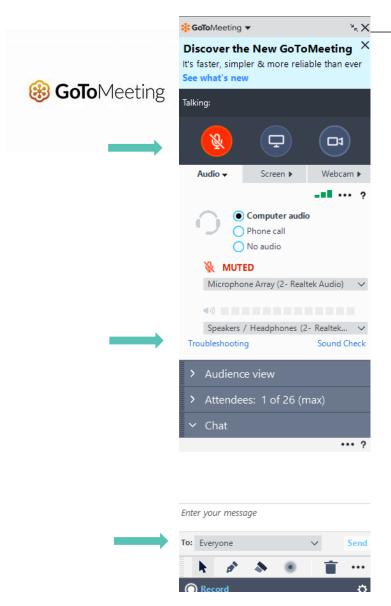
2021 IRP Webinar #10: Electric IRP

10-year Clean Energy Action Plan Electric Portfolio Model



November 16, 2020

Welcome to the webinar and thank you for participating!



Virtual webinar link: https://global.gotomeeting.com/join/413142693

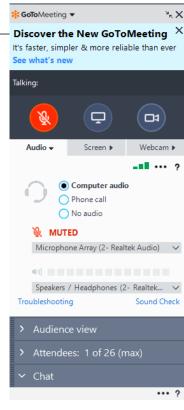
Access Code: 413-142-693

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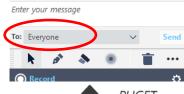
How to participate using Go2Meeting

Presentation Do's

- Mute your mic during the presentation
- You can participate in writing or verbally using the chat window
 - In writing: your question will be read
 - Verbally: type "Raise hand" and slide #, share with "Everyone";
 please wait to be called on to ask your question
- Be considerate of others waiting to participate
- We will try to get to all questions



Raise hand, slide 33





Agenda







- Safety Moment
- Clean Energy Action Plan and Clean Energy Implementation Plan
- Economic, Health and Environmental Benefits Assessment of Current Conditions
- Delivery System and Grid Modernization Needs

Safety Moment: Driving safety

Across the US, driving fatalities are up in many states despite a smaller number of vehicles on the road. Here are some tips to make sure your next trip is safe:

Inspect your vehicle before leaving on your journey. Check such things as:

- Tire pressure
- Working headlights and signals
- Sufficient levels of gas and windshield washer fluid
- Availability of first aid kits and fire extinguishers

And while driving be sure to:

- Follow posted speed limits
- Wear your seat belt
- Do not use your phone or other mobile device and
- Never drive under the influence of alcohol or drugs



Today's Speakers

Irena Netik

Director, Resource Planning & Analysis, PSE

Ben Farrow

Director, Clean Energy Strategy, PSE

Tyler Tobin

Resource Planning Analyst, PSE

Jens Nedrud

Manager, System Planning, PSE

Elaine Markham

Manager, Grid Modernization Strategy & Enablement, PSE

Alexandra Streamer & Elise Johnson

Co-facilitators, Envirolssues



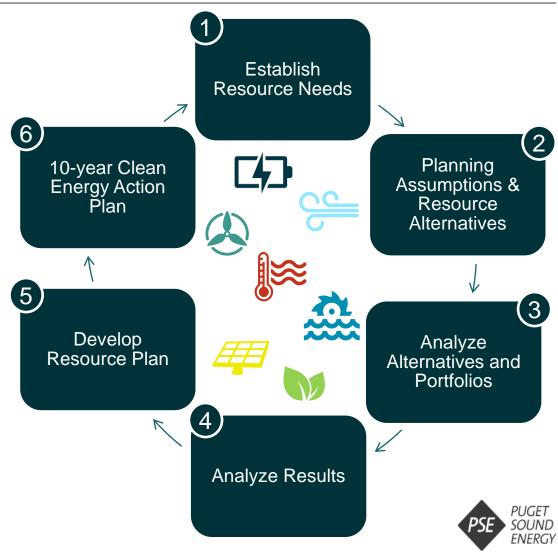
Electric IRP process overview



2021 IRP modeling process

The 2021 IRP will follow a 6-step process for analysis:

- 1. Analyze and establish resource need
- 2. Determine planning assumptions and identify resource alternatives
- 3. Analyze scenarios and sensitivities using deterministic and stochastic risk analysis
- 4. Analyze results
- 5. Develop resource plan
- 6. 10-year Clean Energy Action Plan



2021 IRP process timeline



Meeting dates are available on <u>pse.com/irp</u> and will be updated throughout the process. This is a tentative timeline subject to revision.



Clean Energy Action Plan & Clean Energy Implementation Plan





Participation Objectives

PSE will review elements of draft CEAP and CEIP rules and next steps with stakeholders

IAP2 level of participation: INFORM & CONSULT

11/1

PSE will involve stakeholders in identifying initial metrics used to inform the Economic, Health, and **Environmental Benefits** Assessment

IAP2 level of participation: INVOLVE

IRP Stakeholder Feedback Approach

November 2020 IRP webinar

- Obtain input on the initial metrics for Economic, Health and Environmental Benefits Assessment intended to assess:
 - Current conditions, with an emphasis on ensuring Highly Impacted Communities and Vulnerable Populations benefit and are not burdened by the transition to clean electricity
 - Public health
 - Environmental benefits and burdens
 - Energy security and resiliency

Future IRP webinar

- Share outcome of stakeholder feedback on initial assessment results, portfolio results and draft resource plan and the development of proposed Indicators
- Solicit additional input on proposed Indicators for the 2021 IRP

CETA rulemaking update

Washington's Clean Energy Transformation Act (CETA) includes:

- Electricity standards for 2025, 2030 and 2045
- Ensuring all customers benefit from the transition to clean energy

CETA rulemaking continues:

- October 14: Draft rules published on IRP, Clean Energy Action Plan and Clean Energy Implementation Plan
- November 12: Deadline for written comments on draft rules
- December 9: UTC rule adoption hearing

New CETA Requirement: equitable distribution of energy and non-energy benefits

WAC 480-100-610 Clean Energy Transformation Standards (4)

- (c) Ensure that all customers are benefiting from the transition to clean energy through:
 - (i) The <u>equitable distribution</u> of energy and non-energy benefits and reduction of burdens to <u>vulnerable populations</u> and <u>highly impacted communities</u>;
 - (ii) Long-term and short-term public health and environmental benefits and reduction of costs and risks; and
 - (iii) Energy security and resiliency.

