

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY,

Petitioner,

**To Approve Tariff Revisions Regarding
Schedule 150 for Net Energy Metering**

Docket UE-231031

**PUGET SOUND ENERGY’S
PETITION TO AMEND ORDER 01**

I. INTRODUCTION AND RELIEF REQUESTED

1. Pursuant to WAC 480-07-875(1), Puget Sound Energy (“PSE”) respectfully requests that the Washington Utilities Transportation Commission (the “Commission”) amend Order 01, Allowing Tariff to Go into Effect, Subject to Conditions, issued February 23, 2024 (“Order 01”)¹ to address conditions and requirements concerning PSE’s Net Energy Metering tariff Schedule 150 (“Revised Schedule 150”). Pursuant to WAC 480-07-870(1), changed conditions and good and sufficient cause warrant removal of Conditions 1 and 2 in Order 01 based on the Washington State Academy of Sciences’ (“WSAS”) forthcoming study on the value of Solar Energy.

2. Order 01 Conditions 1 and 2 state the following:

¹ *In the Matter of the Petition of Puget Sound Energy to Approve Tariff Revisions Regarding Schedule 150 for Net Energy Metering*, Docket UE-231031 (“Docket UE-231031”), Order 01 Allowing Tariff to Go Into Effect, Subject to Conditions, (Feb. 23, 2024) [*hereinafter* Docket UE-231031, Order 01].

(1) PSE [must] conduct a distributional equity analysis of the Schedule 150 tariff schedule using the framework developed in its distributional equity analysis pilot (as required by Condition 50 in UE-220066) and share the results of that study and PSE’s proposed next steps in a workshop with all interested persons no later than December 31, 2024, and

(2) PSE to invite to the above-mentioned workshop, at a minimum, members of its Conservation Resources Advisory Group, Equity Advisory Group, and Low-Income Advisory Committee.²

3. On March 29, 2024, the Legislature directed Washington State Department of Commerce (“Commerce”) to engage WSAS to conduct a study on the value of solar in net metering.³ By letter dated May 23, 2024, which is attached as Attachment A, WSAS stated that they will begin their study on July 1, 2024, and that equity considerations will be a part of that study. Given that this study will satisfy the obligations in Conditions 1 and 2, as discussed in more detail below, PSE respectfully requests that the Commission amend Order 01 to remove such conditions.

4. PSE has notified all parties in the underlying proceeding of PSE proposed amendments and to date, no party opposes the amendments. Given the changed conditions since the Commission entered Order 01 and that no party opposes PSE’s proposed amendments, PSE requests that the Commission grant the requested relief.

II. BACKGROUND FACTS

5. Chapter 80.60 RCW requires electric utilities to offer net metering to customers on a first-come, first-served basis until the cumulative capacity of such system equals 4 percent of each utilities’ peak demand.

² Docket UE-231031, Order 01, ¶ 29.

³ Operating Budget—2023-2025 Supplement, Engrossed Substitute Senate Bill 5950, Laws of 2024, ch. 376, § 45(a) [*hereinafter* Budget Proviso].

6. In compliance with chapter 80.60 RCW, PSE has been offering its Net Metering Services under Schedule 150, which describes the terms and conditions of those services. Currently, PSE’s approximate threshold is 179.2 MW and PSE exceeded this threshold in March 2024.

7. In anticipation of exceeding the 4 percent threshold, and to protect prospective customer-generators, PSE requested that the Commission approve revisions to Schedule 150 for the next two years.⁴ PSE stated that this would enable it to work with stakeholders to determine the best approach to net metering (including a tariff schedule that deviates from RCW 80.60.030);⁵ provide customers and the solar industry clarity as to what net metering services will be offered over the next two years, and advance PSE’s Clean Energy Implementation Plan (“CEIP”) goals by supporting installation of distributed solar energy.⁶

8. The Clean Energy Transformation Act (“CETA”) requires electric utilities to ensure an “equitable distribution of energy and nonenergy benefits and reductions of burdens to vulnerable populations and highly impacted communities.”⁷

