



December 18, 2012

Mr. Al Wright
Washington Utilities and Transportation Commission

Mr. Wright,

As the Public Power Co-Chairs of the Interconnection Standards Workgroup, first, we commend the drafters of this proposal for a thorough coverage of the issues and capture of the Model Rule recommendations. Here we confine our comments to an area of particular concern regarding the changed definition of “Interconnection customer”. In (2) of the definition, the proposed rule adds language (underlined added) “is a customer-generator of net metered facilities, as defined in RCW 80.60.010(2), including the third-party owner of an on-site generating facility;” that raises questions. If the language is intended to allow third party ownership of net metered facilities through a definitional change in the interconnection standards, even indirectly, it raises several questions and concerns for us. The Workgroup considered third party ownership of net metered facilities in the Model Rule and rejected just such a proposal as not appropriate for inclusion in interconnection standards. Rather third party ownership of net metered facilities raises questions that should be answered outside of any interconnection standards or rules adopting those standards.

If the proposed language is intended to ensure that the interconnection standards applies to any third party owner of a generating facility, we suggest deleting the underlined language from (2) and adding a (3) that says “is a third-party owner of an on-site generating facility;”. That seems appropriate to clarify that the generation owner is the responsible party for complying with the interconnection standards, not the owner of the premises where the facility is located. We could support such a change.

If the Commission is considering the addition of this language will allow, or open the door for, third-party ownership of net metered facilities through a rule change, we urge careful investigation of state versus federal authority before proceeding. Our understanding of state jurisdiction net metering is that no “cash” changes hands for the sale of power. Under third party ownership of net metered facilities, there must be a financial transaction between two parties. The nature of the relationship between these parties, and indeed who these parties are, and whose jurisdiction they would fall under, has not been thoroughly investigated. Therefore opening a door for third-party ownership of net-metered generating facilities in these rules for interconnection standards seems misplaced at best. To open this door, even indirectly, to third-party ownership through the interconnection rules without a thorough vetting of the questions raised by such action does not seem warranted at this time or in this manner. Perhaps the Commission could consider third party ownership of net metered facilities through its net metering rules, rather than through its interconnection rules.

As Public Power Co-Chairs of the Interconnection Standards Workgroup, our hope is that we can recommend to our utilities a substantially similar interconnection rule to the rule that the UTC ultimately adopts. If the final rule contains third party ownership as a separate item as described above, we would be comfortable recommending the inclusion of that item.

Sincerely,
s/(electronically approved)
Dave Warren


Richard Damiano