PSE PUGET SOUND ENERGY

Related Definitions from CR 102 UE-190698 and UE-191023 Rules

Energy Burden: means the share of annual household income used to pay annual home energy bills.

<u>Equitable Distribution</u>: a fair and just, but not necessarily equal, allocation of benefits and burdens from the utility's transition to clean energy. Equitable distribution is based on disparities in current conditions. Current conditions are informed by, among other things, the assessment described in RCW 19.280.030(1)(k) from the most recent integrated resource plan.

<u>Highly impacted community</u>: means a community designated by the department of health based on the cumulative impact analysis required by RCW 19.405.140 or a community located in census tracts that are fully or partially on "Indian country," as defined in 18 U.S.C. Sec. 1151.

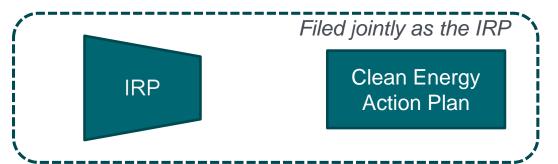
> Department of Health's cumulative impact analyses available by the end of 2020

<u>Vulnerable populations</u>: means communities that experience a disproportionate cumulative risk from environmental burdens due to: Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and sensitivity factors, such as low birth weight and higher rates of hospitalization.

Indicator: means an attribute, either quantitative or qualitative, of a resource or related distribution investments

The new planning cycle

A phased planning process of increasing specificity that incorporates past planning standards and adds new CETA standards: to phase out coal, meet GHG neutral standard by 2030 and clean energy standard by 2045.



The IRP identifies PSE's energy, capacity, and renewable energy need *through 2045*, potential options to meet those needs, and models the energy, capacity, and cost of meeting those needs.

The CEAP identifies the lowest reasonable cost resource plan PSE will pursue over the next *10 years* to meet the energy capacity, and renewable energy needs, considering risk and equity.

Clean Energy Implementation Plan

The CEIP identifies the specific and interim targets consistent with the plan in the CEAP, and the actions the company will take over the next *4 years* to achieve the specific and interim targets.



Reporting identifies the actual progress the company makes and the cost incurred over the past year.

What is the Clean Energy Action Plan?

- A 10-year plan that
 - Achieves clean energy transformation standards at the lowest reasonable cost
 - Ensures that all customers are benefiting from the transition to clean energy
- Filed with the WUTC as part of the IRP and acknowledged by the WUTC
- First draft plan is due on January 4, 2021 and final on April 1, 2021
- Specific CEAP elements included in IRP rules:
 - Cost-effective conservation potential assessment
 - Resource adequacy requirement
 - Cost-effective demand response
 - Renewable & non-emitting resources and distributed energy resources
 - Social cost of greenhouse gas emissions as a cost adder
 - Need for expansion of transmission and distribution facilities
 - Estimate of benefit and burden reduction



What is the Clean Energy Implementation Plan?

- Sets specific targets, interim targets, and specific actions for a 4-year period
- First plan is due October 1, 2021 and covers calendar years 2022-2025
- Clean Energy Implementation Plans establish:
 - Interim targets for the 4-year period: percentage of retail sales of electricity supplied by non-emitting and renewable resources
 - 2. Specific targets for the 4-year period:
 - Demand response
 - Energy efficiency
 - Renewable energy
 - 3. Specific actions for the 4-year period, *based on the Clean Energy Action Plan* and interim and specific targets
- Clean Energy Implementation Plans are filed with the UTC, and the UTC will approve, deny, or can modify the plans



Developing our CEIP: engaging advisory groups and customers

Equity Advisory Group – new!

Draft WAC 480-100-655 (1)(b)

"The utility must maintain and regularly engage an external **equity advisory group to advise the utility on equity issues** including, but not limited to, vulnerable population designation, equity indicator development, data support and development, and recommended approaches for the utility's compliance with WAC 480-100-610 (4)(c)(i). The utility must encourage and include the **participation of environmental justice and public health advocates, tribes, and representatives from highly impacted communities and vulnerable populations** in addition to other relevant groups;"

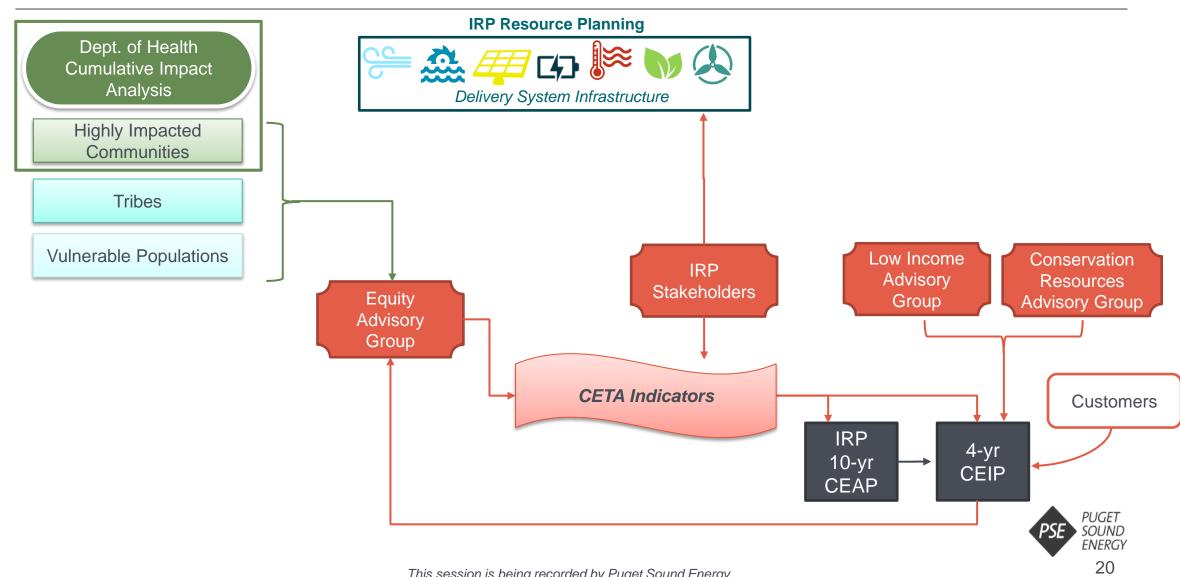
PSE's existing advisory groups

- Low Income Advisory Group
- Conservation Resources Advisory Group
- IRP Advisory Group

