Present	Proposed 3/1/2024	Proposed 3/1/2025	Increase from Present
1,000	102.20	115.19	125.16	22.96
*1,200	124.59	137.98	148.19	23.59
1,500	158.19	172.17	182.73	24.54

\$ Per Month may not include all of the charges that appear on residential customer bills.

* An average residential customer in Washington uses 1,200 kWh per month.

Current and future EV adoption in Pacific Power's WA service area

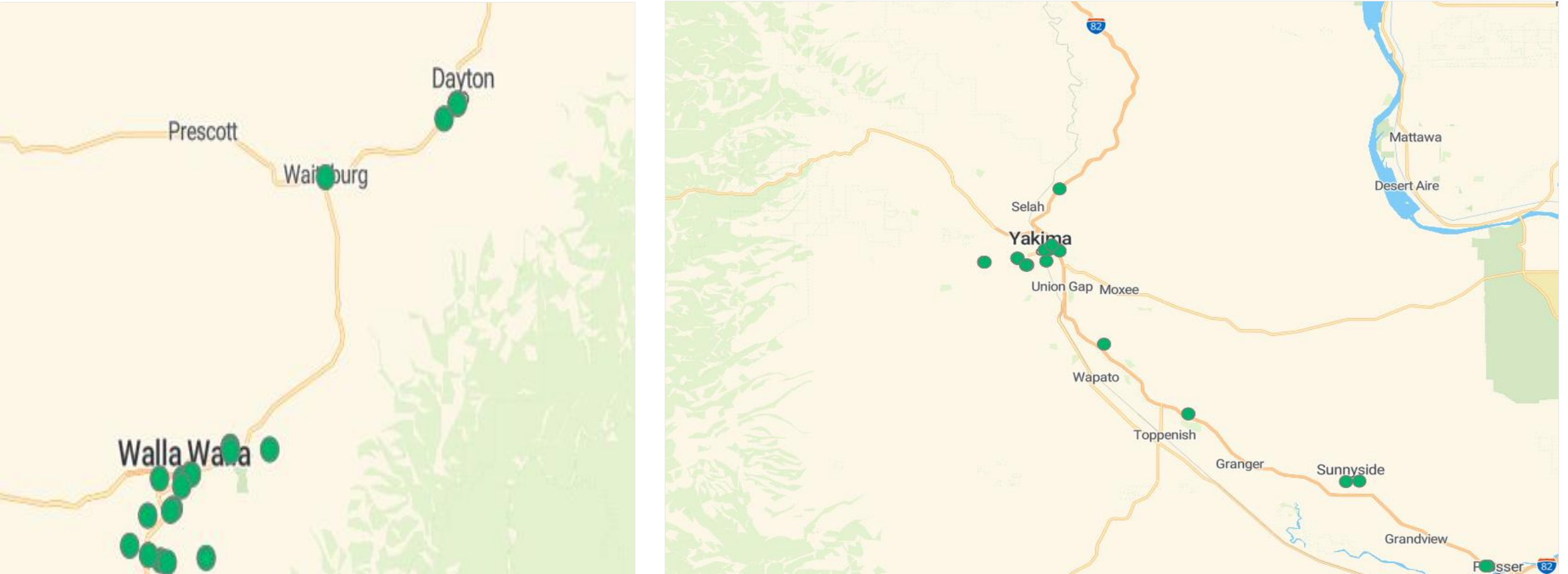


Figure 2: Available Public Charging Sites in PacifiCorp's Service Area