9. In light of CETA’s goals, Commission Staff (“Staff”) expressed reservations with PSE’s Revised Schedule 150.⁸ Specifically, Staff did “not believe that PSE ha[d] provided adequate analysis to justify this [schedule] considering the Company’s obligations under CETA’s equity provisions.”⁹ Accordingly, Staff recommended allowing the Revised Schedule 150 to go into effect subject to two conditions: (1) PSE conduct a distributional equity analysis to

⁴ Docket UE-231031, *Advice No. 2023-60 Puget Sound Energy’s Electric Tariff Revision* (Dec. 20, 2023).

⁵ RCW 80.60.020 (3)(a)(ii)

⁶ *Id.*

⁷ RCW 19.405.010(6).

⁸ Docket UE-231031, Order 01, ¶ 8.

⁹ *Id.* ¶ 9.

be shared in a workshop prior to December 31, 2024; and (2) PSE invite members of its various advisory groups to the workshop.¹⁰

10. On February 22, 2024, the Commission heard comments from Staff and PSE at its regularly scheduled open meeting.¹¹ During this meeting, PSE noted that pending before the Legislature is a resolution in the form of a value of solar study (“VoS Study”), and that this study would likely address Staff’s concerns related to equity and cost.¹²

11. While the Commission ultimately agreed with Staff’s recommendation and proposed conditions, Commissioner Danner noted that it “behooves each of the Commissioners”¹³ to consider how the passage of the VoS Study would affect PSE’s distributional equity analysis.¹⁴ As Commissioner Danner stated, he “[does not] want to have a lot of duplication of work”¹⁵ or “have [PSE] be required to redo work because of methodologies that might be different,”¹⁶ and he wanted to “stress that any reasonable methodology is going to be informative.”¹⁷ Accordingly, the Commission approved PSE’s Revised Schedule 150 subject to the two conditions suggested by Staff, and both Staff and the Commission recognized that “if a value of solar study is passed and poses any difficulties with the conditions imposed by this Order, the Company could request amended conditions.”¹⁸

12. On March 29, 2024, the Legislature passed a budget proviso (the “Proviso”), which provided funding for Commerce to conduct a VoS Study.¹⁹ The Proviso provided

¹⁰ *Id.* ¶ 17.

¹¹ *Id.* ¶ 18.

¹² *Id.* ¶ 19.

¹³ Docket UE-231031, Statements of Comm’r Danner at 52:43,

<https://wutc.app.box.com/v/OpenMeetings/file/1453100015061> [*hereinafter* Danner Statements].

¹⁴ *Id.* at 52:46.

¹⁵ *Id.* at 52:59.

¹⁶ *Id.* at 53:06.

¹⁷ *Id.* at 53:10.

¹⁸ Docket UE-231031, Order 01, ¶ 20.

¹⁹ Budget Proviso at 1.

Commerce with \$500,000 “solely for the department to contract with the Washington state academy of sciences to conduct a study to determine the value of distributed solar and storage in Washington state.”²⁰ Under the Proviso, WSAS is required to “engage relevant stakeholders,” which includes “advocacy organizations involved with consumer advocacy, environmental justice, clean energy, climate change, labor unions, and federally recognized tribes.”²¹ The Proviso also requires that “[t]he Washington state academy of sciences shall submit an interim report to the department and the utilities and transportation commission by June 30, 2025.”²²

13. On May 23, 2024, in response to an inquiry from PSE, WSAS stated that “the Washington State Academy of Sciences’ (WSAS) study on the value of solar will not begin until July 1, but we can say that equity considerations will be part of it, although the specific workplan will not be developed until after the contract begins.”²³

14. If the Commission does not amend Order 01 to remove Conditions 1 and 2, PSE must conduct its distributional equitable analysis pilot by December 31, 2024, whereas per the Proviso, WSAS’ interim report is due June 30, 2025. The additional six months required for the statewide study will not create any material delay of other processes or decisions and will provide a more robust, statewide consideration of distributed solar values and equity.