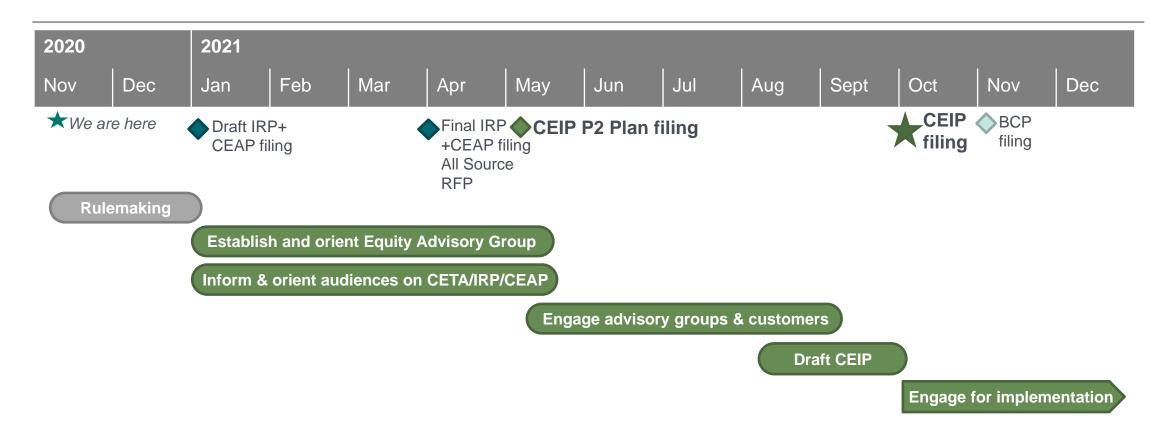
Customers, including:

- Residential, commercial and industrial
- Question to stakeholders: Are there other customer groups we could engage in the public participation process?

Stakeholder groups involved in the CEAP and CEIP



CEIP: Public Participation (P2) Plan considerations





Meeting CETA goals

Equitably Distributed

Clean and Affordable

Safe and Reliable Service

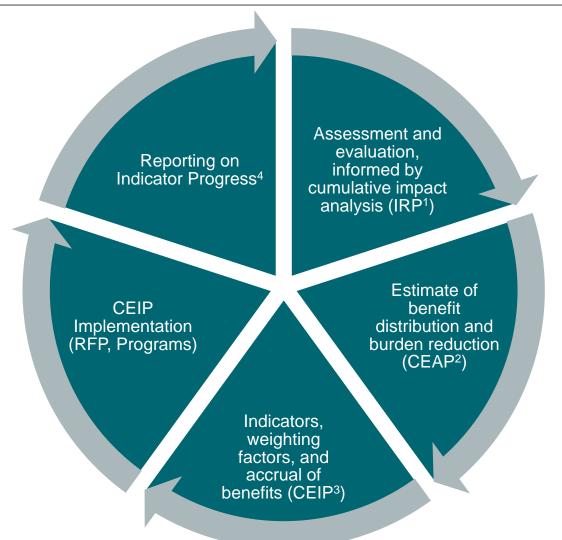
Draft WAC 480-100-610 (4) (c): "Ensure that all customers are benefitting from the transition to clean energy through:

- (i) The equitable distribution of energy and non-energy benefits and reduction of burdens to vulnerable populations and highly impacted communities;
- (ii) Long-term and short-term public health and environmental benefits and reduction of costs and risks; and
- (iii) Energy security and resiliency."

Draft WAC 480-100-610 (4): "In making progress toward and meeting subsections (2) and (3) of this section, each utility must: (a) Pursue all cost-effective, reliable, and feasible conservation and efficiency resources, and demand response;"

Draft WAC 480-100-610 (4) (b): "Maintain and protect the safety, reliable operation, and balancing of the electric system;"

CETA Equitable Distribution of Benefits Lifecycle



- ¹ IRP Assessment and Evaluation: Draft WAC 480-100-620(9) and (11)(g)
- ² CEAP Estimates: Draft WAC 480-100-620(12)(c)(ii)
- ³ CEIP Indicators and Weighting Factors: Draft WAC 480-100-640(4) and (5)(a)
- ⁴ Reporting on indicator progress: Draft WAC 480-100-650(1)(d)

New IRP Requirement: Economic, Health and Environmental Benefits Assessment

WAC 480-100-620 Content of an Integrated Resource Plan

(9) Economic, health, and environmental burdens and benefits.

The IRP must include an assessment of

energy and non-energy benefits and reductions of burdens to vulnerable populations and highly impacted communities;

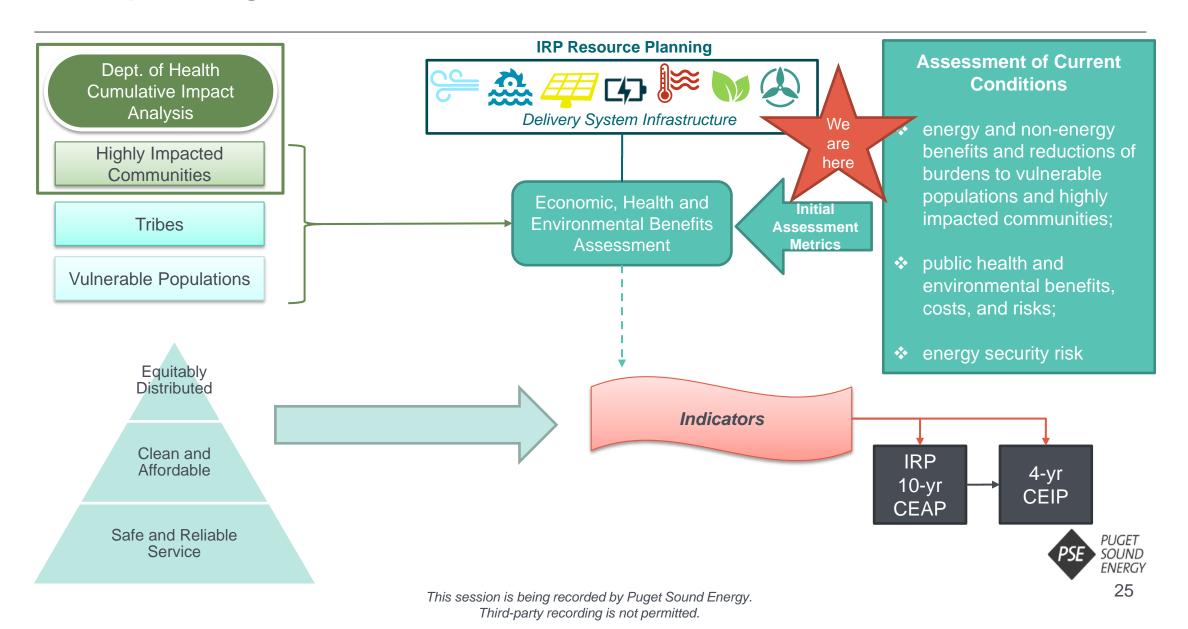
long-term and short-term public health and environmental benefits, costs, and risks; and energy security risk.

