



January 12, 2026

Jeff Killip
Executive Director and Secretary
Washington Utilities and Transportation Commission
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Re: Comments of Renewable Northwest regarding the Commission’s proceeding to develop a policy statement addressing alternatives to traditional cost of service ratemaking, Docket U-210590.

I. INTRODUCTION

Renewable Northwest (“RNW”) appreciates the opportunity to submit written comments in response to the Washington Utilities and Transportation Commission’s (“the Commission”) December 11, 2025, Notice of Workshop and Opportunity to Comment (“Notice”) regarding the ongoing performance-based regulation (“PBR”) proceeding. We commend the Commission for its continued leadership in aligning utility regulation with Washington’s clean energy, affordability, and reliability goals as established under the Clean Energy Transformation Act (“CETA”).

RNW submits these comments to emphasize the importance of explicitly integrating Grid-Enhancing Technologies (“GETs”) into the PBR framework, particularly as the Commission prepares to issue further metric and Performance Incentive Mechanism (“PIM”) guidance in early 2026. Early and intentional emphasis on transmission efficiency and grid optimization is essential to achieving CETA’s targets cost effectively.

As discussed in RNW’s prior comments in this docket, GETs represent a critical category of solutions that can delay or defer expensive transmission build-out, accelerate renewable integration, and improve system utilization, yet they currently lack meaningful regulatory

incentives under Washington’s traditional cost-of-service framework. PBR presents a timely and necessary opportunity to correct this structural gap.

II. COMMENTS

A. The Current Regulatory Framework Does Not Incentivize GETs Deployment.

During the Commission’s December 2, 2025, PBR workshop, several parties observed that utilities are already required to consider GETs within integrated resource planning (“IRP”) processes, raising the question of whether a PBR metric is necessary or appropriate. RNW respectfully submits that existing planning requirements alone are insufficient to drive meaningful GETs deployment, particularly in the absence of aligned financial incentives.

Under traditional regulation, utilities face a strong and well-documented incentive to favor large, capital-intensive infrastructure investments over modular, expense-based, or software-driven solutions. GETs—by design—often fall into the latter categories. Their value lies in optimizing existing assets, improving operational flexibility, and extracting latent capacity from the grid, rather than expanding the rate base. As a result, utilities frequently perceive GETs as less attractive, even when they may be lower-cost or lower-risk from a system or customer perspective.

Cost-effectiveness determinations themselves are not neutral. They are shaped by assumptions about asset life, recovery period, risk allocation, and planning horizon—all of which utilities can reasonably adjust in ways that favor traditional transmission investments over GETs. Without regulatory counterweights, these dynamics will continue to bias outcomes toward capital expansion, even where GETs could deliver equivalent or superior customer value.

B. Performance-based Metrics are the Appropriate Tool to Create an Incentive.

RNW agrees with Commission Staff and stakeholders that baseline data, feasibility studies, and pilot activity are important precursors to widespread GETs deployment. However, RNW disagrees with the notion that the possibility of a “zero” metric renders GETs unsuitable for inclusion in PBR.

On the contrary, a reported zero is itself a critical signal—highlighting the absence of incentives and the need for regulatory course correction. PBR metrics are explicitly designed to bridge gaps between policy objectives and utility behavior, particularly where traditional regulation fails to align incentives with desired outcomes.

RNW continues to support the inclusion of GETs-related metrics that are framed broadly, encompassing not only transmission-specific hardware and software (*e.g.*, dynamic line ratings, power flow control devices), but also enabling grid modernization investments that improve flexibility, visibility, and utilization across the system. As discussed at the December workshop, GETs should not be narrowly constrained to a single technology class, but rather treated as part of a continuum of solutions that support sufficient grid operation and clean energy integration.

Importantly, PBR metrics need not—and should not—mandate deployment of a particular technology. Instead, they should reward demonstrated progress toward outcomes such as transmission deferral, increased hosting capacity, reduced congestion costs, or accelerated interconnection timelines. Properly designed, such metrics would preserve utility discretion while ensuring that GETs are evaluated on a level playing field with traditional infrastructure.

C. Early Emphasis on Transmission Efficiency is Critical to CETA Compliance.

CETA's binding 2030 and 2045 requirements leave little margin for delay. Transmission constraints are already emerging as a key bottleneck to renewable deployment across the region, and those constraints will only intensify as load grows and electrification accelerates.

RNW is concerned that deferring GETs-related incentives to a later phase of PBR implementation risks locking utilities into capital-heavy investment trajectories that may be difficult to unwind. Early policy signals are key. Embedding GETs considerations into PBR metrics now—before PIMs are finalized—will help ensure that utilities internalize transmission efficiency as a core performance objective rather than an optional add-on.

This approach is consistent with RNW's prior recommendations that the Commission issue early and clear guidance on grid modernization incentives to maximize their impact on utility planning and investment decisions.¹ We urge the Commission to explicitly integrate GETs into the forthcoming PBR metrics and guiding principles. Doing so will help correct longstanding incentive misalignments, promote cost-effective compliance with CETA, and ensure that Washington's utilities fully leverage modern grid solutions before committing customers to decades of additional infrastructure costs.

¹ Nov. 11, 2025, Comments of RNW (UE-210590).

III. CONCLUSION

Renewable Northwest appreciates the Commission's thoughtful engagement on these issues and looks forward to continued participation as the PBR framework evolves.

Sincerely,

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