

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PUGET SOUND ENERGY

Clean Energy Implementation Plan  
Pursuant to WAC 480-100-640

DOCKET UE-210795

ORDER 06

APPROVING PROPOSED  
BUDGETS AND FUND GRANTS IN  
PART; REJECTING IN PART

**BACKGROUND**

- 1 On December 17, 2021, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) its Final Clean Energy Implementation Plan (CEIP) in Docket UE-210795.
- 2 On May 9, 2022, the Commission convened a virtual prehearing conference before Administrative Law Judge Michael Howard.
- 3 On June 1, 2022, the Commission entered Order 04, Prehearing Conference Order and Notice of Hearing (Order 04). The Commission granted petitions to intervene from The Energy Project (TEP), NW Energy Coalition (NVEC), and Front and Centered, among others, and noticed an evidentiary hearing for January 31, 2023, at 9:30 a.m., continuing if needed to February 1, 2023. In the event that any parties sought intervenor funding, the Commission required that any requests for case certification and notices of intent to seek funding be filed by June 3, 2022. The Commission required that any proposed budgets be filed by June 22, 2022.
- 4 On June 16, 2022, the Commission entered Order 05, Granting Requests for Case Certification (Order 05). The Commission granted case-certified status to TEP, NVEC, and Front and Centered. The Commission also found that each of these organizations properly filed a notice of intent to seek funding.
- 5 By June 22, 2022, each of the three case-certified parties filed Proposed Budgets and Requests for Fund Grants. The details of the parties' requests are discussed in detail below.

DISCUSSION

- 6 Pursuant to RCW 80.28.430, utilities must 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.<sup>1</sup>
- 7 On November 19, 2021, the Commission issued a Policy Statement on Participatory Funding for Regulatory Proceedings (Policy Statement).<sup>2</sup> The Commission provided “high-level guidance regarding the amount of financial assistance that may be provided to organizations, the manner in which it is distributed to participants and recovered in the rates of gas or electrical companies, and other matters necessary to administer agreements.”<sup>3</sup> The Commission indicated that the Policy Statement was an evolving document, saying “as we implement the first round of funding arrangements, we look forward to what we expect will be many lessons learned. These lessons will inform future iterations of Washington’s participatory funding program, including the possibility of a rulemaking to codify best practices into Commission rules.”<sup>4</sup>
- 8 On February 24, 2022, the Commission issued Order 01, Approving Agreement with Modifications (Order 01).<sup>5</sup> The Commission approved the Interim Agreement filed by the parties on February 14, 2022, subject to certain modifications, and adopted the Interim Agreement as Appendix A to the Order. Among other points, the Commission clarified that it is not bound by the timeframes set forth in the Interim Agreement.<sup>6</sup>
- 9 In relevant part, Interim Agreement requires that Proposed Budgets include a statement of the work to be performed, a description of the general areas to be investigated, an identification of the specific sub-fund at issue, and a budget showing any estimated

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<sup>1</sup> RCW 80.28.430(2).

<sup>2</sup> *In the Matter of the Commission’s Examination of Participatory Funding Provisions for Regulatory Proceedings*, Docket U-210595 (November 19, 2021).

<sup>3</sup> *Id.* ¶ 3.

<sup>4</sup> *Id.* ¶ 17.

<sup>5</sup> *In the Matter of the Petition of Puget Sound Energy, et al.*, Docket U-210595 Order 01 (February 24, 2022).

<sup>6</sup> *Id.*

attorney fees or consultant fees.<sup>7</sup> If the Commission receives one or more Proposed Budgets, it will “determine the amount, if any, of Fund Grants that will be made available . . .”<sup>8</sup> The Commission may make this determination based on the following factors:

- (a) the breadth and complexity of the issues;
- (b) the significance of any policy issues;
- (c) the procedural schedule;
- (d) the dollar magnitude of the issues at stake;
- (e) the participation of other parties that adequately represent the interests of customers;
- (f) the amount of funds being provided by the applicant intervenor, if any;
- (g) the qualifications of the party and experience before the Commission;
- (h) the level of available funds in the Fund account or accounts involved;
- (i) other Eligible Proceedings for Funds in which stakeholders may seek additional Fund Grants from the same Sub-Fund; or
- (j) any other factors the Commission deems relevant.”<sup>9</sup>

*10* The Commission may reject, in whole or in part, a request for Fund Grant based on these factors.<sup>10</sup> The Commission may place reasonable conditions on Fund Grants, and it may amend Fund Grants on a prospective basis.<sup>11</sup>

*11* In this case, each of the three case-certified parties filed Proposed Budgets. TEP and NWECA request a total of \$25,000 from the \$35,000 remaining in PSE’s Customer Representation Sub-Fund. Front and Centered requests \$60,000, which exceeds the

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<sup>7</sup> Interim Agreement § 6.5.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

\$40,000 remaining in PSE's Prioritized Organizations Sub-Fund.<sup>12</sup> We address each Proposed Budget in turn, considering them in light of the content requirements set forth in Section 6.3 and the various factors set forth in Section 6.5 of the Interim Agreement.

