Interconnection Rulemaking
Docket UE-112133
Comment Summary for Comments of Sept. 7th 2012

Topic / WAC Section	Commenter	Discussion
General		
	Dept. of Commerce, (ESSP)	• Agrees with model rules on allowing utility discretion on new technology in lieu of EDS • Agrees with 3 Tier system with different technical screens for all three. • Wants utility discretion on EDS to extend from 5kW to 10kW • Wants new EZ (fast track) for solar inverter-based facilities up to, at least 10kW, would like up to 25kW.
	Solar City (SC)	• Wants a single item change, to include third party owners into the definition of "Customer Generator". • Third party owners are investors leasing or renting (via power purchase) generating facilities to homeowners. • Believes UTC has authority to make this inclusion without statutory changes.
	WPUDA Workgroup (WPUDA)	• Agrees with the model rules as presented • Answers' the seven questions presented in the UTC's Request for Comments • See separate section on question responses
	Avista	• Agrees with model rules as presented. • Answers the seven questions presented in the UTCs' Request for Comments • See separate section on question responses.
	PacifiCorps	• Agrees with model rules as presented. • Answers the seven questions presented in the UTCs' Request for Comments • See separate section on question responses.

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	Local Energy Alliance of Washington (WALEA)	• WA State too cautious and not an innovator or leader. • Model rules do not provide enough improvements for invert-based small scale solar facilities. • DG above10kW the model rules places all the casts burdens on the generator. • DG advocates want: 1.) Clear Standards; 2.) Defined process(s); & 3.)Reasonable cost and benefit sharing. • Insurance requirements are too imposing and expensive. • EDS requirement is redundant and the Direct Transfer Trip should be required only when necessary. • Costs of required studies too expensive and burdensome • Make DG an internal part of everyday utility business and simpler standardized processes.
	Convivium Renewable Energy (CRE)	• Agrees with “direct transfer trip” in model rule • Major concern regarding the need for and cost of insurance that can be required • Contends the utility is under little or no liability with installation of small facilities. • Insurance costs prohibits any customers from taking advantage of DG • Wants elimination of customer insurance requirements for DG under 5 MW • Wants standardized application fee schedule per kW bases for DG under 5 MW • Wants utilities to develop average system costs structures for DG systems requirements such as substation modifications, changes in accounting systems, system wide studies, etc. These average system costs should be equitably shared with all customer demands on the system over some period, such as annual costs.
	Interstate Renewable Energy Council (IREC)	• Allow Third Party Ownership through leasing arrangements or retail power purchases • Many states (through utility commissions and/or legislators) have found that third party owners are not Public Utilities, and therefore eligible as interconnect customers

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		• Exceptions to Model Rules for large Utilities since larger utilities can act faster and more efficiently with larger staffs, more money and denser distribution centers with higher loads per area: 1.) Application timelines could be reduced; 2.) Waiver of EDS for all inverter-based facilities, instead of only those less than 5kW; 3.) The upper limit for Tier #2 could be increased from 500kW to 2 MW.. • Two gaps exist in the model rules: Gap #1 – Standardized Application Forms and Interconnection Agreements should be required (3 examples of templates are PSE, OR rules, & SGIP); Gap #2 – Application Fees need to be specified. (model could be OR fee structure of $100/Tier #1; $500/Tier #2; & $1000/Tier #3. • IREC responded to the seven questions found in the UTC Request for Comments (See separate section on response to questions)
Specifics – 1.Disconnect Switch – WAC-480-108-020(2)		
	WA. Dept. of Commerce – (ESSP)	Agrees with increasing utility discretion on use of new technology in lieu of use of disconnect switch. Believe it can be eliminated for smaller systems up to 10 kW instead of existing 5 kW limitation. Cost saving goes beyond just the price of the switch. Does not believe there is a safety issue for small systems
	Solar City – (SC)	No Comment
	WPUDA Workgroup – (WPUDA)	No Comment, other than support of model rules as submitted for comment.
	Avista	No Comment

