



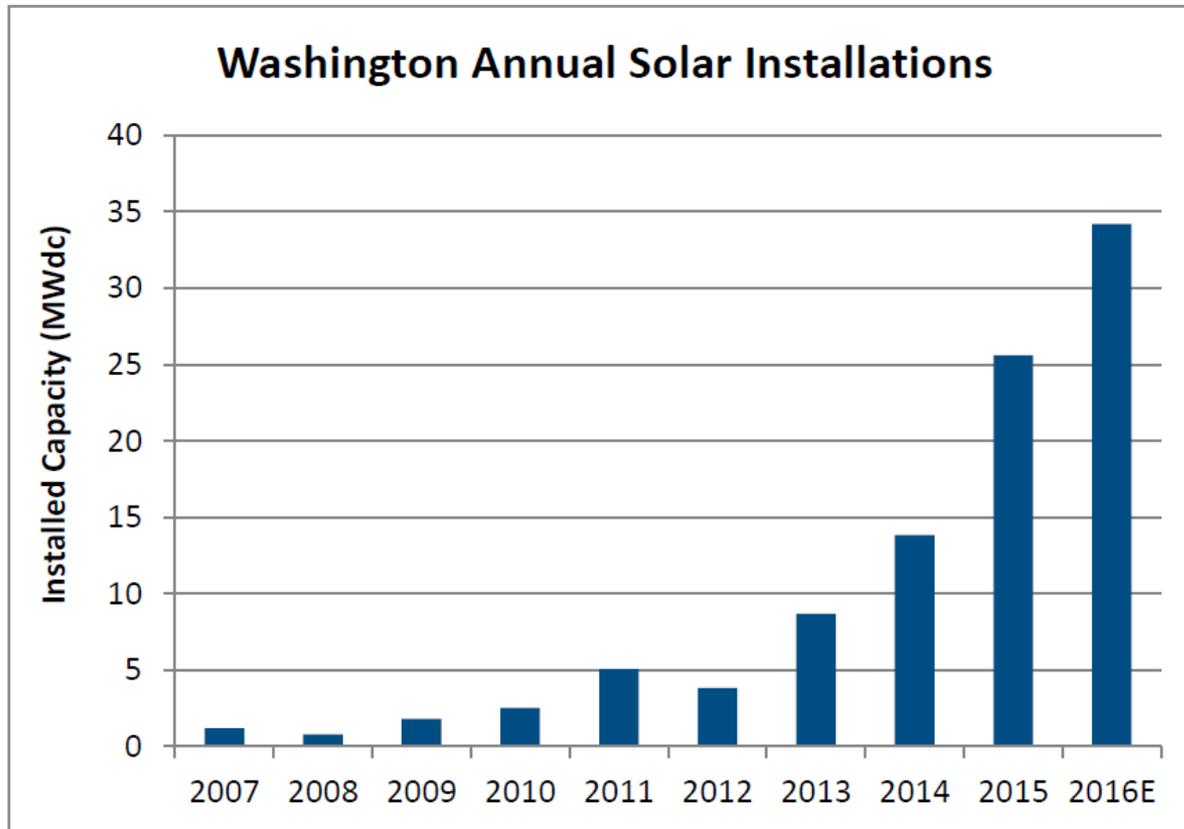
Distributed Solar Energy in Washington State

Ann Rendahl, Commissioner

June 21, 2016

Solar Energy in Washington State

WA ranks 26th nationally, with 70 MW of total installed capacity



Source: SEIA: Solar Spotlight Washington, June 15, 2016

Electric Utilities in Washington State

- **There are 63 electric utilities in Washington State**
- **The UTC regulates the rates of only three electric utilities**
- **Investor-owned electric utilities serve 45% of WA customers:**
 - Puget Sound Energy (Western WA)
 - Avista Corporation (Eastern WA)
 - PacifiCorp d/b/a Pacific Power and Light (Southeastern WA)
- **The UTC does not regulate publicly-owned electric utilities:**
 - Municipal utilities, e.g., Seattle City Light, Tacoma Power
 - Public Utility Districts, e.g., Snohomish PUD
 - Rural Electric Cooperatives

