



IRP/CEIP WORKSHOP 1 PREPARATION MATERIALS

WORKSHOP OBJECTIVE

The primary objective of this workshop is to get your input on which indicators we should use in our Clean Energy Implementation Plan (CEIP) to track the distribution of costs and benefits from Washington’s clean energy transition in our service area.

BACKGROUND INFORMATION

In 2019, Governor Jay Inslee signed into law the [Clean Energy Transformation Act](#) (CETA), which commits the State of Washington to an electricity supply free of greenhouse gas (GHG) emissions by 2045. The landmark law imposes new clean energy mandates on electric utilities in Washington as well as planning and reporting requirements. One of those new requirements is that utilities complete a Clean Energy Implementation Plan (CEIP) by January 1, 2022 and every four years thereafter. The CEIP is a planning document with the aim of making sure utilities are prepared to meet CETA’s clean energy requirements. Our first-ever CEIP is due January 1, 2022 and every four years after that (in 2026, in 2030, etc.). In the CEIP, we must:

- (1) **Establish targets** for (a) how much of our customer’s electricity consumption will come from GHG-free resources over the next four years and (b) the amount of conservation, demand response and renewable energy we will acquire in the next four years. Because the CEIP must be consistent with other state-mandated planning documents like our Integrated Resource Plan (IRP) and our Conservation Potential Assessment (CPA), these documents will serve to establish our CEIP targets. We will establish targets based on our [2020 IRP](#) and our 2022 CPA¹.
- (2) **Identify specific actions** we will take to meet the above targets (for example, funding new or existing conservation programs, piloting demand response programs, etc.).
- (3) Identify **specific actions to ensure an equitable transition** through several steps:
 - a. **Identifying highly impacted communities.** As directed by CETA, the Washington State Department of Health (DOH) developed a cumulative impact analysis (CIA) to identify communities that are highly impacted by climate change and fossil fuel pollution. Communities are identified based on census tract. DOH [provide us with the data](#) that we must use to identify highly impacted communities within our service area. The DOH identifies 56 of the 111 (50%) census tracts in our service area as highly impacted communities.
 - b. **Identifying vulnerable populations** based on the adverse socioeconomic factors and sensitivity factors developed through a public process. We plan to use [Tacoma’s Equity Index](#) to identify vulnerable populations. The Equity Index groups communities based on census block group and uses 29 data points sorted into five broad categories to assess where community members are not able to access services or where services do not meet community needs. It is one of the primary tools that City staff, partners, and other decision makers use to help ensure they are making data-informed decisions to improve access to opportunity for all community members. The Equity Index

¹ We plan to bring the 2022 CPA to TPU’s Public Utility Board for adoption in October 2021 and will provide you with an update once results are final.

originally covered only the City of Tacoma but now covers all of Tacoma Public Utilities, including areas outside of Tacoma's city limits. Census block groups are grouped into five categories (Very Low Opportunity, Low Opportunity, Moderate Opportunity, High Opportunity and Very High Opportunity). For the purposes of the CEIP, we plan to identify vulnerable populations as those located in "Very Low Opportunity" areas.

- c. **Identifying at least one indicator** to track the distribution of costs and benefits. This will be the focus of our August 17 workshop.
 - d. **Identifying the expected effect of specific actions** on the groups identified in 3a and 3b above.
- (4) **Identify the resource adequacy standard** and measurement metrics used to establish our targets. Our resource adequacy standard was established in our [2020 IRP](#) (see Section 7.1.1).