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	PacifiCorp	No Comment
	Local Energy Alliance of WA – (WAEA)	Switch is redundant, Not required in other states, Documented to be superfluous. Model rule helps some, but still allows for too much Utility discretion. Wants the switch eliminated for small systems
	Convivium Renewable Energy – (CRE)	O.K. with model rule changes.
	Interstate Renewable Energy Council – (IREC)	The waiver of the External Disconnect Switch (EDS) for inverter-based generating facilities less the 5 kW should be expanded to cover all inverter-based generating
Specifics – 2. Insurance – WAC 480-108-040(9); WAC 480-108-090(1)(d)		
	WA. Dept. of Commerce – (ESSP)	No Comment
	Solar City – (SC)	No Comment
	WPUDA Workgroup – (WPUDA)	No Comment
	Avista	No Comment
	PacifiCorp	No Comment
	Local Energy Alliance of WA. – (WALRA)	Unfortunately, for DG above 10 kW this approach appears to put all the burdens on the developer. The developer has to pay full costs for: 1.) studies for the utility to understand their own utility system, 2.) studies to determine what upgrades are needed in the utility's own system to accommodate DG proposals, 3.) pay for any upgrades, and 4.) fully insure the utility system for any possible damage from DG interconnection. Insurance: Utilities have too much discretion to require insurance from non-net metered DG installers. The actual risk is miniscule. Alternative insurance products are prohibitive.

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		The proposed rule does nothing to address the insurance issue. Bad outcome!
	Convivium Renewable Energy – (CRE)	▪ Very concerned about the insurance requirement and the resultant costs. ▪ Concerned that the insurance issue is being used to unfairly block DG being installed ▪ Example of 25kW solar installation; costing $200K to install and generating less than $2000 in annual revenues; needs $2 million insurance policy, costing almost $5000. ▪ Contends the utility is under little or no additional liability risk for installation of these small systems ▪ Also, contends that this requirement is unfair compared to a net metering customer with the same utility requires no insurance at all. ▪ DG should be available to all customers ranging from organized wind or solar developers to the small farmer with a single wind turbine ▪ That goal requires controls on unnecessary insurance requirements; inflated interconnection costs; and unnecessary requirements for costly utility studies of their own utility system. ▪ Remove any requirement for customer insurance for interconnections under 5 MW. Other non-cost methods of reducing perceived risk to the utility should be explored
	Interstate Renewable Energy Council – (IREC)	No Comment
Specifics – 3. Interconnection Application Process – Simplified Rules – WAC 480-108-080		
Multi-Tiered Approach	WA. Dept. of Commerce – (ESSP)	Agrees with 3 Tier system including 3 different technical screening requirements

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	Solar City – (SC)	. No Comment
	WPUDA Workgroup – (WPUDA)	Supports the model rules as presented for comments
	Avista	Supports the model rules as presented for comments.
	PacifiCorp	Supports the model rules as Presented for comments
	Local energy Alliance of WA – (WALEA)	The proposed interconnection rules are too cautious and do not catch up with other state rules that are leading the way. Process: Simpler standard processes are needed to make DG a normal part of utility business. The proposed rule recommends a tiered interconnection process. Good outcome!
	Convivium Renewable Energy – (CRE)	No Comment
	Interstate Renewable Energy Council – IREC)	IREC proposes the following rule revisions for larger IOU only, due to their abilities to act faster and more efficiently with large staffs and budgets. Timelines for Tier 1 & 2 could be reduced to 25 days for Tier 1 and 30 days for Tier 2 without undue burden on larger utilities. The restriction of a maximum of 500kW for Tier 2 may be acceptable for small rural utilities. However, IREC argues that the three WA IOU's have larger overall systems and the cap could easily be raised to the national norm of 2 MW.
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EZ or Fast Track System	WA. Dept. of Commerce – (ESSP)	Adopt a fast track for solar inverter-based interconnection within Tier 1.; ▪ recommend a "fast track" interconnection for solar projects; ▪ FERC has a 10 kW EZ process; ▪ Some NW Utilities have a100 kW EZ process; ▪ ESSP recommends all Tier 1., inverter interconnects be EZ (25 kW)