- 12 **TEP.** On June 21, 2022, TEP filed a Proposed Budget. TEP requested a Fund Grant pursuant to the Interim Agreement to partially offset the costs of its participation. TEP noted that it may investigate all matters that have an impact on low-income customers. Matters of interest to TEP include Customer Benefit Indicators (CBIs) and metrics addressing reduction of costs and burdens, energy security, risk reduction, resilience, and energy benefits, as well as PSE distributed energy program proposals. TEP requests a total award of \$10,000 from PSE's Customer Representation Sub-Fund. This was based on estimated consultant/expert witness fees of \$5,000 and attorney fees of \$5,000.
- 13 After considering the various factors set forth in Section 6.5 of the Interim Agreement, we approve TEP's Proposed Budget in part and reject it in part. We reduce TEP's request by \$2,000 and award the organization a total Fund Grant of \$8,000.
- 14 Several Section 6.5 factors weigh in favor of TEP's request. We observe that TEP is contributing from its own funds in order to participate, and TEP's Fund Grant only seeks to partially offset these costs. TEP is an "incumbent" organization with a history of appearing before the Commission,<sup>13</sup> and it seeks to investigate a number of issues in this proceeding.
- 15 We observe, however, that the total requests presented to the Commission in this proceeding would exceed the remaining funds available in PSE's Consumer Access Fund. In light of the limited funds available, we reduce TEP's request by \$2,000.
- 16 The Commission therefore approves a total Fund Grant of \$8,000 for TEP in this proceeding.

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<sup>12</sup> In PSE's pending general rate case, in consolidated Dockets UE-220066 *et al.*, the Commission approved budgets totaling \$165,000 in funding from the Company's Customer Representation Sub-Fund and \$60,000 from the Company's Prioritized Organizations Sub-Fund. The Commission approved proposed budgets from the same parties at issue in this Order, specifically TEP, NWEC, and Front and Centered. *See WUTC v. Puget Sound Energy*, Dockets UE-220066 *et al.* Order 16/02 (March 26, 2022).

<sup>13</sup> Policy Statement ¶ 18.

- 17 **NWEC.** On June 21, 2022, NWEC filed a Proposed Budget. NWEC requested a Fund Grant of \$15,000 from the Customer Representation Sub-Fund to partially offset the costs of NWEC staff's participation in this proceeding.<sup>14</sup> NWEC does not request reimbursement for expert witnesses or attorney fees. NWEC plans to investigate PSE's compliance with Washington's clean energy and equity laws and policies, and issues related to PSE's clean energy targets and associated analysis, customer-side resources, distribution system investment, energy efficiency assistance, and issues surrounding the equitable distribution of benefits.
- 18 We approve NWEC's Proposed Budget in part and reject it in part. Much like TEP, several factors weigh in favor of the reasonableness of NWEC's Proposed Budget. NWEC only requests a portion of its costs for participating in this proceeding. NWEC has a history of appearing before the Commission, and it intends to investigate a number of complex issues in this proceeding, such as PSE's compliance with climate and clean energy laws. We also observe that NWEC proposes a conservative hourly rate for its staff time, with each of the proposed hourly rates for its staff falling under \$50 an hour.
- 19 Yet we observe that the total requests presented to the Commission in this proceeding would exceed the remaining funds available in PSE's Consumer Access Fund. In light of the limited funds available and the relatively greater amount requested by NWEC, we reduce NWEC's request by \$3,000.
- 20 The Commission therefore approves a Fund Grant for NWEC in the amount of \$12,000 for this proceeding.
- 21 **Front and Centered.** On June 21, 2022, Front and Centered filed a Proposed Budget, requesting a Fund Grant of \$60,000 from the Prioritized Organization Sub-Fund to partially offset the costs of its participation. This request is comprised of \$45,000 for expert consultants and witnesses and \$15,000 for staff time. Front and Centered does not request any fees for outside counsel. Front and Centered intends to investigate various issues in this proceeding, including energy equity, CBIs, metrics, and the equitable design of distributed energy resources (DERs).
- 22 We grant Front and Centered's Proposed Budget in part and reject it in part. The various factors set forth in Section 6.5 of the Interim Agreement generally weigh in favor of the organization's request. First, we observe that much like TEP and, NWEC, Front and Centered only requests a portion of its costs. Front and Centered does not request any fees