RCW 80.60.020 requires all electric utilities in Washington to offer net metering:

- Cap = 0.5 percent of utility's 1996 peak demand
- Utility discretion to continue past cap

	NEM Cap	NEM capacity (May 2016)	Percent of Cap
PSE	22.4 MW	30.8 MW	138%
Avista	7.6 MW	2.01 MW	26%
Pacific Power	4.55 MW	4.55 MW	100%

WA Renewable Energy Cost Recovery Incentive RCW 82.16.120, .130

Program Elements:

- Annual payments to customers based on actual system production
- Utilities receive a tax credit equal to annual payments to customers
 - One-half percent of taxable power sales, or \$100,000, whichever is greater.
- After reaching cap, incentive payments must be reduced proportionately for all participants (RCW 82.16.120(6))
- Systems owned by a third-party are eligible for net metering, but not the production incentive
- Program expires in 2020

[Service Date July 30, 2014]

**BEFORE THE WASHINGTON
 UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Amending and)	DOCKET UE-112133
Repealing Rules in)	
)	
WAC 480-108)	INTERPRETIVE STATEMENT
)	CONCERNING COMMISSION
Relating to Electric Companies-)	JURISDICTION AND
Interconnection With Electric)	REGULATION OF THIRD-PARTY
Generators)	OWNERS OF NET METERING
)	FACILITIES
.....)	

Synopsis. In this policy and interpretive statement, the Washington Utilities and Transportation Commission (Commission) discusses its jurisdiction to regulate third-party owners of net metering facilities as public service companies, and consumer protection issues surrounding such business relationships. The Commission's

<http://www.utc.wa.gov/docs/Pages/DocketLookup.aspx?FilingID=112133>

Key Findings

- Third-party owners of net-metered systems likely “electrical companies” subject to UTC jurisdiction under RCW 80.04.010(11), but analysis is fact-specific.
- Offering solar energy under PPA or lease not a natural monopoly and should not be subject to full scope of UTC jurisdiction, including rate regulation.
- Need for consumer protection regulation to ensure:
 - Adequate disclosure of contract rates and terms
 - Investigation and enforcement of consumer complaints
 - Dispute resolution
 - Shared jurisdiction with Office of Attorney General

Key Findings

- *[T]he appropriate public policy regarding these companies would be one that avoids regulatory uncertainty, protects consumers, promotes competition, and spurs innovation and economic development. The current statutory framework falls short in that regard.*
- *[W]e do not think it wise to employ full economic regulation or to exclude explicitly certain companies from this emerging market. Instead, we believe our primary focus should be on consumer protection and ensuring that the proper conditions are established for fair competition. Limiting the Commission's jurisdiction and oversight to consumer protection issues should reduce the likelihood that such oversight will dampen the interest of third-party owners and other solar entrepreneurs in pursuing business opportunities in Washington state, and ultimately provide more choices for those customers who desire to use solar energy.*

Key Findings

- *[W]e believe both the Commission and the Attorney General's Consumer Protection Division have a role to play. The Commission would like to perform the same services for consumers of third-party owners as it does for consumers of electrical companies. This includes promulgating rules, receiving consumer complaints, investigating the issues raised, helping resolve disputes once escalated, and initiating administrative action against companies when appropriate. ... Additionally, the Attorney General should be provided the opportunity to investigate fraudulent and deceptive business practices and bring suits in court on behalf of the public.*
- *Therefore, we believe that the best course of action would be for the Legislature to clarify the Commission's authority over and regulation of third-party owners of net metering systems in statute. This would produce a level of certainty that the Commission alone is unable to provide and could serve to avoid potential litigation over jurisdictional issues.*