The assessment should be informed by the cumulative impact analysis conducted by the department of health.

RCW 19.405.140 (Section 24 of E2SSB 5116, 2019 CETA)

"By December 31, 2020, the department of health must develop a cumulative impact analysis to designate the communities highly impacted by fossil fuel pollution and climate change in Washington. The cumulative impact analysis may integrate with and build upon other concurrent cross-agency efforts in developing a cumulative impact analysis and population tracking resources used by the department of health and analysis performed by the University of Washington department of environmental and occupational health sciences."

Incorporating the Assessment into the IRP



Stakeholders input on initial assessment metrics

Filed jointly as the IRP

IRP

Clean Energy Action Plan

Implementation Plan

The CEIP identifies the specific and

interim targets consistent with the plan in

the CEAP, and the actions the company

will take over the next 4 years to achieve

the specific and interim targets.

Clean Energy

Reporting identifies the actual progress the company makes and the cost incurred over the past year

The IRP identifies PSE's energy, capacity, and renewable energy need *through 2045*, potential options to meet those needs, and models the energy, capacity, and cost of meeting those needs.

The CEAP identifies the lowest reasonable cost resource plan PSE will pursue over the next 10 years to meet the energy capacity, and renewable energy needs, considering risk and equity.

Questions for Stakeholders

- 1. How do we measure disparities affecting highly impacted communities and vulnerable populations?
- 2. Are there quantifiable public health and environmental benefits and reductions of costs and risks?
- 3. Are there other quantifiable economic or equity measures that should be included?
- 4. What other metrics should be applied?
- 5. Are there other quantifiable reliability, energy security and resiliency measures that can be included in the assessment?

Assessment of Current Conditions

- energy and non-energy benefits and reductions of burdens to vulnerable populations and highly impacted communities;
- public health and environmental benefits, costs, and risks;
- energy security risk



Economic, Health and Environmental Benefits Assessment



Assessment Objectives

WAC 480-100-620 (9) Economic, health, and environmental burdens and benefits.

The IRP must include an assessment of energy and non-energy benefits and reductions of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits, costs, and risks; and energy security risk.

The assessment should be informed by the cumulative impact analysis conducted by the department of health.

Existing IRP Models

Portfolio Model (AURORA)

Flexibility

Model

(PLEXOS)

Power Price Model (AURORA)

Resource Adequacy Model (Python) Data Types

Dollars MW, MWh Resource Adequacy metrics Emissions WAC 480-100-620 (9)

Economic,
Health and
Environmental
Benefit
Assessment

Data Types

Dollars MW, MWh

Resource Adequacy

metrics

Emissions

Geography Health

Security

Proposed Assessment Methodology for Current Conditions

Identify Highly Impacted Communities and Vulnerable Populations (HIC/VP)

Measure/track initial metrics on economic, health and environmental benefits and burdens

Understand how HIC/VP may be burdened or experience impacts differently



Identifying populations of interest

RCW 19.405.140 (Section 24 of E2SSB 5116, 2019 CETA)

"By December 31, 2020, the department of health must develop a cumulative impact analysis to designate the communities highly impacted by fossil fuel pollution and climate change in Washington. The cumulative impact analysis may integrate with and build upon other concurrent cross-agency efforts in developing a cumulative impact analysis and population tracking resources used by the department of health and analysis performed by the University of Washington department of environmental and occupational health sciences."













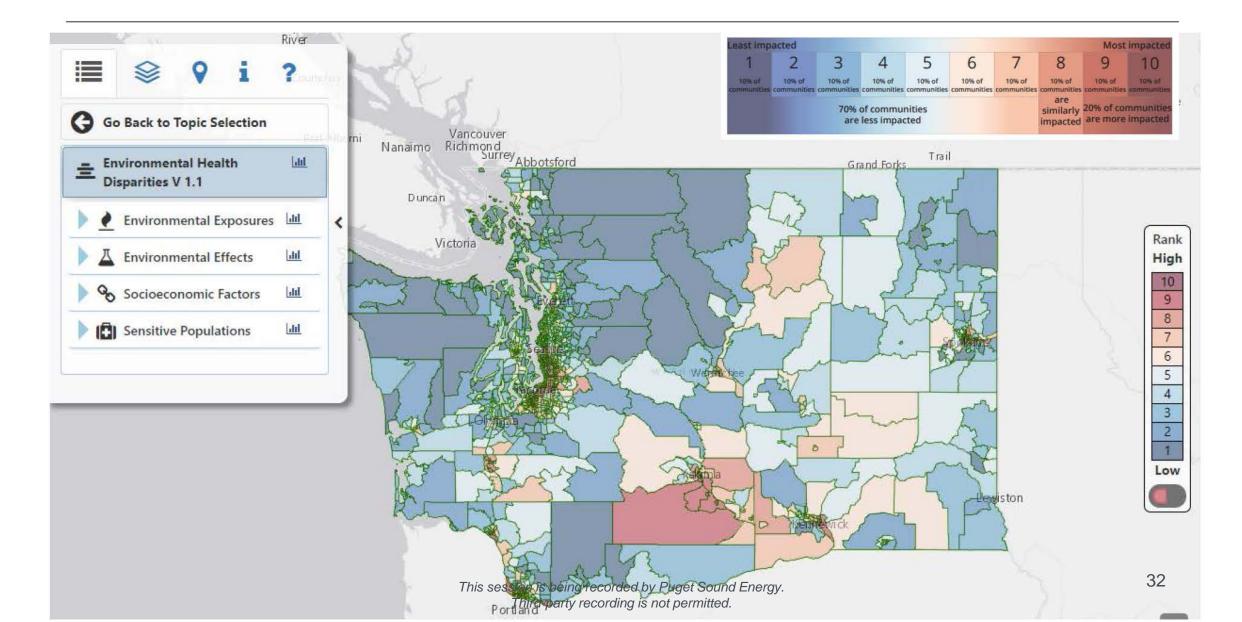


Washington Environmental Health Disparities Map

- Interactive tool to map 19 indicators of community health, including traffic density, proximity to hazardous waste facilities, income and race.
- Combines data into a cumulative score reflecting environmental and socioeconomic risk factors
- Results in a statewide view of cumulative risks each neighborhood in WA state face from environmental burdens that contribute to inequitable health outcomes and unequal access to healthy communities
- Report:

https://deohs.washington.edu/sites/default/files/images/Washington_Environmental_Hea lth_Disparities_Map.pdf

Mapping Tool: https://fortress.wa.gov/doh/wtn/WTNIBL



Characteristics

Source:

https://deohs.washington.edu/sites/ default/files/images/Washington En vironmental Health Disparities Ma p.pdf

page 17



Characteristics identified in CETA

Final composite score

Final composite score = Pollution Burden score × Population Characteristics score

Pollution burden

Polution burden score =

Average percentile of Environmental Exposures indicators +\ 0.5 × Average percentile of Environmental Effects indicators

Population characteristics

Average percentile of Sensitive Population indicators + Average percentile of Socioeconomic Factors indicators Population characteristics score

Environmental exposures

Diesel emissions

Ozone

Particulate Matter 2.5 (PM2.5)

Toxic releases from facilities

Traffic density

Environmental effects

Lead risk and exposure

Proximity to hazardous waste generators and facilities

Proximity to Superfund sites

Proximity to facilities with highly toxic substances

> Wastewater discharge

Sensitive populations

Cardiovascular disease

Low birth weight infants

Socioeconomic factors

Poor educational attainment

Housing burden

nguistic isolation

Poverty

Race (People of color)

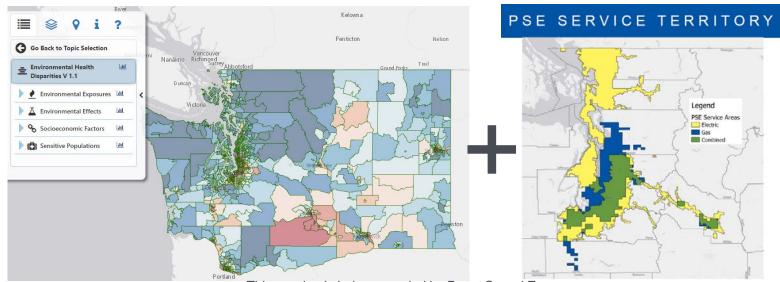
Transportation expense

Unemployment

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Assessment of disparities in current conditions

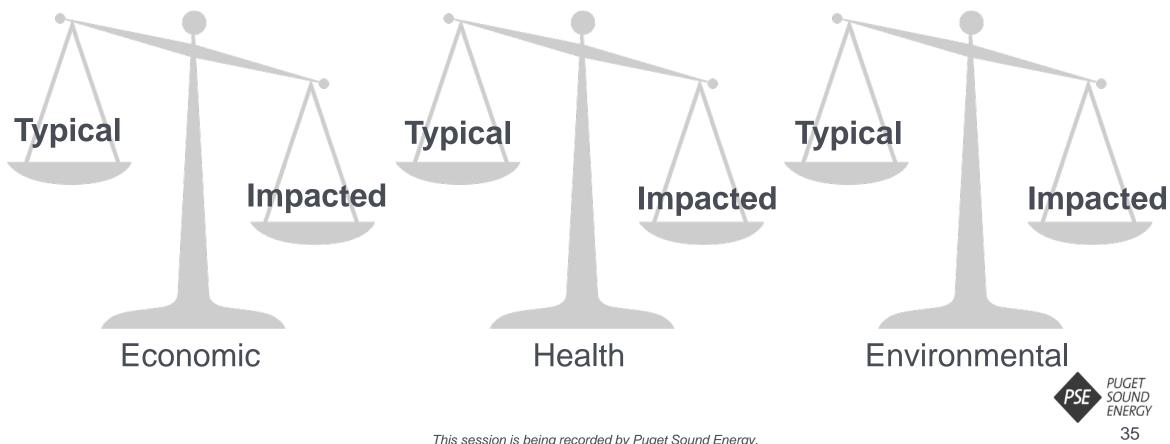
- The IRP team is gathering data and tools to conduct a geospatial analysis on the cost, reliability and environmental statistics as they relate to the HIC/VP on the DOH Environmental Disparities map
- The modeling approach will overlay the PSE service territory on top of the DOH
 Disparities map to identify two groups HIC/VP PSE communities and "typical" PSE
 communities (the control group)





How to measure disparities to inform assessment

 Measure how highly impacted communities compare to a typical PSE community on a number of metrics



Potential IRP Assessment Metrics for PSE Service Territory

Categories	Initial Assessment Metrics		Questions for Stakeholders
Health	Environmental Health Disparities (aggregate or separate statistics)	1.	highly impacted communities and vulnerable populations? Are there quantifiable public health and environmental benefits and reductions of costs and risks? Are there other quantifiable economic or equity measures that should be included? What other metrics should be applied?
Environmental	Plant specific emissions Societal impacts from emissions (SCGHG emissions)	2.	
Economic (Lowest reasonable cost)	Cost to average customer Energy burden	3.	
Reliability, Energy Security & Resiliency	Resource adequacy metrics Energy use per household size System Average Interruption Frequency Index (SAIFI) System Average Interruption Duration Index (SAIDI) Customer Average Interruption Duration Index (CAIDI)	5.	

Are these metrics appropriate?
How do these metrics impact CETA targets?





Delivery System and Grid Modernization Needs



11/1 **Participation Objectives** PSE will inform stakeholders about the delivery system and grid modernization needs for the 10-year transmission and distribution plan IAP2 level of participation: INFORM PUGET SOUND **ENERGY** 39 This session is being recorded by Puget Sound Energy. Third-party recording is not permitted.

