

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	DOCKET UE-231031
PUGET SOUND ENERGY,	ORDER 02
Petitioner,	
To Approve Tariff Revisions Regarding Schedule 150 for Net Energy Metering.	GRANTING PETITION TO AMEND ORDER 01 SUBJECT TO CONDITIONS

BACKGROUND

- 1 On December 20, 2023, Puget Sound Energy (PSE or Company) filed with the Utilities and Transportation Commission (Commission) an update to its Schedule 150 (Net Energy Metering) tariff. Schedule 150 implements a net metering program consistent with Chapter 80.60 RCW Net Metering of Electricity.
- 2 On April 3, 1998, Governor Gary Locke signed into law Washington’s Net Energy Metering policy, which initially required electric utilities to offer net metering to customers on a first-come, first-served basis until the cumulative capacity of such systems equals 0.1 percent of each utility’s peak demand during 1996. Since 1998, the statutory threshold has been amended twice, once in 2006 and again in 2019. The 2019 amendment raised the statutory threshold to 4 percent.
- 3 In 2019, the Legislature enacted the Clean Energy Transformation Act (CETA), requiring electric utilities to ensure an “equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities.”¹
- 4 PSE filed its initial 2021 Clean Energy Implementation Plan (CEIP) on December 17, 2021, which included the Company’s plan to file a successor to its net metering tariff in early 2024.²

¹ RCW 19.405.040(8)

² Docket UE-210795, Corrected 2021 Clean Energy Implementation Plan at 168 (Feb. 1, 2022).

5 The Company filed its 2023 Biennial CEIP Update on November 1, 2023, and expressed
its plan to continue offering its net metering program after the cumulative generation on
the Company’s system surpassed the 4 percent threshold in statute.

6 On December 20, 2023, PSE filed an update to its net metering program tariff proposing
to continue offering this service until at least December 31, 2025, even after it passes the
4 percent threshold in statute.

7 On February 23, 2024, PSE’s Petition was granted in this Docket, subject to two
conditions:

- (1) PSE 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 invite to the above-mentioned workshop, at a minimum, members of its
Conservation Resources Advisory Group, Equity Advisory Group, and Low-
Income Advisory Committee.³

8 On June 12, 2024, the Company filed a petition to amend Order 01, to remove both
conditions of approval. The Company argues that this is warranted because on March 29
the legislature approved funding for an Interim Report from the Washington State
Academy of Sciences (WSAS) on the value of distributed solar and storage, and the
WSAS confirmed to PSE that “equity considerations will be a part of that study.”⁴

9 Commission Staff (Staff) has expressed concern over three issues. First, the budget
proviso does not fund a full value of solar study, and the contents of the Interim Report
are unclear. Second, Staff expressed concern that if this petition is approved without
conditions, that the soonest PSE would likely have an equitable successor tariff, if
needed, is 2029. Finally, Staff noted that the Company appears to take for granted that the
WSAS Interim Report will be a suitable substitute for a utility program-specific
distributional equity analysis.

³ Docket UE-231031, Order 01 at ¶ 29 (Feb. 23, 2024).

⁴ *Puget Sound Energy’s Petition to Amend Order 01*, June 12, 2024, Docket UE-231031.

10 If those concerns are addressed, Staff believes approving the petition to remove the two conditions is warranted and in the public interest. In the absence of a completed, final statewide value of solar study, including recommendations for distributional equity within PSE's territory, or additional legislative directives, Staff recommends adjusting the language in the conditions to read as follows:

1. (Remove Condition 1) PSE 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. (Remove Condition 2) PSE invite to the above-mentioned workshop, at a minimum, members of its Conservation Resources Advisory Group, Equity Advisory Group, and Low-Income Advisory Committee.
3. (Add Condition) PSE will file Washington State Academy of Sciences expected Interim Report (due June 30, 2025) in this docket.
4. (Add Condition) As informed by the findings in the Washington State Academy of Sciences expected Interim Report (to be submitted with the Commission June 30, 2025), PSE must conduct a territory-specific distributional equity analysis on its net metering program (Schedule 150) and file it in this docket. PSE must complete at least the first four (4) steps, as described in Figure 1. Key Stages in Distributional Equity Analysis Framework (or Framework), from the U.S. Department of Energy's "Distributional Equity Analysis for Energy Efficiency and Other Distributed Energy Resources: A Practical Guide" no later than December 31, 2025.
5. (Add Condition) At a minimum, PSE will invite members of its Conservation Resources Advisory Group, Equity Advisory Group, and Low-Income Advisory Committee to be part of its "Community and Stakeholder Involvement," as described in the Framework.

11 On September 26, 2024, this matter came before the Commission at its regularly scheduled open meeting.

DISCUSSION

- 12 Per WAC 480-07-875(1), the Commission may act in response to a petition to amend any order that the Commission has entered. Such petitions must meet the requirements set in WAC 480-07-870 (covering petitions for rehearing). Two circumstances which meet this requirement include “changed conditions since the Commission entered the order; . . . or [a]n effect of the order that the Commission or the petitioner did not contemplate or intend.”
- 13 Here, the passage of the budget proviso to provide funding for Commerce to conduct a Value of Solar study, constitutes a change in circumstances. Without modification of the conditions, there is an appreciable risk of a duplication of work. Therefore, the Commission agrees with PSE and Staff that a change is warranted.
- 14 However, we find merit in Staff’s stated concerns, and believe the Company’s Petition should be approved, subject to the recommended conditions contained in paragraph 10 of this Order. In our view, these changed conditions will adequately account for the changes in circumstances.
- 15 With the conditions described above, we find that the amendment of Order 01 would result in fair, just, reasonable, and sufficient rates.

FINDINGS AND CONCLUSIONS

- 16 (1) The Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, regulations, practices, accounts, and affiliated interests of public service companies, including water companies.
- 17 (2) PSE is engaged in the business of providing electric services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 18 (3) This matter came before the Commission at its regularly scheduled meeting on September 26, 2024.
- 19 (4) After review of the Petition filed in Docket UE-231031 by PSE on June 12, 2024, and giving due consideration, the Commission finds that the Petition should be granted, and the conditions altered. The conditions set in paragraph 29 of Order 01 should be amended as follows:

- ~~(1) PSE 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 invite to the above mentioned workshop, at a minimum, members of its Conservation Resources Advisory Group, Equity Advisory Group, and Low Income Advisory Committee.~~
- (1) PSE will file Washington State Academy of Sciences expected Interim Report (due June 30, 2025) in this docket.
- (2) As informed by the findings in the Washington State Academy of Sciences expected Interim Report (to be submitted with the Commission June 30, 2025), PSE must conduct a territory-specific distributional equity analysis on its net metering program (Schedule 150) and file it in this docket. PSE must complete at least the first four (4) steps, as described in Figure 1. Key Stages in Distributional Equity Analysis Framework (or Framework), from the U.S. Department of Energy's "Distributional Equity Analysis for Energy Efficiency and Other Distributed Energy Resources: A Practical Guide" no later than December 31, 2025.
- (3) At a minimum, PSE will invite members of its Conservation Resources Advisory Group, Equity Advisory Group, and Low-Income Advisory Committee to be part of its "Community and Stakeholder Involvement," as described in the Framework.

ORDER

THE COMMISSION ORDERS:

- 20 (1) Order 01 of this docket shall be amended such that the conditions contained in paragraph 29 of that order are revised, consistent with the changes noted above in paragraph 19. The tariff revisions filed by Puget Sound Energy filed December 20, 2023, as revised on January 18, 2024, subject to the amended conditions noted in paragraph 29 of Order 01, are fair, just, reasonable, and sufficient.

- 21 (2) The Commission authorizes the Commission Secretary to accept by letter a filing that complies with the requirements of this Order.
- 22 (3) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective September 27, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner