

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Complainant,

v.

PACIFICORP dba
PACIFIC POWER & LIGHT COMPANY

Respondent.

DOCKET NOS. UE-230172 AND UE-210852
(Consolidated)

**EXHIBIT CT-3
SPARK NORTHWEST REPORT
ON BEHALF OF
NW ENERGY COALITION**

September 14, 2023



Listening Series: Future of Net Metering in Washington

Report on Session #1
July 12, 2023

Background

Based on conversations with stakeholders from state agencies, industry groups, utilities, and nonprofit advocates, Spark Northwest convened a listening session on June 26, 2023, to discuss the future of net metering policy in Washington.

Agenda

- Introduction (10 minutes)
- Four questions answered via Google Jamboard slides and orally (10-15 minutes each)
- Roundtable to discuss observations (30 minutes)
- Wrap-up (10 minutes)

Representative answers to participant questions

Quoted and italicized comments have been pulled from Jamboard slides, broken into categories, and lightly edited (for grammar and punctuation only). The full slides with all comments are copied in Appendix 2 at the end of this document.

Criteria for comment inclusion in these lists were:

- The comment addresses the question, and
- The comment is unique and not duplicative of another comment already listed.

QUESTION 1: What brings you here today?

Climate: Multiple participants wanted to address the climate crisis.

"I want to empower everyone to participate in slowing down and mitigating the effects of climate change"

Equity: Multiple participants wanted policy that makes the clean energy transition equitable.

"I want to help ensure that the transition to a clean energy future is equitable and just"

"Access to solar sits at the overlap between advancing the clean energy transition and an equitable energy system"





Customers: Customer choice and energy affordability were both priority items, despite differing opinions on how to achieve these goals implied in answers to subsequent questions.

"Maintain and increase energy affordability, especially as we electrify additional end uses."

"Offering customers choices in how to meet their energy needs"

Resilience: One participant was especially interested in making the energy system more resilient.

"A more resilient energy system is a mix of industrial and distributed solar. It also brings people in to see themselves as part of the climate solution."

Listening and learning: Participants expressed the desire to listen and learn from one another.

"Want to hear all the ideas from all viewpoints"

Policymaking: Participants arrived with a variety of goals for the policymaking process.

"In addition to climate goals in general, the state's decarbonization and CETA goals necessitate the uptake of solar at an increasing rate."

"A policy solution that is sustainable over the long term that incents and helps us get solar on as many roofs as possible without having to come back to the legislature repeatedly."

"I want to eventually find a solution that everyone can support"

Federal investment: Participants expressed the desire to leverage federal funds.

"I'd like to see Washington State get as much out of the IRA as possible"

Alternative options: One participant was interested in exploring alternative or supplemental incentives to NEM.

"Exploration of other incentives (CCA, cash rebates, etc...)"

General solar expansion: Multiple participants wanted to help ensure that use of solar energy continues to grow.

"Incentivizing additional solar growth in my community"

"Concern for the viability of clean energy build out without NEM"





QUESTION 2: Why does net metering matter to you, your organization, or your community?

Climate: Participants emphasized that solar is an important component of addressing the climate crisis. Some participants also noted that distributed solar allows Washingtonians to directly engage in climate solutions.

“Leveraging solar as an important solution to our climate change challenges.”

“NEM is a tool for Washingtonians to see health and economic benefit while participating in climate change mitigation”

Tribal sovereignty: Participants expressed the importance of net metering policy that allows Tribes to achieve energy sovereignty goals.

“Matters to Tribes re: energy sovereignty! Must be sure to consult with Tribes”

Resilience: One participant emphasized their utility’s directive to support customer-side solar.

“Our IRP directs us to lean into customer solar as we plan for longer, hotter, drier, smokier summers when demand is high (and getting higher due to electrification)”

Equity: Participants expressed a variety of opinions on how net metering policy can influence (in)equity in the energy system.

“Supporting an equitable energy transition for a broader # of community members”

“Eliminating cost shifting”

“Promoting the accessibility of the benefits of solar energy for everyone.”

“Net metering makes solar more financially beneficial to communities that are new to solar and have not previously had access”

Business: Multiple participants expressed their desire to support Washington’s solar industry.

“Want to support solar economy in WA”

“Keeping solar industry business viable”

Jobs: Participants spoke of net metering as a tool for supporting jobs

“Jobs... this is a great entry point to the electrical trades”

Siting: Participants noted the value of rooftop solar in reducing solar buildout on natural lands

“We want to see Washington building solar in the built environment before we utilize undeveloped land, habitat, and sightlines.”





Customers: Multiple participants described concerns for their customers as important factors in their goals for net metering policy.