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	Local Energy Alliance of WA.	Process: Simpler standard processes are needed to make DG a normal part of utility operations.
Standardized Forms & Fees	Local Energy Alliance of WA.	Unfortunately, for DG above 10 kW this approach appears to put all the burdens on the developer. The developer has to pay full costs for: 1.) studies for the utility to understand their own utility system, 2.) studies to determine what upgrades are needed in the utility's own system to accommodate DG proposals, 3.) pay for any upgrades, and 4.) fully insure the utility system for any possible damage from DG interconnection. DG Advocates want: 1.) Clear standards, 2.) Defined process, 3.) Reasonable cost and benefit sharing. DG Advocates also want the State of WA to lead in creating more distributed, efficient, and reliable energy systems on a level playing field. Studies: Utilities have unlimited freedom to require studies of their own systems at applicants expense. The proposed rule does not limit the utility's ability to charge interconnection customers to pay for understanding the utility's own system. Bad outcome! (should charge standard interconnection fees per KW) Process: Simpler standard processes are needed to make DG a normal part of utility operations.
	Convivium Renewable Energy – (CRE)	. Create standardized interconnection application fee schedule per KW basis for interconnections under 5 MW. Fee structure should cover average costs of studies and processing costs for an application. Utilities should develop average system cost structures for such DG system requirements as substation modification, changes in accounting systems, system wide studies, etc. These costs could then be averaged out over a period of time on all interconnections, rather than a financial burden on the first few DG applications. These in-direct costs could then also be shared with all other customer demands on the system over the same period.
	Interstate Renewable Energy	Standardized Application Forms and Interconnection Agreements should be required: Allowing each utility to design its own forms creates additional application costs and

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	Council – IREC)	confusion for applicants; It also allows for some utilities to severely limit the ability to apply for an interconnected facility at all; Three suggested forms could be used as templates, Puget Sound Energy, OR rules, & SGIP; Under all conditions a standardized Interconnection Agreement should be required not just suggested to be developed on an application by application basis; Application Fees need be specified: Most states use some form of average cost of processing application; OR fee structure is the same as WA current rates and are $100 for Tier #1; $500 for Tier #2; and $1000 for Tier #3 (WA has no Tier #3 fee); Some states have a fee structure per kW, so larger and more complex facilities are assessed higher fees.
Specifics – 4. Direct Transfer Trip (DTT)		
	Local Energy Alliance of WA.	Direct Transfer Trip: Requires the direct transfer trip as a policy. Should be only in cases of proven need.
	Convivium Renewable Energy – (CRE)	Pleased with "direct transfer trip" portion of the proposed rule.
Specifics – 5. Other Topics		
A.Third Party Ownership	Solar City – (SC)	Request single change to allow the definition of "customer generator" to be changed to include third party owners; third part owners would be investors leasing facilities to the homeowners and/or arrange for power purchases; would allow for extensive expansion of the market base for single-family dwellings to participate in solar installations;

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		▪ believes that UTC has authority to clarify third party ownership in the rule by definition; ▪ Third party owners are endorsed by National Governors Association as a top ten innovation to help advance renewable energy goals.
	Interstate Renewable Energy Council – (IREC)	Third Party Ownership(TPO): ❖ UTC could quadruple the number of interconnected renewable energy facilities in WA by allowing third party ownership. ❖ Third party ownership is the dominant national model for new solar energy facilities either through leasing arrangements or retail power purchases. ❖ Solar arrays on residential and small commercial establishments can be prohibitive without third party investment. ❖ The model rule work group decided this was a policy issue beyond the scope of their charge. ❖ In many states, the utility commissions and/or the legislators have found that third party owners are not Public Utilities. This allows for the utility commissions to allow TPO to be permitted in interconnection rules. ❖ IREC suggests that the UTC could provide a definition of Interconnection Customer as "A net metered Interconnection Customer may lease from, or purchase power from, a third party owner of an on-site generating facility."
B. Responses to 7 Questions in Request for Comments	Q, #1 – Does model rules comply with L & I Safety Rules?	Most responders agree that they believe it does comply with L & I Safety Rules. However, one suggested UTC just ask L & I to directly verify compliance.

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	Q, #2 thru Q, #4	Resolved, need no further action.
	Q, #5 – Is there a definition for "radial distribution circuit"?	WPUDA suggests: "electrical service which feeds one or more utility customers originating from a single utility source at voltages greater than 600 V and less than 50 kV." Avista suggest: "A radial distribution circuit is a circuit designed for power to flow one-way only. Power flows from the utility power source to customers' loads on the circuit downstream of the power source." Others suggested finding an industry standard definition or eliminate the reference to the circuit.
	Q, #6 & Q, #7	Resolved, Need no further action.
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