

From: Nicolas Garcia <NGarcia@wpuda.org>
Sent: Thursday, July 29, 2021 11:08 AM
To: Braaksma, Krista (DES) <krista.braaksma@des.wa.gov>
Cc: Dave Hanson <hansondwh@msn.com>
Subject: Emailing C411, C406, C407.pdf

External Email

Ms. Braaksma:

I believe that the economic analysis associated with the proposed code changes fails to recognize the limits to net metering included in state statute.

The specific language is below but paraphrasing, utilities do not have to provide net metering to distributed generation facilities larger than 100kW in capacity or when a utilities cumulative net metering amount reaches 4% of their peak 1996 load. Many utilities are more than half-way to that amount (a few have already exceeded it) and then a utilities can choose to pay a different amount for the distributed generation. In that case, the value of the power produced would be perhaps \$0.02-\$0.04/kWh assuming wholesale power prices are used as the benchmark; a much lower value than the \$0.09/kWh assumed in the analysis.

Correcting for this oversight would significantly change the economic analysis. Further, my understanding is that inverters are typically assumed to have a 10 year useful life and panels last 30 years. If correct, the economics is much less favorable in general and may even not produce cost effective results.

Thanks for your attention to this.

Stay Safe, Stay Healthy, Get Vaccinated!

Nicolas Garcia
Policy Director
The Washington Public Utility Districts Association
360-741-2683(O); 360-951-0981(M)

The net metering statute. Two thresholds.

RCW [80.60.010](#)

Definitions.

The definitions in this section apply throughout this chapter unless the context clearly indicates otherwise.

(1) "Aggregated meter" means an electric service meter measuring electric energy consumption that is eligible to receive credits under a meter aggregation arrangement as described in RCW [80.60.030](#).

(2) "Commission" means the utilities and transportation commission.

(3) "Consumer-owned utility" means a municipal electric utility formed under Title [35](#) RCW, a public utility district formed under Title [54](#) RCW, an irrigation district formed under chapter [87.03](#) RCW, a cooperative formed under chapter [23.86](#) RCW, or a mutual corporation or association formed under chapter [24.06](#) RCW, that is engaged in the business of distributing electricity to more than one retail electric customer in the state.

(4) "Customer-generator" means a user of a net metering system.

(5) "Designated meter" means an electric service meter at the service of a net metering system that is interconnected to the utility distribution system.

(6) "Electric cooperative" means a cooperative or association organized under chapter [23.86](#) or [24.06](#) RCW.

(7) "Electric utility" means any electrical company, public utility district, irrigation district, port district, electric cooperative, or municipal electric utility that is engaged in the business of distributing electricity to retail electric customers in the state.

(8) "Electrical company" means a company owned by investors that meets the definition of RCW [80.04.010](#).

(9) "Irrigation district" means an irrigation district under chapter [87.03](#) RCW.

(10) "Meter aggregation" means the administrative combination of billing net energy consumption from a designated net meter and eligible aggregated meter.

(11) "Municipal electric utility" means a city or town that owns or operates an electric utility authorized by chapter [35.92](#) RCW.

(12) "Net metering" means measuring the difference between the electricity supplied by an electric utility and the excess electricity generated by a customer-generator's net metering system over the applicable billing period.

(13) "Net metering system" means a fuel cell, a facility that produces electricity and used and useful thermal energy from a common fuel source, or a facility for the production of electrical energy that generates renewable energy, and that:

(a) Has an electrical generating AC capacity of not more than one hundred kilowatts;

(b) Is located on the customer-generator's premises;

(c) Operates in parallel with the electric utility's transmission and distribution facilities and is connected to the electric utility's distribution system; and

(d) Is intended primarily to offset part or all of the customer-generator's requirements for electricity.

(14) "Port district" means a port district within which an industrial development district has been established as authorized by Title [53](#) RCW.

(15) "Premises" means any residential property, commercial real estate, or lands, owned or leased by a customer-generator within the service area of a single electric utility.

(16) "Public utility district" means a district authorized by chapter [54.04](#) RCW.

(17) "Renewable energy" means energy generated by a facility that uses water, wind, solar energy, or biogas as a fuel.

(18) "Retail electric customer" includes an individual, organization, group, association, partnership, corporation, agency, unit of state government, or entity that is connected to the electric utility's distribution system and purchases electricity for ultimate consumption and not for resale.

RCW [80.60.020](#)

Available on first-come, first-served basis—Interconnected metering systems allowed—Charges to customer-generator—Consumer-owned utility may develop standard rate or tariff schedule.

(1) An electric utility:

(a) Shall offer to make net metering, pursuant to RCW [80.60.030](#), available to eligible customer-generators on a first-come, first-served basis until the earlier of either: (i) June 30, 2029; or (ii) the first date upon which the cumulative generating capacity of net metering systems equals four percent of the utility's peak demand during 1996. Not less than one-half of the utility's 1996 peak demand available for net metering systems shall be reserved for the cumulative generating capacity attributable to net metering systems that generate renewable energy;

(b) Shall allow net metering systems to be interconnected using a standard kilowatt-hour meter capable of registering the flow of electricity in two directions, unless the commission, in the case of an electrical company, or the appropriate governing body, in the case of other electric utilities, determines, after appropriate notice and opportunity for comment:

(i) That the use of additional metering equipment to monitor the flow of electricity in each direction is necessary and appropriate for the interconnection of net metering systems, after taking into account the benefits and costs of purchasing and installing additional metering equipment; and

(ii) How the cost of purchasing and installing an additional meter is to be allocated between the customer-generator and the utility;

(c) Shall charge the customer-generator a minimum monthly fee that is the same as other customers of the electric utility in the same rate class, but shall not charge the customer-generator any additional standby, capacity, interconnection, or other fee or charge unless the commission, in the case of an electrical company, or the appropriate governing body, in the case of other electric utilities, determines, after appropriate notice and opportunity for comment that:

(i) The electric utility will incur direct costs associated with interconnecting or administering net metering systems that exceed any offsetting benefits associated with these systems; and

(ii) Public policy is best served by imposing these costs on the customer-generator rather than allocating these costs among the utility's entire customer base.

(2) If a production meter and software is required by the electric utility to provide meter aggregation under RCW [80.60.030](#)(4), the customer-generator is responsible for the purchase of the production meter and software.

(3)(a)(i) A consumer-owned utility may develop a standard rate or tariff schedule that deviates from RCW [80.60.030](#) for eligible customer-generators to take effect at the earlier of either: (A) June 30, 2029; or (B) the first date upon which the cumulative generating capacity of net metering systems equals four percent of the utility's peak demand during 1996.

(ii) An electrical company may submit a filing with the commission to develop a standard tariff schedule that deviates from RCW [80.60.030](#) for eligible customer-generators. The commission must

approve, reject, or approve with conditions a net metering tariff schedule pursuant to this subsection within one year of an electrical company filing. If the commission approves the filing with conditions, the investor-owned utility may choose to accept the tariff schedule with conditions or file a new tariff schedule with the commission.

(b) An approved standard rate or tariff schedule under this subsection applies to any customer-generator subject to an interconnection agreement entered into: (i) After June 30, 2029, or (ii) the first date upon which the cumulative generating capacity of net metering systems pursuant to RCW [80.60.030](#) equals four percent of the utility's peak demand during 1996, whichever is earlier, unless the commission or governing body determines that a customer-generator is eligible for net metering under a rate or tariff schedule pursuant to RCW [80.60.030](#).

(c)(i) A consumer-owned utility must notify the Washington State University extension energy program sixty days in advance of when a standard rate for an eligible customer-generator is first placed on the agenda of the governing body.

(ii) Each electric utility must give notice by July 31, 2020, and semiannually thereafter, to the Washington State University extension energy program of the status of meeting the cumulative generating capacity available to net metering systems pursuant to subsection (1)(a) of this section.

(iii) The Washington State University extension energy program must make available on its web site a list of the following:

(A) Each electric utility's progress on reaching the cumulative generating capacity available to net metering systems pursuant to subsection (1)(a) of this section;

(B) Electric utilities that have provided notice of a rate or tariff schedule under this subsection; and

(C) Electric utilities that have adopted a standard rate or tariff schedule under this subsection.

(d) If the commission does not approve an electrical company's tariff schedule under (a)(ii) of this subsection, the commission may determine the alternative cumulative generating capacity available to net metering systems pursuant to RCW [80.60.030](#).

