

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	DOCKETS UE-230482
PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY, Complainant,	ORDER 06
Petitioner,	APPROVING PROPOSED BUDGET AND FUND GRANT
2022 Power Cost Adjustment Mechanism Annual Report	

BACKGROUND

- 1 On June 15, 2023, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company), filed a Petition to Extend the Amortization of the Power Cost Adjustment Mechanism (PCAM) Surcharge (Petition).¹ This filing was made pursuant to a previous order of the Washington Utilities and Transportation Commission (Commission) in Docket UE-140762, Order 09.²
- 2 On January 9, 2024, the Commission convened a virtual prehearing conference before Administrative Law Judge James E. Brown II. On January 23, 2024, the Commission entered Order 03, Prehearing Conference Order and Notice of Hearing. The Commission granted the petition to intervene from the Alliance of Western Energy Consumer (AWEC) and noticed an evidentiary hearing for June 4, 2024, at 9:00 a.m.
- 3 On May 3, 2024, the Commission entered Order 05, Granting Requests for Case Certification (Order 05). The Commission granted case-certified status to AWEC. The Commission also found that this organization properly filed a notice of intent to seek funding.

¹ *In the Matter of the Petition of PacifiCorp d/b/a Pacific Power & Light Company, 2022 Power Cost Adjustment Mechanism Annual Report, Docket 230482, Petition to Extend the Amortization of the Power Cost Adjustment Mechanism (PCAM) Surcharge (June 15, 2023).*

² *Wash. Utils & Transp. Comm'n v. Pac. Power & Light Co., Dockets 140762, 140617 & 131384, Order 09, 7, ¶ 18 (May 26, 2015).*

4 By February 14, 2024, the case-certified party, AWEC, filed its Proposed Budget and Request for Fund Grant. The details of AWEC’s request is discussed in detail below.

DISCUSSION

5 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.³

6 On November 19, 2021, the Commission issued a Policy Statement on Participatory Funding for Regulatory Proceedings (Policy Statement).⁴ 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.”⁵ 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.”⁶

7 On February 24, 2022, the Commission issued Order 01, Approving Agreement with Modifications (Order 01).⁷ 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.⁸

³ RCW 80.28.430(2).

⁴ *In the Matter of the Commission’s Examination of Participatory Funding Provisions for Regulatory Proceedings*, Docket U-210595 (November 19, 2021).

⁵ *Id.* ¶ 3.

⁶ *Id.* ¶ 17.

⁷ *In the Matter of the Petition of Puget Sound Energy, et al.*, Docket U-210595 Order 01 (February 24, 2022).

⁸ *Id.*

8 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 attorney fees or consultant fees.⁹ If the Commission receives one or more Proposed Budgets, it will “determine the amount, if any, of Fund Grants that will be made available . . .”¹⁰ 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.”¹¹

9 The Commission may reject, in whole or in part, a request for Fund Grant based on these factors.¹² The Commission may place reasonable conditions on Fund Grants, and it may amend Fund Grants on a prospective basis.¹³

10 In this case, the case-certified party filed a Proposed Budget. According to Section 4.2 of the Interim Agreement provides that PacifiCorp has a Customer Representation Sub-Fund of \$200,000. AWEC has requested \$30,000 of Fund Grants under the Customer Representation Sub-Fund. The total requested funding from the case-certified represents a small portion of the funding available in PacifiCorp’s Customer Representation Sub-Fund. We address the Proposed Budget in turn, considering it in light of the content

⁹ Interim Agreement § 6.5.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

requirements set forth in Section 6.3 and the various factors set forth in Section 6.5 of the Interim Agreement.

- 11 **AWEC.** On February 14, 2024, AWEC filed a Proposed Budget, requesting a Fund Grant of \$30,000 from the PacifiCorp’s Customer Representation Sub-Fund to partially offset the costs of its participation. AWEC provides that the \$30,000 will be used towards attorney fees, help with preparing material for discovery in this proceeding, submit expert witness testimony and briefs, and attend all workshops, settlement conferences, public meetings, oral presentations, and hearings. AWEC intends to investigate various issues in this proceeding, including each economic and policy aspect of PacifiCorp’s case filing, and general issues such as hedging strategy and the prudence of PacifiCorp’s 2022 net power costs.
- 12 We approve AWECs Proposed Budget. 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 AWEC only requests a portion of its costs. AWEC indicates that the organization plans to contribute its own funds towards participating, which according to PacifiCorp’s proposed budget is expected to contribute approximately \$20,000 of its own funds, and also expects this budget will exceed significantly.¹⁴
- 13 The Commission therefore finds it appropriate to award AWEC a Fund Grant in the amount of \$30,000.
- 14 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

¹⁴ See Interim Agreement § 6.5(f) (“the amount of funds being provided by the applicant intervenor, if any”).

towards a specific customer class, a select group of classes, or across the entirety of customers.

ORDER

THE COMMISSION ORDERS:

- 27 (1) The Alliance of Western Energy Consumers' Proposed Budget and Fund Grant is APPROVED, in the amount of \$30,000.

Dated at Lacey, Washington, and effective May 3, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ James E. Brown II
JAMES E. BROWN II
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.