"Solar is critical to our mission of delivering clean energy to all of our customers. Net metering plays a key role in that, allowing for solar adoption in alignment with our goals"

"Want to make sure solar doesn't inappropriately burden non-participating customers"

"Protecting customer choice without negatively impacting non-solar customers."

"Without NEM small distributed solar will be financially out of reach for most Washingtonians"

"Support customers pursuing onsite solar"

QUESTION 3: What impact will inaction on net metering have on you, your organization, or your community?

Impact to Tribes

"Lack of residential rooftop solar = possibly forcing unwanted solar onto tribal lands"

Impacts to homeowners who could access rooftop solar under current policy

"Homeowners will lose a financially viable way to personally create solutions for the energy and climate crisis"

"Confusion for customers on how, when, and why to adopt solar for their homes"

"It will push solar shoppers to either inaction or adding batteries"

Possible impacts to utility programs and customer benefits

"As a utility, we will continue to offer programs to provide services for customers, including rooftop solar, even if no policy changes are enacted"

Possible consumer protection consequences

"Already seeing incorrect messaging from companies to consumers, which will result in a chaotic falling apart of the industry, and lots of hurt customers."

Possible impacts to rooftop solar industry

"Inaction on NEM will result in a 23+ year ROI for solar, the largest portfolio in my company's book of business. I will have to lay off apprentices, staff, and rebuild."





"As utilities hit their caps, each utility will develop its own plans and policies for rooftop solar rates, resulting in a lack of statewide cohesion and a maze of policies for solar installers"

Possible impacts to marginalized communities

"Our community will be left behind without additional financial tools"

"Loss in family wage community jobs"

Possible impacts to grid structure

"Resource scarcity amidst load growth"

"It will force all solar to end up in large, centralized utility scale projects"

QUESTION 4: What aspect of Net Metering policy are you most concerned about? Why?

Impacts to customers who cannot or choose not to adopt distributed solar: Participants spoke to the importance of fully understanding how and where cost shifting could exist and addressing any cost shifting in a way that is equitable and amenable to rooftop solar.

"Ensuring that nonparticipating customers, particularly low-income customers, who can't access solar aren't subsidizing system costs for NEM customers."

"Using cost shift as a reason for changing net metering without unbiased study from wide stakeholder base"

"If a cost shift exists, make a fix that's both equitable and incentivizes rooftop solar"

Rate design: One participant spoke to specific concerns around ratemaking related to net metering.

"Need for fair, equitable, consistent values/guidance on successors to current NEM (RCW 80.60.030). Also have concerns w/ ratemaking being done through legislation."

Consumer protection: Details were not provided, but many participants wanted to see consumer protection prioritized.

"Consumer protection"

Marginalized communities and customers: Participants raised concerns around both siting and accessibility of solar as relevant to marginalized communities, with rural and Native communities specifically named.

"Continued emphasis on ensuring rooftop solar availability to low-income participants"

"Carveouts for low-income households, because low-income families have been left out"





“Cost-shift on low-income consumers”

“Installing solar in the built environment, rather than breaking new ground for projects especially in rural or Indigenous lands, shifting the burden to rural and/or native communities” (cross-listed above under Siting)

Energy storage: Participants wanted to ensure that energy storage is appropriately addressed in net metering policy.

“Net metering in perpetuity as it stands now will disincentivize pairing with battery storage to maximize solar to meet capacity demands”

“Combining/confusing a policy for storage that hampers the continuation of solar uptake”

Value of solar: One participant noted the importance of fair Value of Solar calculations.

“How value of solar is calculated, because that’s critical to making NEM fair for everyone”

Customer-generators: Participants wanted to ensure that customer-generators receive fair compensation for excess energy they produce

“Consistent and predictable rules that ensure opportunities for all, especially for low- and middle-income folks.”

“Utilities [could] get the benefit of solar rooftop without compensating rooftop producers.”

“The cap of individual projects may be too big for utilities to keep up with expanding the grid”

“Net metering should enable all clients to offset their load with solar. Most commercial and industrial customers cannot because the limit is too low.”

Notes from roundtable discussion

Points of agreement

Many or most participants wanted the future of net metering in Washington to include the following:

- Long-term solutions that reduce or eliminate recurring conflict and debates in future legislative sessions
- Consumer protection measures
- Benefits to low-income and marginalized communities
- Protection from rate increases
- Opportunities for leveraging federal funds





Points requiring further discussion

- Prevalence and effects of cost-shifting
- Grid and customer benefits of distributed solar
- Alternatives to retail-rate net metering
- Specific provisions for future legislation

Participant feedback

Participants appreciated the mutual goodwill between parties and the opportunity to have an open discussion with diverse stakeholders included. Participants requested a follow-up session to discuss specific policy options.

