



December 20th, 2012

Washington Utilities and Transportation Commission
Chairman Jeffrey Goltz
Commissioner Pat Oshle
Commissioner Phillip Jones
1300 S. Evergreen Park Drive SW
Olympia, WA 98504

Re: Review Standards for Interconnection with Electric Generators in WAC 480-108 Docket UE-112133,
Comments on Interconnection Draft Rules

Chairman and Commissioners,

SolarCity has continued to follow the proceedings in docket UE-112133 and we are interested in commenting on the proposed changes to the definition of an “Interconnection customer” as set forth in the draft rules. SolarCity would like to encourage the UTC to amend the definition of “Interconnection customer” to allow for third-party ownership of net metered systems.

SolarCity is a national clean energy services provider that has been operating in the Northwest since 2009. We offer both solar installation and energy efficiency services to homeowners throughout the country. Through our services, we make it easy for customers to switch to cleaner energy by taking a comprehensive look at our customers’ energy usage and identifying opportunities for improvement. Presently, we are interested in expanding the services we offer in Washington in order to provide more home and business owners with access to affordable solar and energy efficiency services.

To date, SolarCity’s most popular option for home and business owners who are interested in installing solar has been our SolarLease™ whereby the customer pays little to no money upfront and receives a solar installation on their roof in return for monthly lease payments or power purchases. This model has proven incredibly effective at increasing access to solar by homeowners who might not have otherwise been able to afford it.¹ Without the availability of financing for solar installations, only the very wealthy have access to this technology. In mature solar markets such as California, Arizona, Colorado, and Massachusetts, approximately 80-90% of residential solar systems are installed under either a lease or a power purchase agreement.² It is also important to note that not for profit entities such as schools, government agencies and religious institutions cannot take advantage of the 30% Federal investment

¹ Drury, E., et al., The transformation of southern California’s residential photovoltaics market through third-party ownership. Energy Policy (2012), doi:10.1016/j.enpol.2011.12.047

² CSI Database, Arizonagoessolar.com, GTM U.S. Solar Market Insight Q3 2012, Figure 2-5

tax credit (ITC) and must therefore contract with a third party that can claim the ITC in order to realize its benefits.

Presently, the greatest barrier to distributed solar deployment in Washington is the lack of explicit authorization for leases or PPAs. Therefore, SolarCity encourages the UTC to approve a definition of “Interconnection Customer” that includes third party owners of on-site generating facilities. We would also like to encourage the Commission to adopt the language recommended by IREC: “A net-metered Interconnection Customer may lease from, or purchase power from, a third party owner of an on-site generating facility.”

Clarifying regulations for third party owners has been listed by the National Governor’s Association as one of the top ten state policy innovations that can help advance renewable energy goals.³ It is especially compelling because third party ownership is a revenue neutral policy change that can significantly expand access to distributed solar by those who could not otherwise afford it.

For the reasons stated above, SolarCity encourages the UTC to include third party owners in the definition of interconnection customers by adopting the language in the draft rules as well as the language recommended by IREC. To fail to make a determination on this issue now will only delay making affordable solar installations accessible by a greater number of Washingtonians.

Yours Sincerely,

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³ National Governor’s Association Issue Brief and White Paper, “Ten Trends to Track: State Policy Innovations to Advance Energy Efficiency and Renewable Energy,” #7-Clarify Regulations for Third Party Owners of Solar PV