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Chuck Collins  
Board of Directors – Chair  
Cascade Power Group LLC  
10900 NE 8<sup>th</sup> St, STE 1000  
Bellevue, WA 98004  
[chuckcollins@cascadepower.com](mailto:chuckcollins@cascadepower.com)

Comments toward Washington UTC Docket #UE-112133

Thank you, for the opportunity to provide comments to this docket. We have been active participants in the topic of distributed generation interconnection in various states since 2001, and have provided input toward the development and structuring of interconnection standardization rulemakings. Our views represent those of a company that sees some forms of distributed generation as beneficial to both the utility company and the customers, and not as a competing product to traditional base-load electricity. Numerous studies sponsored by NREL, USDOE, Sandia Labs, Distributed Utility Associates, EPRI, and others have shown that there are numerous and specific benefits that come from distributed generation. In some areas of the US, spot network-grid interconnections are common and simple, multi-megawatt solar pv projects are interconnected within months, and sub-2MW combined heat and power is seen as a ‘plug and play’ technology that should be in every basement of a high-rise or hospital building. However, in Washington – spot network-grid interconnections are essentially banned, there are zero multi-megawatt solar pv arrays, and combined heat and power is a mysterious strategy only found in large wastewater plants. If all base-load electricity came from hydro and would never leave the 6-8 cents/kWh retail range then we would say there is no problem to fix – but we know better... we know that all new electricity is natural gas-fired, and that retail electricity rates have risen more than 50% in the last 10 years and will continue to rise even higher.

The integration of thermal energy with distributed generation is an untapped energy-efficiency resource that is often viewed as a competing product to conventional electric-generation. The fact that these (and other) forms of distributed energy are not being reviewed through the required ‘Integrated Resource Planning’ makes it nearly impossible for projects to happen outside of the privately-funded private sector. To blame 1937 as the culprit for a misguided acquisition strategy is blind obedience and not indicative of the forward-thinking corporate leadership we need managing the energy companies in the State. The additional lack of leadership by the House TEC committee and others to successfully raise the Net Metering rule beyond 100kW further adds strength to keeping the ‘status quo’ and to our confusion as to which direction Washington is taking.

Sometimes we ask ourselves “do they really want to do distributed generation?” Other states raised the bar and allowed industry to meet it, whereas Washington continues to debate the height of the bar and ‘what will happen if the bar were to be raised to a certain level’. This is slightly reminiscent of the ‘world is flat’ argument... “how do you really know it’s round, because



it's probably flat if you have no real proof". Each time we suggest exploring new boundaries we are told that our boats will sink and that we don't really understand the ocean. Is this threat real or perceived? Will we really sink? The research and field experience says no... yet we continue to fear the unknown and put the burden on the explorers to build their own boats and set sail. Who are the real leaders here? To suggest that these explorers are "profiteers" (as we heard in the public meetings at WPUA) is ridiculous and shows the immature thinking that exists when one enters the realm of self-preservation and corporate protectionism.

An interconnection standard is meant for two objectives: 1. Provide uniformity amongst various jurisdictions, and 2. Provide a fair and unambiguous protocol for the facilitation of distributed generation interconnections. We believe the proposed rulemaking accomplishes the first but not the second, partly because there is no clear policy on distributed generation in Washington. The Commission has rightfully said it is not their job to develop policy, and so the ball goes to the Governor or the Legislature – neither of which understands the topic well enough to make an informed decision about the merits of distributed generation and their proper place in the system. The Legislators turn to the utility companies, state agencies, and industry advocates for advice and find that the opinions are mixed and varied, and so they fall back to the 'safe' position of voting "in-step" with their campaign donors and the already well-established system of traditionalism. One would think this is a confusing discussion with multiple viewpoints – unless you look around to other states and see that they have already cracked the code and are light-years ahead on this topic. Please understand that our goal is not to be 'negative' in our comments, instead to provide context to a topic that doesn't get much attention - yet has the potential to help reduce emissions, create jobs and spur investment, increase system reliability, and stabilize costs over the long-term.

Specific notes on revisions:

1. Our understanding of the rule is that a synchronous generator with an inverter that interconnects to the electric-grid would fall into "Tier 2" and we are confused as to why since the inverter is the point of common coupling not the synchronous generator. Assigning Tier 2 status to an inverter-based system that has a synchronous generator is discriminatory and we cannot support this revision. ANY generation that is connected to an inverter and is below 500kW should fall into a Tier 1 status. See NEW WAC 480-108-BBB Section 1 part (b) subpart (vi).
2. We also are disappointed in the Commission's decision to adopt the section related to spot network interconnections, specifically the choice to adopt a "not to exceed the smaller of 5 percent ... or 50kW". If a spot network has an electric-load of 500MW and we are choosing the smaller between 5% or 50kW then there will be no meaningful interconnections in that spot network, essentially eliminating the role of distributed generation in supporting the facility's electrical needs – again this is discriminatory and we cannot support this revision. See NEW WAC 480-108 BBB Section 1 part (b) subpart (xi).



Requested answers to questions provided:

1. Much of the original language found in WAC 480-108 was deleted in favor of the simpler language found in the recommended Model Rule. In deleting this language, did the Commission inadvertently eliminate critical conditions that govern interconnection installation or operation?  
*We support the Model Rule insertion with limited revisions.*
2. Are all the necessary footnotes and detailed comments found in Table 1 of the original WAC 480-108, preserved or otherwise adequately addressed in the new sections addressing terms and conditions?  
*No comment*
3. Should the Commission include a definition for the term “Nameplate Rating”? If so, should the Commission expand the definition to include Inverter-based generation systems?  
*Yes, our own experience has shown that this would be a useful addition.*
4. Are there additional terms and conditions, time constraints, or other provisions found in the Tier 3 Section of Chapter 2 of the model rules that could improve the installation and operation of facilities interconnected under the Tier 3 process as proposed in these draft rules?  
*Please provide timeframes and specific timelines for Tier 3 interconnections, similar to the structure set up in Tiers 1 and 2. To not have any firm timelines creates uncertainties that we cannot support.*
5. For the Tier 1 inverter-based systems only, there was considerable debate among stakeholders regarding the appropriate maximum size of the facility to allow in the fast track application process. The maximum sizes for Tier 1 under consideration are 25 kW and 50 kW. The Commission chose 25 kW as the appropriate level. Are there strong technical arguments that support going to 50 kW, which the Commission overlooked?  
*We are disappointed in the choice of the Commission to go with the lesser of the limits. This question should be phrased as to ‘why we cannot go to 50kW’.*
6. In its review of the major issues, the Commission identified “Insurance Requirements” as an issue that could have a negative impact on implementing an aggressive distributed generation program. In this draft rule the Commission excluded all interconnected facilities 100 kW or smaller from any requirement for additional insurance. Many parties suggested this issue should be addressed outside this rulemaking. Are there strong technical arguments that support continuing the insurance discussion within this rulemaking that the Commission has overlooked?  
*We support a separate discussion on insurance with the State Insurance Commissioner’s office and others.*
7. The Commission proposes the following language from IREC as an addition to the “interconnection customer” definition: “A net-metered Interconnection Customer may lease from, or purchase power from, a third party owner of an on-site generating facility.” The Commission requests comments on the proposal to modify the definition of “interconnection customer” to allow for third-party ownership of net metering systems.  
*This change is sensible and yes, we support it.*