Importance of including Tribes in future sessions and related work

One participant voiced the importance of ensuring that Tribes are included in future conversations. Several participants expressed a strong desire to include and collaborate with Tribes on net metering policy.

Next session

A second session will be held in early- to mid-August.

As requested, the second session will be focused on specific policy options. The session will begin with a quick review of findings from the first session, followed by an overview of points requiring further discussion and potential policy options, with plenty of time to comment and discuss.

To help set the agenda for the second session, please reply to the following questions in an email to John Seng (contact info below) by July 31st:

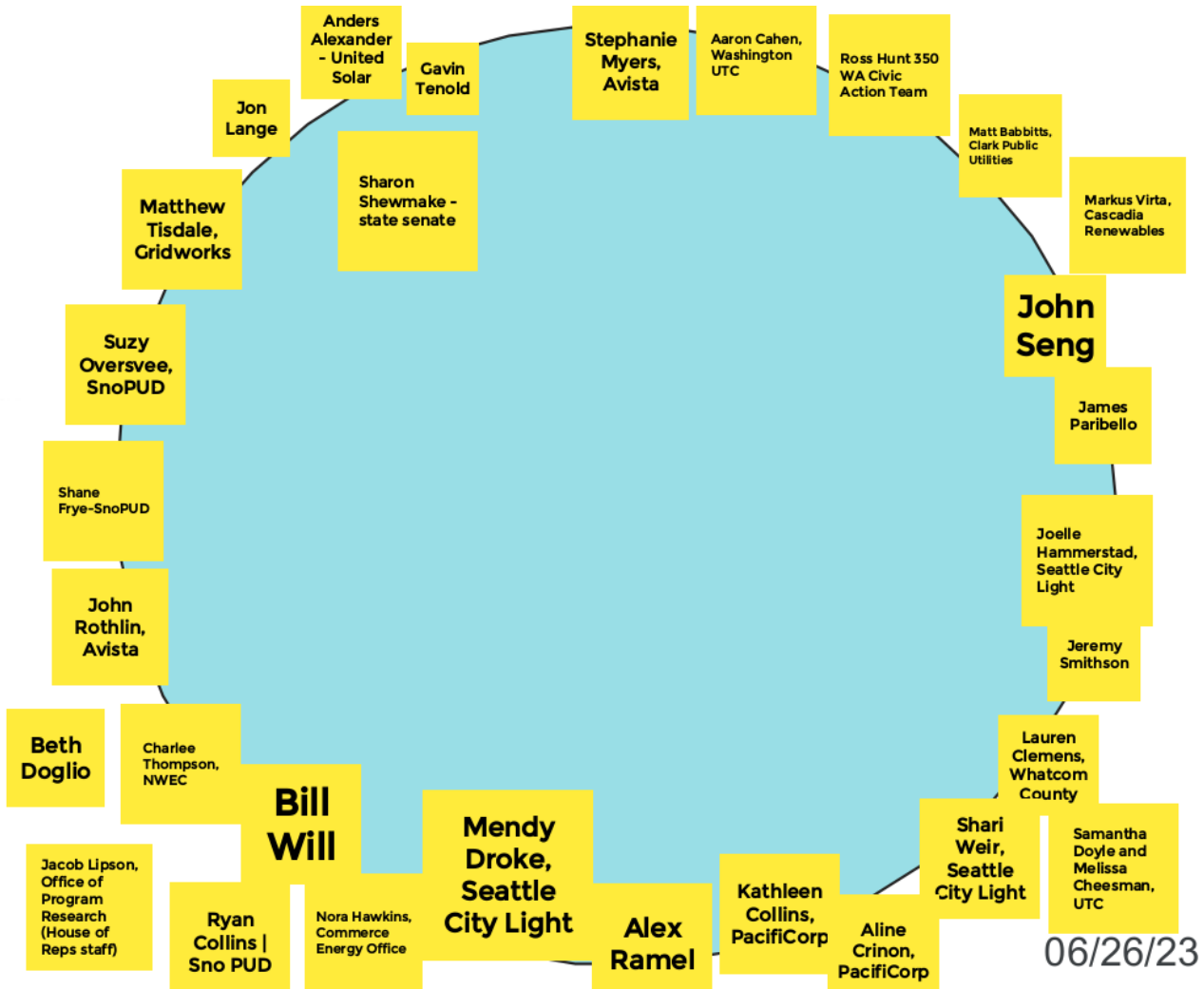
- **General components** of net metering policy that you wish to discuss (i.e. project kW limits, consumer protection measures, crediting methods)
- **Specific policy options** for the future of net metering that you wish to discuss (i.e. introducing a regional or statewide value of solar tariff and the costs and benefits you would like to see included)

Please contact John Seng, Policy Manager for Spark Northwest, at john@sparknorthwest.org with any questions, concerns, suggestions, or requests to be added to the email list.