Overview

- CETA and DER planning rules
- Delivery System Planning (DSP) process
- Non-wire alternative progress
- Planned project/growth area needs
- DER planning, integration & tool needs
- DSP capability evolution
- Delivery system investment in the IRP



Delivery system investments are integrated in the IRP draft rules*

- WAC 480-100-605 Definitions "Lowest reasonable cost" means "......The analysis of the lowest reasonable cost must describe the utility's combination of planned resources and <u>related delivery system infrastructure</u> and show consistency with chapters 19.280, 19.285, and 19.405 RCW."
- WAC 480-100-620 Content of an integrated resource plan. (1) Purpose. Consistent with chapters 80.28, 19.280, and 19.405 RCW, each electric utility has the responsibility to identify and meet its resource needs with the lowest reasonable cost mix of conservation and efficiency, generation, distributed energy resources, and <u>delivery system investments</u> to ensure the utility provides energy to its customers that is clean, affordable, <u>reliable</u>, and equitably distributed.
- WAC 480-100-620 Content of an integrated resource plan. (3) Distributed energy resources.(a) The IRP must include assessments of a variety of distributed energy resources. These assessments must incorporate non-energy costs and benefits not fully valued elsewhere within any integrated resource plan model. Utilities must assess the effect of distributed energy resources on the utility's load and operations under RCW 19.280.030 (1)(h). The commission strongly encourages utilities to **engage in a distributed energy resource planning process as described in RCW 19.280.100**. If the utility elects to use a distributed energy resource planning process, the IRP should include a summary of the results.
- WAC 480-100-620 Content of an integrated resource plan. (12) CEAP must ...g) <u>Identify any need to develop new, or to expand</u> <u>or upgrade existing, bulk transmission and distribution facilities</u>;
 -c) Include proposed or updated indicators and associated weighting factors related to WAC 480-100-610 (4)(c) including, at a minimum, one or more indicators associated with energy benefits, non-energy benefits, reduction of burdens, public health, environment, reduction in cost, **energy security, and resiliency**.

DER planning process per RCW 19.280.100

Provide a 10 year distribution plan that includes:

- Non-wire alternative analysis
- Cost benefit analysis with pessimistic and optimistic scenarios

Identify data gaps and upgrades that impeded a robust planning process

Proposed monitoring, control, and metering upgrades that provide net benefits for customers

Identify potential programs and tariffs to compensate customers for value of their DERs

Perform forecast of DER growth

Include DERs identified it the 10 year distribution plan in the IRP

"The goal of the plan should be to provide the most affordable investments for all customers and <u>avoid reactive expenditures</u> to accommodate unanticipated growth in distributed energy resources."



PSE is working to incorporate new DSP and IRP process to meet the expectations of the new IRP rules

- Delivery system investments include tools, monitoring, controls, metering, DERs, and expansions or upgrades to existing bulk transmission and distribution facilities.
- To understand what specific delivery system investments should be included in the IRP,
 CEAP or CEIP, we need to review the delivery system needs.

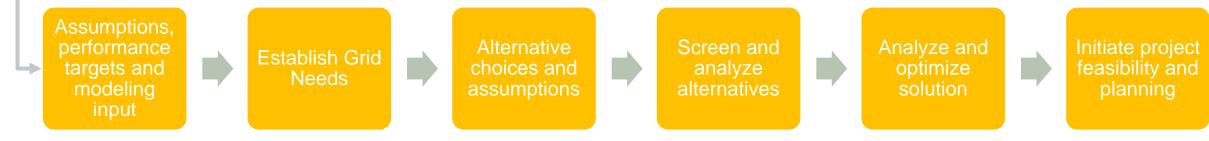
The energy delivery system is the network of wires and pipelines, both distribution and transmission, that deliver power and natural gas from where energy enters PSE's system to a customer meter.

Delivery System Planning process*

Planning Triggers

- Safety
- Customer requests
- Population and load growth
- Grid modernization
- Gas modernization
- Asset health management
- Asset reliability and integrity
- Compliance with regulation
- Resource integration

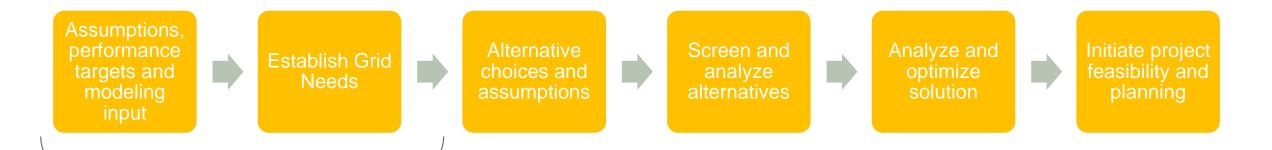
The delivery system planning process requires many robust capabilities across PSE from the beginning of the process such as gathering customer, load, and distributed energy resources information and forecasts to beyond the planning process ending with the testing of results and benefit delivery.



*https://pse-irp.participate.online/delivery-system-planning



Delivery System Planning process



Key Capabilities

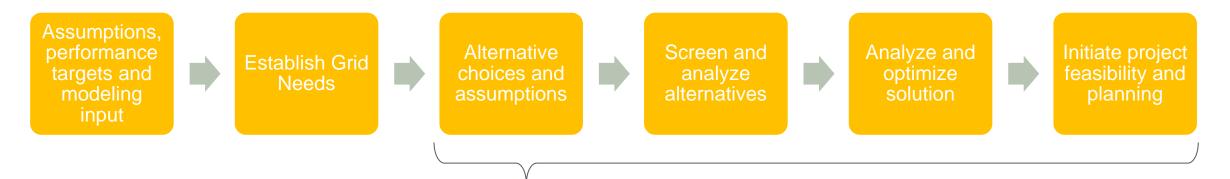
- Granular (feeder-level) load forecasting
- Powerflow evaluation across multiple peak and off-peak time periods (summer, winter, light loading, etc.)

Key metrics set the stage for these needs:

- Reliability SAIDI, SAIFI, CEMI
- Equipment Loading
- Transmission Resiliency Index (TRI)
- Substation Resiliency Index (SRI)
- System stability voltage



Delivery System Planning process

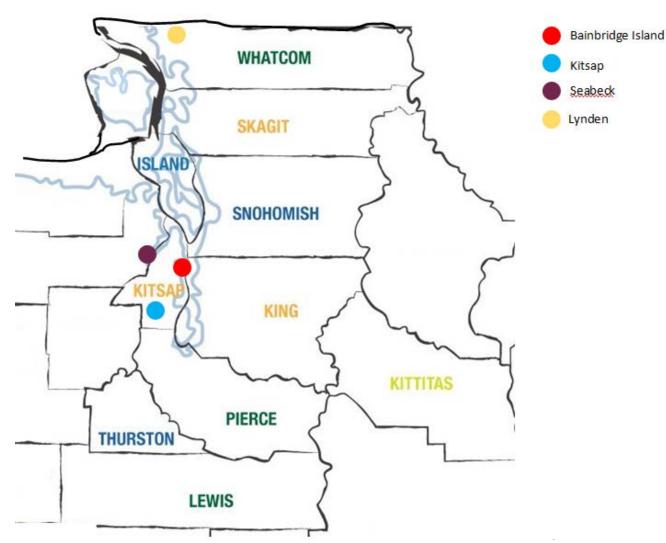


Key Capabilities

- Evaluation of wired, non-wired and hybrid solutions
- Inclusion of customer partnership opportunities
- Benefit valuation for non-wire alternatives
- Robust project optimization which maximize benefits to cost for investments

Non-wire alternative progress

- 2018 commitment to completing NWA on four focus areas
 - Chosen for their diverse drivers
- Work completed on 4 projects areas
- Fully included wired, non-wired and hybrid alternatives
- Deep dive on projects at a future IRP meeting

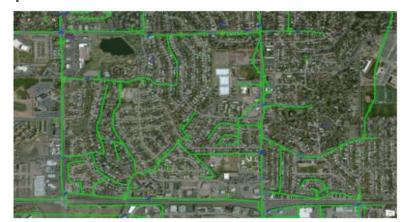


Delivery System Planning electric needs

Distribution Needs - (12.47 & 34.5 kV)

Evaluates the following system deficiencies at a Substation, Feeder or Lateral level:

- Capacity (Equipment loading)
- Voltage
- Reliability
 - SAIDI, SAIFI, CEMI
- Aging Infrastructure
- Operational Concerns



Transmission Needs - (115 & 230 kV)

Evaluates the transmission system in accordance with the transmission planning requirements per the NERC standards.

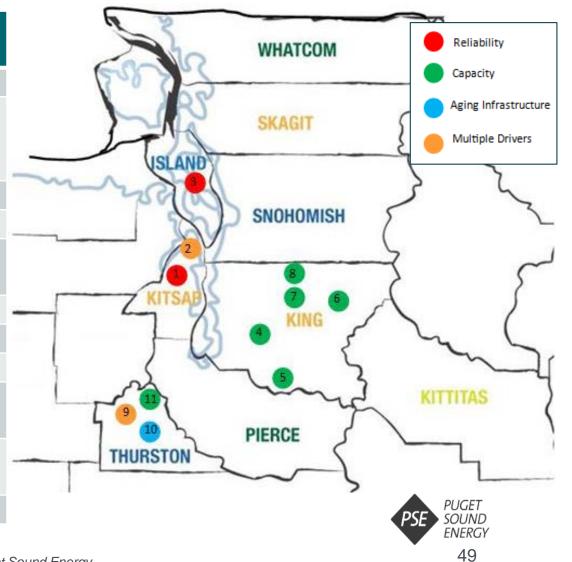
Typical need drivers include:

- Capacity (Equipment Loading)
- Reliability
 - Transmission/Substation Resilience Index
 - CMI
- Aging Infrastructure
- Operational Concerns
- Dynamic Stability Voltage
- Generation ramp rate



Electric planned growth/project areas

SUMMARY OF ELECTRIC PLANNED PROJECTS IN PLANNING PHASE	DATE NEEDED	NEED DRIVER
1. Seabeck (NWA Pilot)	Existing	Reliability
2. West Kitsap Transmission Project (NWA Pilot)	Existing	Stability, Transmission Capacity & Aging Infrastructure
3. Whidbey Island Transmission Improvements	Existing	Reliability
4. Kent / Tukwila New Substation	2020	Capacity
5. Black Diamond Area New Substation	2020	Capacity
6. Issaquah Area New Substation	Existing	Capacity
7. Bellevue Area New Substation	2021	Capacity
8. Inglewood – Juanita Capacity Project	2024	Capacity
Spurgeon Creek Transmission SubstationDevelopment (Phase 2)	Existing	Stability & Capacity
10. Electron Heights - Yelm Transmission Project	2024	Aging Infrastructure
11. Lacey Hawks Prairie	2021	Capacity



Needs in DER planning, integration, and optimization

Data Gaps and Upgrades

- Customer and operational analytics using Advanced Metering Infrastructure (AMI)
- •IT Architecture and integration to connect enterprise systems, particularly GIS

Monitoring, Control, and Metering

- Applications enabled by AMI including the Advanced Distribution Management System (ADMS)
- Volt-Var Optimization; Fault Location, Isolation, Service Restoration (FLISR); Distributed Energy Resource Management System (DERMS)

Customer Programs and Tariffs

- •Time of Use (TOU) rates to incent beneficial customer usage patterns
- Alternative pricing structures to enable DER/renewables integration

DER Growth Forecast

- Enabled by Geospatial Load Forecasting Tool
- •Key input for locational valuation of DERs



Need: Enabling tools

Customer/Utility Interface

1) Enhanced Meter Data Visibility

2) Hosting Capacity Map

3) Enhanced Interconnection Portal

Future State

Increased
Utility and
Customer
Sited
DERs
DERs
Prostorial
Prostori

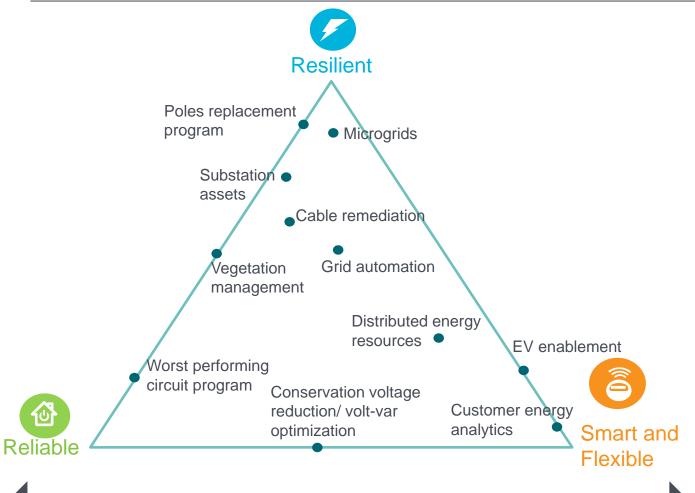
- PSE and customers have greater access to data and insights
- Infrastructure investments are optimized Interconnection is more transparent and streamlined
- Resources are dispatched safely to meet the need

Operational Platforms

- 1) Advanced Distribution Management System (ADMS)
- 2) Distributed Energy Resource Management System (DERMS)
- 3) Transactive Energy +
 Distributed Market
 Operations



