

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of  
  
PUGET SOUND ENERGY, AVISTA CORPORATION d/b/a AVISTA UTILITIES, PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY, CASCADE NATURAL GAS CORPORATION, NORTHWEST NATURAL GAS COMPANY d/b/a NW NATURAL, THE ALLIANCE OF WESTERN ENERGY CONSUMERS, NW ENERGY COALITION, THE ENERGY PROJECT, SMALL BUSINESS UTILITY ADVOCATES, FRONT & CENTERED, AND SPARK NORTHWEST,

Petitioners,

For an Order Approving a Three-Year Participatory Funding Agreement between Puget Sound Energy, Avista Corporation d/b/a Avista Utilities, PacifiCorp d/b/a Pacific Power & Light Company, Cascade Natural Gas Corporation, Northwest Natural Gas Company d/b/a NW Natural, the Alliance of Western Energy Consumers, NW Energy Coalition, The Energy Project, Small Business Utility Advocates, Front & Centered, and Spark Northwest.

DOCKET U-210595

ORDER 03

APPROVING  
AGREEMENT; SUBJECT  
TO CONDITIONS

**BACKGROUND**

1 On February 18, 2025, Puget Sound Energy (PSE), Avista Corporation d/b/a Avista Utilities (Avista), PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp), Cascade Natural Gas Corporation (Cascade), Northwest Natural Gas Company d/b/a NW Natural (NW Natural), the Alliance of Western Energy Consumers (AWEC), NW Energy Coalition, The Energy Project (TEP), Small Business Utility Advocates, Front & Centered, and Spark Northwest (collectively, Joint Parties) filed with the Washington Utilities and Transportation Commission (Commission) a petition seeking an order authorizing PSE, Avista, PacifiCorp, Cascade, and NW Natural (Companies) to extend

and modify previously approved funding agreements with certain customer advocacy organizations (Petition).

- 2 The Washington State Legislature passed Engrossed Substitute Senate Bill 5295 (ESSB5295) in 2021, codified as Revised Code of Washington (RCW) 80.28.430. The measure required utilities to enter into funding agreements with organizations that represent broad customer interests. The Commission is directed to determine the amount of financial assistance, if any, that may be provided to any organization; the way the financial assistance is distributed; the way the financial assistance is recovered in a utility's rates; and other matters necessary to administer the agreement. Such agreements for participatory funding must prioritize organizations that represent highly impacted communities and vulnerable populations (Prioritized Communities).
- 3 On August 19, 2021, the Commission issued a notice seeking input from interested persons and utilities on intervenor funding provisions for regulatory proceedings, and on September 28, 2021, the Commission hosted a workshop to discuss the implementation of ESSB5295, Chapter 188, Laws of 2021. After considering input, including written comments from 11 interested parties, the Commission issued a Policy Statement on Participatory Funding for Regulatory Proceedings (Policy Statement) on November 19, 2021, that provides interim, high-level guidance on participatory funding agreements. The Policy Statement includes guidance on funding caps, funding for Prioritized Communities, the Commission's interpretation of "eligible organizations," "eligible proceedings," "broad customer interests," and process requirements for the distribution of funds.
- 4 The Policy Statement set forth two goals: To increase participation of groups of people who historically have not been part of our proceedings, including the statute's named priority communities; and to increase the effectiveness of participation of other parties that historically have been active participants in Commission proceedings.
- 5 After the Policy Statement was issued, the Joint Parties entered discussions to negotiate the interim, one-year funding agreement (Original Agreement). The Original Agreement was limited to a one-year term, made up to .01 percent of operating revenue available from each company (up to a cap of \$300,000 per utility), set aside at minimum one-third of funding for organizations representing Prioritized Communities, and detailed a process that includes Commission approval for all requests for funds and final payments.

6 On February 24, 2022, the Commission entered Order 01, Approving Agreement with Modifications (Order 01), allowing the Original Agreement, with several modifications, to take effect February 25, 2022, and remain in place until December 31, 2022, unless extended or terminated with Commission approval.