Appendix 1: Attendees and affiliations

Participants were asked to add their name to the first slide of the presentation, copied below.





The numbers in the following table only reflect attendees who added their names to the first slide. The author noted 45 participants midway through the session, meaning at least 12 participants and affiliations were not recorded.

Affiliation	Number of participants
Consumer-owned utilities	11
Solar industry	6
Investor-owned utilities	5
Elected officials	4
State agencies	3
Nonprofit advocates	2
Nonpartisan legislative staff	1
Local government	1
TOTAL	33

Appendix 2: Jamboard slides from Session One.

Screenshots begin on following page.

Colors of sticky notes do not have any specific meaning.

Gold stars on sticky notes were placed by participants to indicate their favorites.



Q1: What brings you here today?

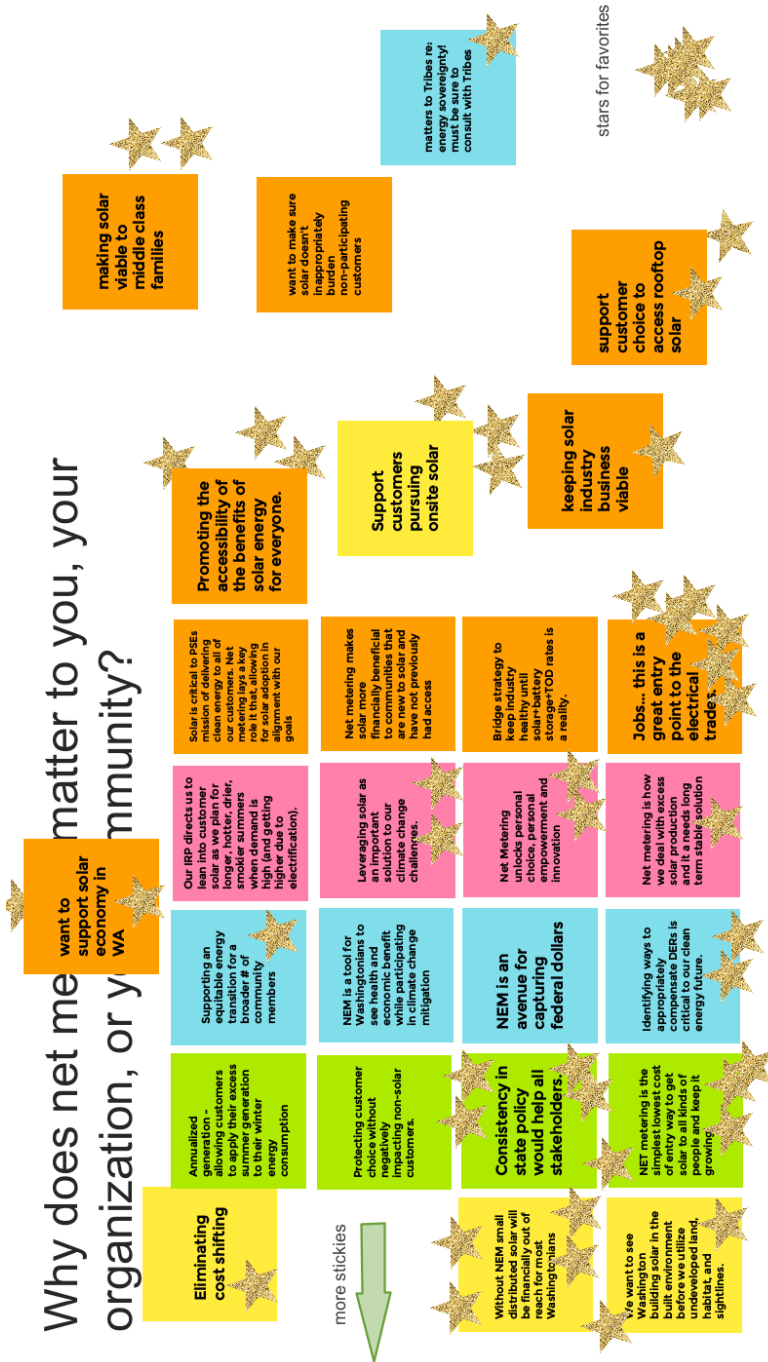
What brings you here today?



What brings you here today? (continued)



Q2: Why does net metering matter to you, your organization, and/or your community?



Q3: What impact will inaction on net metering have on you, your organization, or your community?



Q4: What aspect of net metering policy are you most concerned about? Why?