(4)(a) An electric utility must continue to credit a customer-generator pursuant to RCW [80.60.030](#) if:

(i) The customer-generator takes service under net metering prior to the earlier of: (A) June 30, 2029; or (B) the first date upon which the cumulative generating capacity of net metering systems reaches four percent of the utility's peak demand in 1996; and

(ii) The customer-generator's existing interconnection agreement for the net metering system remains valid.

(b) The commission, in the case of electrical companies, and a governing body, in the case of consumer-owned utilities, must determine as part of a standard rate or tariff schedule under this subsection when customer-generators become ineligible for credit pursuant to RCW [80.60.030](#).

(c) Upon adoption of a standard rate or tariff schedule by the commission or governing body pursuant to subsection (3)(a) of this section, the electric utility is exempt from requirements under subsection (1)(c) of this section and RCW [80.60.030](#) for new interconnection agreements.

WA utilities DG progress to the 4% capacity threshold (<http://www.energy.wsu.edu/RenewableEnergy/NetMetering.aspx>)

| Utility | Progress | RCW 80.60.030 deviation |
|-------------------------------------|----------|-------------------------|
| Alder Mutual Light Co Inc | 29% | No |
| Avista | 20% | No |
| Benton County PUD | 29% | No |
| Benton Rural Electric Assn | 67% | No |
| Big Bend Electric Coop Inc | 10% | No |
| Chelan County PUD | 2% | No |
| City of Blaine | 7% | No |
| City of Centralia | 23% | No |
| City of Cheney | 1% | No |
| City of Chewelah | 0% | No |
| City of Ellensburg | 73% | No |
| City of McCleary | 6% | No |
| City of Port Angeles | 12% | No |
| City of Richland | 32% | No |
| City of Sumas | 1% | No |
| Clallam County PUD | 41% | No |
| Clark County PUD | 27% | No |
| Clearwater Power Co. | 8% | No |
| Columbia Rural Electric Association | 34% | No |
| Cowlitz County PUD | 10% | No |
| Douglas County PUD | 1% | No |
| Elmhurst Mutual Power&Light Co | 8% | No |
| Ferry County PUD | 14% | No |
| Franklin County PUD | 39% | No |
| Grant County PUD | 4% | No |
| Grays Harbor County PUD | 7% | No |
| Inland Power & Light Co | 26% | No |
| Jefferson County PUD | 87% | No |
| Kittitas County PUD | 203% | Yes |
| Klickitat County PUD | 49% | No |
| Lakeview Light & Power Co | 0% | No |
| Lewis County PUD | 19% | No |
| Mason County PUD 1 | 29% | No |
| Mason County PUD 3 | 18% | No |
| Modern Electric Water Co | 2% | No |

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|-------------------------------|------|----|
| Nespelem Valley Elec Coop Inc | 2% | No |
| Ohop Mutual Light Co | 15% | No |
| Okanogan County Elec Coop Inc | 97% | No |
| Okanogan County PUD | 10% | No |
| Orcas Power & Light Co | 171% | No |
| Pacific County PUD | 15% | No |
| PacifiCorp | 49% | No |
| Parkland Light & Water Co | 7% | No |
| Pend Oreille County PUD | 2% | No |
| Peninsula Light Co | 29% | No |
| Puget Sound Power & Light Co | 48% | No |
| Seattle City Light | 40% | No |
| Skamania County PUD | 14% | No |
| Snohomish County PUD | 31% | No |
| Tacoma Power | 13% | No |
| Tanner Electric Coop | 49% | No |
| Town of Steilacoom | 36% | No |
| Vera Irrigation District #15 | 5% | No |
| Wahkiakum County PUD | 2% | No |

From: David Hanson <hansondwh@msn.com>
Sent: Wednesday, July 28, 2021 4:40 PM
To: Nicolas Garcia <NGarcia@wpuda.org>
Subject: Emailing C411, C406, C407.pdf

Do you think the utilities have any interest in this proposed code change. It is on the agenda on the:

State Building Code Council Energy Code Technical Advisory Group

**Open to the public
Virtual options only at this time**

Date/Time:

[Friday, July 30, 2021](#)
[8:30](#) 8:30 a.m. - [3:00](#) p.m.

David Hanson
509-539-6395