7 On February 9, 2023, the Commission entered Order 02, Approving Agreement Subject to Conditions (Order 02), allowing the revised agreement (Revised Agreement), subject to conditions of refiling, to take effect February 9, 2023, and remain in effect until December 31, 2024.

8 The Revised Agreement also includes a cap of \$400,000, increased from the Original Agreement limit of \$300,000 per utility; however, only for PSE.

9 On February 18, 2025, the Joint Parties submitted a newly revised Participatory Funding Agreement (Third Agreement) following the expiration of the Revised Agreement. The Third Agreement includes a three-year funding term, expiring on December 31, 2027.

10 The Third Agreement includes an increase in funding available in PSE's Customer Representation Sub-Fund to \$300,000 annually, raising PSE's overall participatory funding cap to \$500,000 annually. Additionally, the Third Agreement creates a General Outreach Fund available to Prioritized Organizations.

11 The Third Agreement sets aside 10 percent of the total funds available to Prioritized Organizations for the General Outreach Fund. Table 1 below, displays the funding amounts included in the Agreement for each utility along with the General Outreach Fund allocations for each utility. The General Outreach Fund is proposed to reduce "administrative challenges with general outreach intended to facilitate engagement from new organizations that do not typically participate in Commission proceedings."<sup>1</sup> Prioritized Organizations would be permitted to request General Outreach funding in a similar manner to the process to request Consumer Access Fund grants. Staff supports the creation of the General Outreach Fund.

---

<sup>1</sup> Petition, ¶ 7 (filed February 18, 2025).

**Table 1. Utility Fund Grants for Washington Participatory Funding Agreement<sup>2</sup>**

	PSE	AVISTA	PACIFIC	CASCADE	NW NATURAL	TOTAL
<b>Consumer Access Fund (total)</b>	<b>\$480,000<sup>1</sup></b>	<b>\$290,000</b>	<b>\$290,000</b>	<b>\$256,662</b>	<b>\$70,311</b>	<b>\$1,386,973</b>
• Prioritized Organizations Sub-Fund	180,000	90,000	90,000	79,654	21,821	\$461,475
• Customer Representation Sub-Fund	300,000	200,000	200,000	177,008	48,490	\$925,498
<b>General Outreach Fund (total)</b>	<b>20,000</b>	<b>10,000</b>	<b>10,000</b>	<b>8,850</b>	<b>2,424</b>	<b>\$51,274</b>
• Prioritized Organizations Sub General Outreach Sub-Fund	\$51,274					

<b>Total Fund Grants</b>	<b>\$500,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$265,512</b>	<b>\$72,735</b>	<b>\$1,438,247</b>
--------------------------	------------------	------------------	------------------	------------------	-----------------	--------------------

12 The Joint Parties recommend that the Commission complete a thorough assessment of the participatory funding program and its success in meeting the goals established in the Policy Statement before the Third Agreement expires. The Joint Parties also recommend that the Commission prepare templates and have a website to track available funds for each utility and the amounts approved.

13 This matter came before the Commission at its regularly scheduled Open Meeting on April 10, 2025. The Commission heard comments from Staff, Public Counsel, PSE, PacifiCorp, NW Natural, Cascade, Avista, TEP, and AWEC. Staff reiterated its positions as outlined in its memorandum and noted its support for a review of the program. Staff also noted that without scoping of what the evaluation would involve, Staff could not recommend whether Staff or a third-party would be best

<sup>2</sup> Agreement, pages 4–5 (filed February 18, 2025).

suited to conduct an evaluation. PSE expressed its support for the Third Agreement given approval of its related deferred accounting petition. PacifiCorp, Cascade, NW Natural, and Avista expressed some concern regarding treatment of carrying costs related to the Participatory Funding program and generally supported the term and review of the program.

- 14 TEP expressed its support for convening the parties to scope what an evaluation of the program might entail. TEP also expressed the importance of leaving at least six months time after the evaluation to allow for negotiations of the next agreement. Further, TEP expressed its understanding of the need for the Commission to have flexibility in responding to funding requests and clarified that the language regarding 30 days for responses was adopted from a similar agreement in Oregon. AWEC expressed its support of the Third Agreement and provided comments noting it was unclear as to whether the Outreach program may be useful in educating additional commercial and industrial customers in how to participate in Commission proceedings.

### DISCUSSION

- 15 In the absence of the participation of groups who have not previously participated in Commission proceedings, Staff finds the provisions of the Agreement largely unchanged.
- 16 In general, Fund Grant Eligibility, Fund Grant Request Procedures, Payment of Grants, and Termination of Eligibility remain the same and maintain an open door for new intervening parties to participate in Commission proceedings.
- 17 Following the February 9, 2023, open meeting, the Commission approved the Second Agreement in Order 02, conditioning approval on the next Funding Agreement being a “permanent agreement.” While this Third Agreement is not permanent, Staff recommends approval and requests the Commission provide additional clarity on what it meant in Order 02 and what might be included in a permanent agreement.
- 18 The Joint Parties agree to increase PSE’s Customer Representation Sub-Fund allocation to \$300,000, bringing the overall Customer Access Fund allocation to \$500,000 annually. This request is based on the volume of recent fund grant requests and the growing complexity of Puget Sound Energy’s general rate case filings.
- 19 Staff recommends approval of the Third Agreement, though it is not a permanent

agreement. This recommendation is based on the need for a review of the Participatory Funding program to determine its effectiveness at accomplishing the goals the Commission set for the program. Staff believes extension of the funding agreement with the Third Agreement is appropriate in that it aligns with the guidance in the Policy Statement, given the efforts made by the Joint Parties over the last four years. Staff believes that the funding limits are appropriate and that the Agreement appropriately sets funding aside for organizations representing Prioritized Communities. Staff believes the Agreement will continue to enable public participation in the Commission's regulatory processes as ESSB5295 intended. To that end, Staff recommends that the proposed three-year Agreement term be approved, with a three-year cycle being an appropriate benchmark for review of the funding program and amending the Third Agreement, as is necessary and applicable.

20 Considering the Commission's previous request for a permanent agreement, coupled with consideration of the Commission's Policy Statement on Participatory Funding, Staff agrees with the Joint Parties that a thorough program evaluation is reasonable and should be completed before the expiration of the Third Agreement. Staff recommends that this evaluation be conducted with the participation of the Joint Parties and other interested parties. Further, Staff seeks in its memorandum in the docket, further clarity on what the Commission meant by a permanent agreement in Order 02 and what such an agreement might contain.

21 On this point, the Commission declines to provide further guidance at this time. We agree with Staff's recommendations as to the reasonableness of the program review and term, and further agree that the term is reasonable. We expect a review of the program may provide valuable information as to the need for a permanent agreement and provide clarity as to what such an agreement might contain.

22 Generally, the Commission finds that the Agreement serves the public interest, and that the funding made available through the Agreement represents a reasonable allocation of financial assistance. However, following discussion at the April 10, 2025, Open Meeting, the Commission finds it appropriate to condition approval of the Third Agreement with the following conditions:

1. To ensure timely recovery of funds and to ensure recovery is fair, just, reasonable, and in the public interest, jurisdictional electric and natural gas utility signatories to the Third Agreement, except PSE, shall file petitions to update or amend their deferred accounting of participatory funds within 30 days of the effective date of this Order, in Dockets UE-220599 (PacifiCorp), UE-220151/UG-220596 (Avista), UG-220706

(Cascade), and UG-220572 (NW Natural).

2. On or before July 1, 2025, the Joint Parties, Staff, Public Counsel, and the Administrative Law Division shall convene to discuss making publicly available, through the Commission website, templates for Joint Parties' use in requesting funds, timelines for Commission responses to such requests, and making available publicly available balances of remaining funds in each fund account.
3. All five regulated and jurisdictional utilities to the Third Agreement shall submit a biannual filing in this Docket, once every six months, showing the fund balances and those requests pending approval to enable further transparency into available funds, with the first filings to be submitted to the Commission no later than July 1, 2025.
4. On or before July 1, 2025, the Joint Parties, Staff, and Public Counsel shall convene to discuss the process and funding for a program evaluation, including scoping what the evaluation should entail, whether the evaluation should be conducted by Staff or an independent third party, and report the conclusions of that discussion to the Commission in this docket.
5. On or before July 1, 2026, the Commission shall begin an evaluation of the Participatory Funding program, allowing time for completion of the evaluation and renegotiation of a Fourth Agreement prior to December of 2027. The Commission's notice initiating the evaluation shall include questions to address program successes, areas for improvement, and an evaluation of the General Outreach Fund.

23 Finally, we note that the Third Agreement and Petition contemplate the Commission using best efforts to respond to funding requests within 30 days. Staff does not comment on this request other than to note that this effort falls to the Administrative Law Division. While we recognize the critical importance of timely responses, we also note that docket management and prioritization of orders falls to the Administrative Law Division, particularly when orders are not associated with a statutory deadline. Accordingly, we encourage but will not require that the Commission respond to requests within 60 days of receipt of such requests. However, we leave the general management of dockets and orders to the Administrative Law Division.

### FINDINGS AND CONCLUSIONS

- 24 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts,

securities, transfers of property and affiliated interests of public service companies, including electric and gas companies.

- 25 (2) PSE and Avista are electric and natural gas companies and public service companies subject to Commission jurisdiction. PacifiCorp is an electric company and a public service company subject to Commission jurisdiction. NW Natural and Cascade are natural gas companies and public service companies subject to the Commission's jurisdiction.
- 26 (3) RCW 80.28.430 requires investor-owned utilities to enter into funding agreements with organizations that represent broad customer interests, including the Agreement for which the Joint Parties seek approval.
- 27 (4) Staff has reviewed the Petition, and the Agreement filed in this Docket.
- 28 (5) Staff believes the proposed Third Agreement for which the Joint Parties' request approval is reasonable and in the public interest, and that it should be granted.
- 29 (6) This matter came before the Commission at its regularly scheduled meeting on April 10, 2025.
- 30 (7) RCW 80.28.430 delegates to the Commission the authority to review and approve an agreement, approve an agreement with modifications, or reject an agreement.
- 31 (8) The Third Agreement filed by the Joint Parties is consistent with both RCW 80.28.430 and the Commission's Policy Statement and should be approved.
- 32 (9) After reviewing the Third Petition filed in U-210595 on February 18, 2025, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Third Agreement should be approved, subject to the conditions one through five in paragraph 22 of this Order.

### **ORDER**

#### **THE COMMISSION ORDERS THAT:**

- 33 (1) The Agreement filed by Puget Sound Energy, Avista Corporation d/b/a Avista Utilities, PacifiCorp d/b/a Pacific Power & Light Company, Cascade Natural Gas Corporation, Northwest Natural Gas Company d/b/a NW Natural, the Alliance of Western Energy Consumers, NW Energy Coalition, The Energy Project, Small

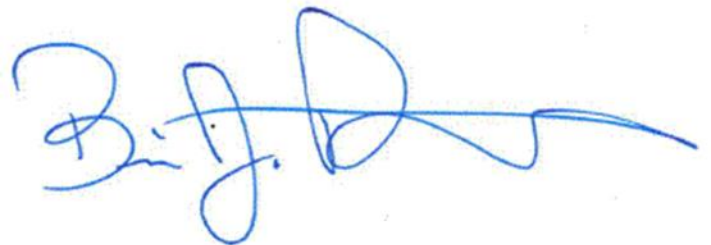


Business Utility Advocates, Front & Centered, and Spark Northwest is approved, subject to the conditions one through five contained in paragraph 22 of this Order.

- 34 (2) The Commission Secretary is authorized to accept by letter, with copies to all parties to this proceeding, all filings that comply with the requirements of this Order.
- 35 (3) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. Nor shall this Order be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 36 (4) The Commission retains jurisdiction over the subject matter and Puget Sound Energy, Avista Corporation d/b/a Avista Utilities, PacifiCorp d/b/a Pacific Power & Light Company, Cascade Natural Gas Corporation, and Northwest Natural Gas Company d/b/a NW Natural to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective April 11, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



BRIAN J. RYBARIK, Chair



ANN E. RENDAHL, Commissioner



MILTON H. DOUMIT, Commissioner