III. DISCUSSION

15. Under WAC 480-07-875(1), the Commission may propose, or may act in response to a petition, to alter, amend, or rescind any order that the Commission has entered. Any such petition must comply with the requirements in WAC 480-07-870 for a petition for

²⁰ *Id.* at § 45(a).

²¹ *Id.*

²² *Id.*

²³ Attach. A.

rehearing. A petition for rehearing requires sufficient grounds supported by substantial evidence or an offer of proof consisting of the following:

- (a) Changed conditions since the commission entered the order;
- (b) Harm to the petitioner resulting from the order that the commission did not consider or anticipate when it entered the order;
- (c) An effect of the order that the commission or the petitioner did not contemplate or intend; or
- (d) Any good and sufficient cause that the commission did not consider or determine in the order.²⁴

16. In this instance, changed conditions and good and sufficient cause warrant amending Order 01 to remove Conditions 1 and 2 in light of the VoS Study, which will incorporate key stakeholders and evaluate equity issues related to solar distribution.²⁵ Therefore, WSAS's VoS Study will satisfy Conditions 1 and 2. Additionally, should Conditions 1 and 2 not be removed, PSE will suffer harm.

17. The Proviso, passed after Order 01, now requires Commerce to engage WSAS to conduct a statewide VoS Study, which must engage various stakeholders, and will consider equity.²⁶ Prior to its passage, the Commission expressed concern about whether the Proviso would pass, but noted that if the Proviso did pass, then it would likely satisfy PSE's obligations under Conditions 1 and 2.²⁷ Accordingly, there is no longer uncertainty about whether the Proviso will pass and the VoS Study is scheduled to begin in July 2024.

18. Because the VoS Study will incorporate equity and will engage with stakeholders regarding equity and environmental justice considerations, the VoS Study addresses Staff's and the Commission's concerns related to equity.²⁸ Similar to Conditions 1 and 2, the VoS Study will

²⁴ WAC 480-07-870.

²⁵ Budget Proviso § 45(a); Attachment A.

²⁶ Budget Proviso § 45(a); Attachment A.

²⁷ Docket UE-231031, Order 01, ¶ 24.

²⁸ Budget Proviso § 45(a); Attach. A; Docket UE-231031, Order 01, ¶ 24.

allow the Commission to “be better able to assess the impacts of the Net Energy Metering Tariff moving forward to ensure that Net Energy Metering is both equitable and results in rates that are fair, just, reasonable, and sufficient.”²⁹

19. At the time of Order 01, neither the parties nor the Commission knew with certainty that the Proviso would pass—which was one of the bases on which the Commission decided to include Conditions 1 and 2. Accordingly, changed conditions and good and sufficient cause warrant removing Conditions 1 and 2 in Order 01 to align with the legislatively directed VoS Study.

20. Should the Commission decline to amend Order 01, thereby keeping Conditions 1 and 2, PSE would suffer harm from an efficiency and consistency standpoint. To require PSE to comply with Conditions 1 and 2 as written, would obligate PSE to complete its distributional equity analysis pilot a mere six months prior to WSAS VoS Study. Should the study have different suggestions than what is in PSE’s pilot, the Commission would likely require PSE to align its pilot with the VoS Study. Moreover, it is likely that the VoS Study will be more robust, as it will include all utilities in Washington—not just PSE—and therefore will also likely have different results given a larger sample size. To require PSE to continue its distributional equity analysis pilot runs afoul of Commissioner Danner’s caution that PSE should not be required to conduct duplicative work or redo its work, and that a reasonable study—such as the VoS Study—would likely satisfy the Commission’s concerns.

IV. CONCLUSION

21. For the foregoing reasons, PSE respectfully request that the Commission grant PSE’s petition and remove Conditions 1 and 2 in Order 01.

²⁹ Docket UE-231031, Order 01, ¶ 24.

DATED this 12th day of June 2024

By: 

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