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Jeff Killip
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop S.E.
P.O. Box 47250
Lacey, WA 98504-7250

**RE: Advice 25-09—Schedule 135 & 138—Net Billing Service
Direct Testimony and Exhibits**

PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or company) submits to the Washington Utilities and Transportation Commission (Commission) proposed revisions to its electric Schedule 135, Net Metering Service, and to establish a new Schedule 138, Net Billing Service. This filing, made in accordance with RCW 80.28.060, WAC Chapter 480-80 *et. seq.*, and the Commission's Rules and Regulations, proposes revisions to the following electric tariff sheets.

Seventh Revision of Sheet No.		Tariff Index
INDEX.3		
Third Revision of Sheet No. 17.2	Schedule 17	Low Income Bill Assistance Program— Residential Service Optional for Qualifying Customers
First Revision of Sheet No. 135.1	Schedule 135	Net Metering Service
First Revision of Sheet No. 135.2	Schedule 135	Net Metering Service
Original Sheet No. 135.3	Schedule 135	Net Metering Service
Original Sheet No. 138.1	Schedule 138	Net Billing Service
Original Sheet No. 138.2	Schedule 138	Net Billing Service
Original Sheet No. 138.3	Schedule 138	Net Billing Service
Original Sheet No. 138.4	Schedule 138	Net Billing Service

The purpose of this filing is to establish Schedule 138 – Net Billing Service, which PacifiCorp proposes as the successor to Schedule 135 – Net Metering Service. The filing also includes proposed changes to Schedule 135 to close it to new applications and ensure an orderly transition from Net Metering to Net Billing. These changes include establishing a deadline for new Net Metering applications and introducing the Equitable Access Credit, which is designed to support continued access to distributed generation benefits for income-qualified customers.

Net metering must be offered by electric utilities on a first-come, first-served basis until the earlier of:

- June 30, 2029, or

- The date when the cumulative generating capacity of net metering systems reaches 4% of the utility's peak demand during 1996.¹

Once the cap is reached or the date passes, utilities may adopt a standard rate or tariff schedule that replaces the existing net metering structure.² PacifiCorp reached this four percent level in the fall of 2024 and believes now is an appropriate time to evaluate a replacement to the Net Metering program.

As further detailed in the enclosed direct testimony of Mr. Kenneth Lee Elder, PacifiCorp believes its proposal promotes affordability, addresses historical inequities, and eliminates cost shifting by ensuring customers receive the actual value of the energy they export—rather than continuing to offset energy charges within their electric bills.

In particular, the company estimates that Net Metering currently increases the monthly bills of the average residential customer by approximately \$1.34, or 0.8 percent—amounting to an annual cost shift of \$1.8 million. This translates to an estimated annual cost shift of \$620.85 per residential interconnection.

As more customers continue to install generation, PacifiCorp believes the most effective way to mitigate further growth of this cost shift is to transition from Net Metering to Net Billing. This is especially important given that disadvantaged customers have not adopted customer generation at the same rate as the broader residential class, yet they have disproportionately borne the impacts of the cost shift.

Under Net Metering, customer generators are able to offset the energy usage on their bill with energy that they send to the grid. Under the proposed Net Billing program, customer generators would receive financial credits that could be used to offset their bills that would be determined by multiplying energy exported from the customer to the utility grid by an export credit price, which the company calculated at 5.167 cents per kilowatt-hour (kWh). PacifiCorp proposes that the export credit price would be updated annually to ensure that customer generators receive accurate, up-to-date pricing for their exported energy.

PacifiCorp has actively engaged its Equity Advisory Group to gather feedback on the proposal, and that input has been incorporated into the final design. Notably, the company's proposed *Equitable Access Credit* would allow customers enrolled in the Low Income Bill Assistance program to continue receiving the same economic benefits of Net Metering that were previously available to early adopters who could afford onsite generation systems.

PacifiCorp proposes that the Schedule 135 would be closed to new applications on the effective date of tariff changes. Residential customers who submit their application before this date would have up to one year after receiving company-approval of their application to interconnect and still be eligible for Schedule 135. For non-residential customers, PacifiCorp would extend this

¹ RCW 80.60.020(1)(a).

² RCW 80.60.020(3)(a).

one-year period for up to 6 months upon receiving an extension request from the customer. Customers who submit applications to interconnect after the effective date would be subject to Schedule 138 – Net Billing Service.

Customer generators on the Net Metering program would have legacy status and be able to stay on Net Metering for 25 years. The legacy status would apply to generator sites themselves, so that customers would be able to retain the value associated with Schedule 135 when selling their property to a new customer.

Also accompanying this filing is the testimony of Mr. Daniel J. MacNeil, that provides PacifiCorp's proposed methodology to calculate the export credit price for the Net Billing tariff. The calculation of the export credit price includes the following elements: 1) avoided energy cost; 2) integration cost; 3) clean energy premium; 4) avoided line losses; 5) avoided generation capacity, and 6) avoided transmission and distribution capacity.

PacifiCorp has designated certain information in its workpapers, which contain sensitive commercial information, as confidential under the provisions of WAC 480-07-160.

PacifiCorp respectfully requests that all data requests regarding this matter be addressed to: datarequest@pacificorp.com. Please direct informal questions to Ariel Son, Regulatory Affairs Manager, at ariel.son@pacificorp.com, or (971) 242-6299.

Sincerely,

/s/ Robert Meredith

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Enclosures

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NEW-PAC-KLE-1T-9-5-25.pdf

NEW-PAC-KLE-2-9-5-25.pdf

NEW-PAC-KLE-3-9-5-25.pdf

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