

ANALYSIS AND ENGAGEMENT ON OPTIONS FOR VALUING DISTRIBUTED STORAGE AND SOLAR IN WASHINGTON STATE

February 2025 Status Update Prepared by the Washington State Academy of Sciences

BACKGROUND

In 2024, the Washington State Legislature funded the Washington State Academy of Sciences to conduct an analysis of the value of distributed solar and storage.¹ The project is envisioned to extend over three fiscal years, from FY 25 to FY 27. The two primary purposes over the life of the project are 1) to provide recommendations and options for methodologies that utility regulators and governing bodies may use to inform the future of net metering², and 2) to engage relevant stakeholders in discussions about the value of distributed solar and storage.

In Year 1 (Phase 1), the Academy's Oversight Committee and project team is engaged in two primary activities: engaging with interested parties and conducting background research to design and plan the analyses that will occur in Years 2 and 3. **A brief summary of progress to date is below.** By June 30, 2025, the Academy will submit an interim report to the Department of Commerce and the Utilities and Transportation Commission that includes a plan and cost estimates for further work in the 2025-2027 fiscal biennium.

If funded, in Years 2-3 (Phase 2), the Academy will execute the plan for research and analysis, develop policy recommendations, and submit a final report to the Department of Commerce and the Utilities and Transportation Commission in fall 2026.

Project Oversight Committee

Anjan Bose, *Washington State University*
Mohit Chhabra, *Natural Resources Defense Council*
Daniel Kirschen, *University of Washington*
Elena Krieger, *PSE Health Energy*
Alan Love, *Washington State University*
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¹ See page 154 of ESSB 5950: <https://lawfilesex.leg.wa.gov/biennium/2023-24/Pdf/Bills/Session%20Laws/Senate/5950-S.SL.pdf?q=20250218121157>

² RCW 80.60, Net Metering of Electricity, allows each electric utility to propose new rates when the cumulative generating capacity of net metering systems equals four percent of the utility's peak demand during 1996. Each utility's status toward this threshold can be found here: <https://www.energy.wsu.edu/RenewableEnergy/NetMetering.aspx>

Year 1, July – December 2024

In the first six months of the project, the Academy created an Oversight Committee comprised of nationally recognized experts from Washington and elsewhere to provide overall guidance and review of the project and its products.

In addition to monthly updates with the Washington State Department of Commerce, the Academy has gathered information about existing research studies and analyses on the value of solar and storage as critical background for the Oversight Committees and Subcommittees that are being formed. The project team also conducted a landscape review of parties in Washington interested in the value of solar, including solar advocates, environmental organizations, local governments, tribes, regulators, electric utilities, solar trade associations, and ratepayer advocates, in an effort to inform engagement with them. Furthermore, planning occurred to prepare for interviews with interested parties.

Year 1, January – June 2025

In the second half of Year 1 of the project, the Academy will hold at least four additional Oversight Committee meetings to discuss key issues and develop work plans for Phase 2 of the project. The Academy has begun conducting interviews with interested parties, facilitated by senior facilitators from the William D. Ruckelshaus Center. By June 2025, the Academy will prepare a summary report of the key perspectives offered in those interviews about the value of distributed solar and storage, which will be publicly available on the [project website](#). This information also will inform additional engagement activities in Phase 2.

The Oversight Committee is developing the statement of work for Phase 2. That statement will detail the kinds of engagement activities and analyses that would occur in FY 26 and 27, if funded. To develop the plan, the Academy is gathering information on the following topics:

Value considerations for distributed solar and for distributed storage: the range of factors that interested parties use to determine the value of each, including values associated with generation, transmission, costs, and social factors, while recognizing that there is less information available for storage.

Equity Considerations of Net Metering: the range of equity associated with the distribution of benefits and impacts of distributed generation, the role of net metering in shaping this distribution, and design considerations to address inequities.

Modeling and data: current models and recommendations for other models that could be developed to examine alternative approaches to thinking about rate structures.

Markets and regulation: current rules that govern the regulation of distributed solar rates in WA State as well as approaches in other states.

The results of these analyses performed in Phase 2 will inform the subsequent policy recommendations in the final report that would be due in the fall of 2026. The Academy encourages interested parties to view periodic updates at the [project website](#), recommend interested parties to be interviewed, and submit additional information to the Project Team at vos.wsas@gmail.com.