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<sup>14</sup> Although NWEC's Exhibit A refers to a total amount of \$15,020, NWEC requests a total amount of \$15,000.

for outside counsel, several experts are being retained at reduced rates, and the organization's proposed budget does not represent the full costs of its participation. While it is not necessary for an organization to limit its request in such a manner, this indicates that the organization plans to contribute its own funds towards participating.<sup>15</sup> This is a relevant factor for the Commission to consider.

23 Second, the Commission has not placed any conditions or limitations on Front and Centered's participation, and the organization intends to investigate a number of issues in this proceeding.

24 Third, we recognized in Order 05 that Front and Centered represents vulnerable populations and highly impacted communities.<sup>16</sup> Organizations representing such communities must be prioritized for intervenor funding.<sup>17</sup> This factor weighs in favor of awarding the limited, remaining funds in PSE's Consumer Access Fund to an organization such as Front and Centered, which represents these named communities.

25 However, there are limited funds remaining in PSE's Consumer Access Fund. Because the Commission is not increasing these budget caps at this time, the Commission finds it necessary to reduce Front and Centered's Proposed Budget by \$5,000 and to award the organization a total Fund Grant of \$55,000. A portion of Front and Centered's funding may be drawn from the Customer Representation Sub-Fund because the Prioritized Organization Sub-Fund has been fully allocated.<sup>18</sup>

26 The Commission therefore finds it appropriate to award Front and Centered a Fund Grant in the amount of \$55,000.

27 This is the second Eligible Proceeding where parties have requested Fund Grants from PSE's Consumer Access Fund. Parties and stakeholders should be aware that, as a result of this Order, the total \$300,000 provided in PSE's Consumer Access Fund has been fully allocated.

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<sup>15</sup> See Interim Agreement § 6.5(f) ("the amount of funds being provided by the applicant intervenor, if any").

<sup>16</sup> *WUTC v. Puget Sound Energy*, Dockets UE-220066 & UG-220067, Order 07 ¶ 6 (March 22, 2022).

<sup>17</sup> RCW 80.28.430(4).

<sup>18</sup> Interim Agreement § 4.2.2 ("Only Prioritized Organizations may request funding above the Annual Fund Amount in the Prioritized Organizations Sub-Fund upon a demonstration that the Annual Fund Amount has been fully utilized and additional funds are necessary to ensure a Prioritized Organization's full participation in an Eligible Proceeding.").

28 Finally, we remind all parties that neither case-certification nor approval of a Proposed  
Budget for a Fund Grant is a guarantee of reimbursement. We may determine that a  
party's request for reimbursement should be denied in part or in whole. The amount of  
funding in each Consumer Access Fund is limited, and it may be required for more than  
one Eligible Proceeding. These funds are also sourced from ratepayers, many of whom are  
faced with their own economic challenges. Thus, we expect all requests for reimbursement  
to contain great detail, including receipts, invoices, and any other documentation of costs  
for which recovery is requested. All requests must also include references to eligibility for  
expenses and any relevant portions of the Interim Agreement. To incentivize appropriate  
use and equitable distribution of Fund Grants, we will also carefully evaluate how  
recovered costs should be allocated to customers. For example, we will consider whether  
each case-certified party's recovered costs should be allocated towards a specific customer  
class, a select group of classes, or across the entirety of customers.

ORDER

29 THE COMMISSION ORDERS:

- 30 (1) The Energy Projects' Proposed Budget and Fund Grant is APPROVED IN PART  
AND REJECTED IN PART, in the amount of \$8,000.
- 31 (2) The NW Energy Coalition's Proposed Budget and Fund Grant is APPROVED IN  
PART AND REJECTED IN PART, in the amount of \$12,000.
- 32 (3) Front and Centered's Proposed Budget and Fund Grant is APPROVED IN PART  
AND REJECTED IN PART, in the amount of \$55,000.

Dated at Lacey, Washington, and effective July 15, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

*/s/ Michael Howard*  
MICHAEL HOWARD  
Administrative Law Judge

**NOTICE TO PARTIES: This is an Interlocutory Order of the Commission.  
Administrative review may be available through a petition for review, filed within  
10 days of the service of this Order pursuant to WAC 480-07-810.**