WORKSHOP FOCUS: INDICATORS TO TRACK DISTRIBUTION OF COSTS AND BENEFITS

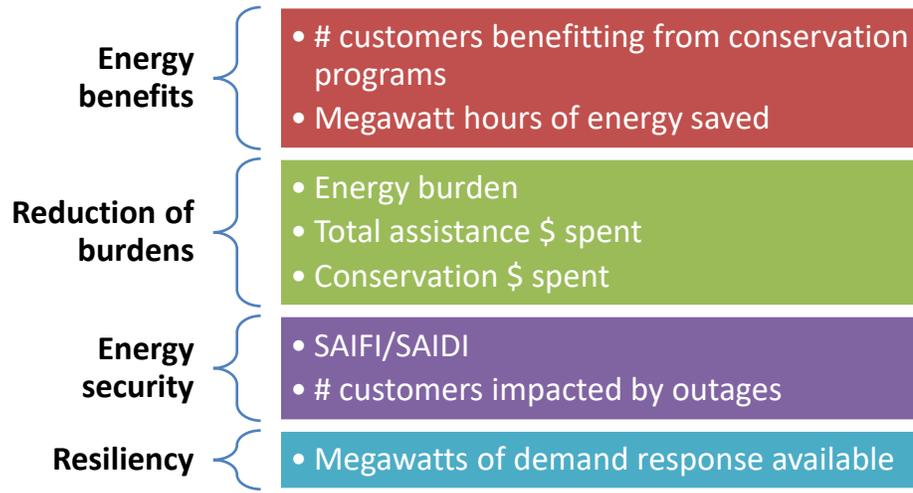
Language in CETA states that we must *"include one or more indicators applicable to the utility's service area and associated with energy benefits, nonenergy benefits, reduction of burdens, public health, environment, reduction in cost, energy security, or resiliency developed through a public process as part of the utility's long-term planning."*

Our primary objective in this workshop is to get your input on which indicators we should use to track the distribution of costs and benefits from Washington's clean energy transition in our service area. Each indicator we select for the CEIP will be mapped across

In preparation for this workshop, we went through an internal process to develop an initial list of indicators to review with you. Our internal process involved the following steps:

- (1) We brainstormed potential indicators that fit within the categories identified by CETA (energy benefits, nonenergy benefits, reduction of burdens, public health, environment, reduction in cost, energy security, or resiliency)
- (2) We developed principles for appropriate indicators and weeded out indicators that did not meet our principles. The principles we developed were:
 - a. **Measurable & mappable:** The indicator can be measured using regionally accepted numbers processes & practices. We have the data to measure it and disaggregate it by census block group and/or census tract.
 - b. **Relevant:** The indicator can be directly and substantively impacted by resource acquisition actions, utility expenditures or other specific actions identified in our CEIP.
 - c. **Timely:** The indicator can be impacted within four years, and updated data are available to measure any change over four years.
 - d. **Meaningful:** The indicator is aligned with Tacoma Power's strategy and values and/or Tacoma Public Utility Board's [Strategic Directives](#).

(3) We worked internally to further narrow down the list to a shortlist of the 8 potential indicators that we believe to be most relevant and appropriate. Our shortlist of potential indicators is below.



YOUR INPUT

During our workshop, we will ask you:

- (1) Is there an indicator that we did not include on the shortlist above but you feel is a priority for tracking equity as it relates to energy?
- (2) Which indicators (or indicator) do you believe are most important for tracking equity as it relates to energy?

GLOSSARY

Demand Response: A change or shift in the timing of customer energy consumption. Customers choose to consume less energy at times when power supply is tight and more at times when supply is plentiful. Examples can include thermostats or water heaters programmed to shift energy use to certain times. It can also be industrial customers scheduling their production processes around certain times of the day.

SAIFI and SAIDI: System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI). SAIFI & SAIDI are very common metrics for measuring system reliability. SAIFI measures the average number of sustained interruptions per customer during the year, and SAIDI measures their average duration.

Energy Burden: CETA defines energy burden as the share of annual household income used to pay annual home energy bills.

Resource Adequacy: Having enough power resources available to serve electricity demands across a range of conditions.

ADDITIONAL READING

- **To learn more about CETA:** <https://www.commerce.wa.gov/wp-content/uploads/2020/02/CETA-Overview.pdf>
- **To learn more about CEIP requirements:** <https://www.commerce.wa.gov/wp-content/uploads/2020/12/CETA-Adopted-Rules-Combined-File.pdf>
- **To learn more about our Integrated Resource Plan:** <https://www.mytpu.org/about-tpu/services/power/integrated-resource-plan/>
- **To learn more about the Department of Health’s work to identify highly impacted communities:** <https://www.doh.wa.gov/DataandStatisticalReports/WashingtonTrackingNetworkWTN/ClimateProjections/CleanEnergyTransformationAct>
- **To learn more about Tacoma’s Equity Index:** <https://www.cityoftacoma.org/cms/One.aspx?portalId=169&pageId=175030>