Grid Modernization Key Programs



Key programs

- Pole replacement program
- Substation assets
- Cable remediation
- Vegetation management
- Electric system upgrade Worst performing circuits (WPC)
- Grid automation
- Electric vehicle (EV) enablement
- Distributed energy resources (DER)
- Microgrids
- Customer energy analytics
- Conservation voltage reduction/volt-var optimization





Delivery System Planning capability evolution

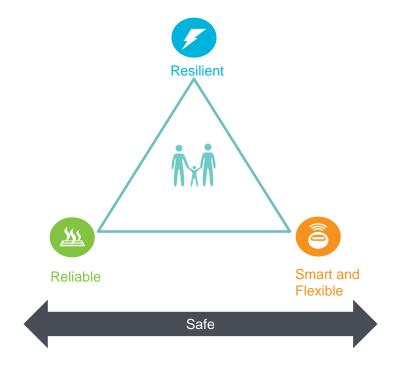
Enhancing our DSP capabilities across people, process, and technology

- > Necessary to meet CETA and DER planning requirements
- Necessary to meet customer needs

The goal of the plan should be to provide the most affordable investments for all customers and <u>avoid reactive expenditures</u> to accommodate unanticipated growth in distributed energy resources.

Mindful of lessons learned from other utilities case study examples dealing with rapid DER demand:

- DER ramp rate
- DER Saturation
- Interconnection bottleneck



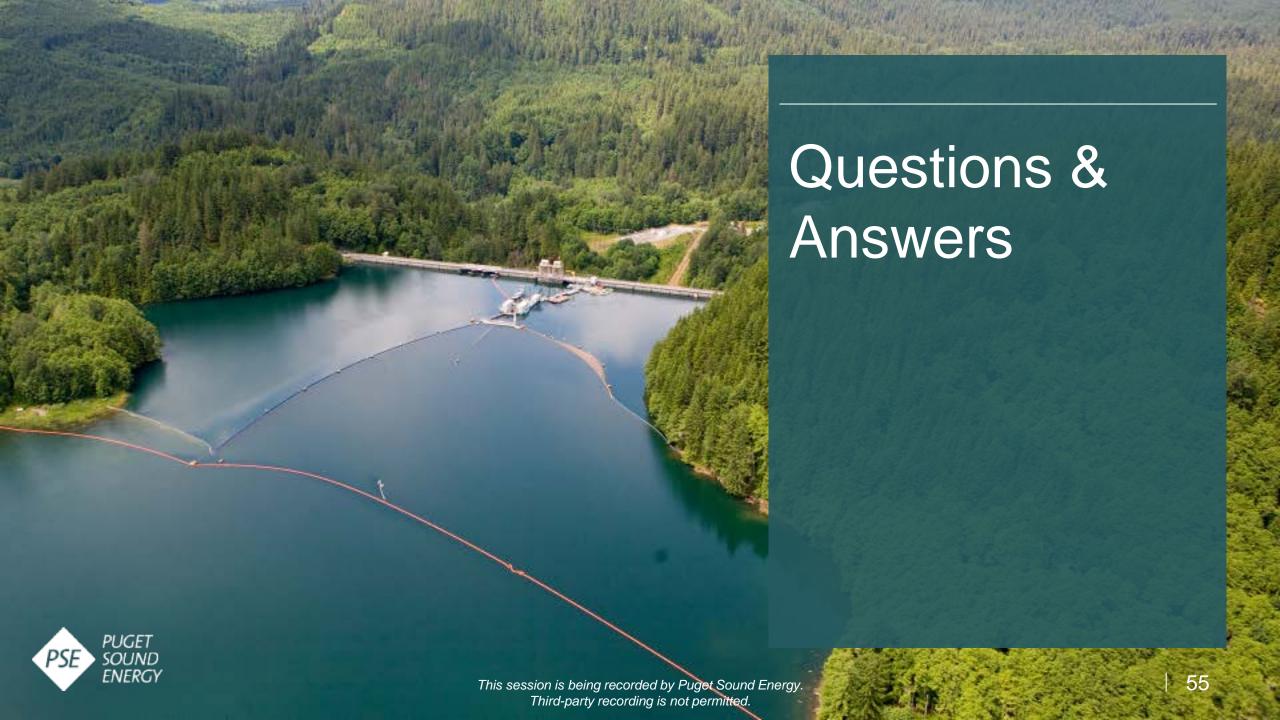


Delivery System Investment in the IRP

- Accelerated installation of DER's will likely accelerate our grid modernization investments.
 - Highly dependent on the specific amount, location, type and concentration of the specific DER's

For 2021 IRP:

- Including a range for local DER interconnection costs to account for the grid modernization costs.
 - Part of the existing must-take sensitivity:
 #10 "Distributed" Transmission/build constraints Tier 2
 - The cost range will consider both a pessimistic and optimistic perspective.



Feedback Form

- An important way to share your input
- Available on the website 24/7
- Comments, questions and data can be submitted throughout the year, but timely feedback supports the technical process
- Please submit your Feedback Form <u>within</u> a week of the meeting topic

Feedback Form Feedback Report

Consultation Update

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Share your feedback with PSE		
May we post these comments to the	IRP webpage?	
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○No		
Please keep my comments anonymous		
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First Name	Last Name	
Organization		
Organization		
Email Address*	Phone Number	
Email	Phone	
Address	City	
Address	City	
State	Zip Code	
Select a State	Zlp Code	
"General" from the list." Select a topic Respondent Comment"	e feedback on: For general comments, please select	
Attach a file		
Choose File No file chosen		
Recommendations		
Submit		

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Feedback Form Feedback Report Consultation Update



Next steps

- Submit Feedback Form to PSE by November 30, 2020
- A recording and the chat from today's webinar will be posted to the website tomorrow
- PSE will compile all the feedback in the Feedback Report and post all the questions by December 7, 2020
- The Consultation Update will be shared on **December 14, 2020**



Upcoming meetings and key dates

Date	Topic	
December 15, 1:00 – 5:00 pm	Portfolio draft results Flexibility analysis	
Additional 2021 meetings will be scheduled soon.		
January 4, 2021	DRAFT 2021 Electric and Natural Gas IRP published	
April 1, 2021	FINAL 2021 Electric and Natural Gas IRP filed with the WUTC	

Details of upcoming meetings can be found at pse.com/irp





Thank you for your attention and input.

Please complete your Feedback Form by November 30, 2020

We look forward to your attendance at PSE's next public participation webinar on December 15, 2020