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December 21, 2012

Submitted via email to records@utc.wa.gov

Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

**Subject: Comments of Public Utility District No. 1 of Snohomish County,
Washington on Interconnection Draft Rules , Docket UE-112133**

Commissioners:

Public Utility District No. 1 of Snohomish County, Washington ("Snohomish PUD") appreciates the opportunity to provide comments to the Commission on issues identified in the November 21, 2012 notice regarding Docket UE-112133, *Review Standards for Interconnection with Electric Generators in WAC 480-108*.

Snohomish PUD is the largest public utility district and second largest municipally-owned utility in the Pacific Northwest, and has publicly stated it is committed to the development of renewable energy resources, including distributed generation. We have several efforts and programs underway to support the development of renewable energy resources within our service territory, including:

- The Solar Express Program, which offers educational information, a list of approved installers, and up-front loans and financial incentives for installation of qualifying net-metered solar systems. The resources and incentives offered through the Solar Express Program go beyond the net metering and Renewable Energy System Cost Recovery ("production") incentives that are defined in state legislation and available to Snohomish PUD customers.
- The Small Renewables Program, which offers developers of renewable resources a standardized pricing methodology, interconnection process, and power purchase agreement for the power and environmental attributes of resources larger than 100 kW and less than 2 MW, that are located in the Snohomish PUD service territory.

Based on our experience with the above programs and the interconnection of other renewable resources in our service territory, Snohomish PUD offers the following comments for the Commission's consideration:

A. Third Party Ownership [Reference UTC Question #7]

Snohomish PUD remains concerned about the potential adverse ratepayer impacts caused by developers seeking to make a profit through third-party ownership arrangements of net-metered systems that provide no benefit to the customer or the utility. Snohomish PUD supports a limitation on such systems to generators who are customers of the utility, and systems that are designed to offset the customer's energy use, but are not intended to produce energy for resale. We recommend that the definition of "interconnection customer" might include a third-party operator, but should exclude any reference to "third-party owner" of an on-site generating facility.

B. External Disconnect Switch [Reference proposed NEW WAC 408-108-BBB section (2)(a)(v)(C)]

Snohomish PUD agrees that the decision to not require installation of a visible, lockable AC disconnect switch should be made at the utility's sole discretion.

C. Tier 3 Application Process and Technical Requirements [Reference UTC Question # 4, proposed NEW WAC 408-108-DDD, and proposed WAC 408-108-035(4)]

Snohomish PUD notes that the Interconnection Standards Workgroup proposed detailed language regarding the Tier 3 Application Process and Technical Requirements in the model rules that were not incorporated into the proposed interconnection rules. Snohomish PUD does not object to the approach of allowing processes and timelines to vary among utilities, but believes the Tier 3 Technical Requirements language in the model rules provided by the Workgroup should be retained. By their nature, projects that meet the Tier 3 criteria are larger and/or may be more complex than those that meet the criteria for Tiers 1 and 2, such that their impacts on the utility's electrical system are expected to be larger.

The Tier 3 Technical Requirements included in the Workgroup's model rules identify the types of analyses that may be required to identify such impacts through the study process. Much of the Tier 3 Technical Requirements section contains material that was removed from the former version of WAC 480-108. [See struck-out language on pages 9-10 of the *11-21-12 WAC 480-108 Redlined Draft.pdf* document attached to the UTC's letter requesting comment.] Snohomish PUD urges the Commission to reinstate the Tier 3 Technical Requirements included in the Workgroup's model rules.

Finally, Snohomish PUD wishes to voice its objection to the proposed provision allowing the customer to recommend that a third-party consultant(s) perform studies determining feasibility of the interconnection to the utility's electrical system (reference proposed WAC 480-108-035(4)). Snohomish PUD considers it essential for the utility to be able to retain full responsibility for evaluating the feasibility and potential impacts of interconnecting a generator to its electrical system. Snohomish PUD therefore recommends the UTC delete this provision from WAC 480-108-035(4).

Other Comments

D. Nameplate rating [Reference UTC Question # 3]:

Snohomish PUD agrees that an explicit definition of the term "Nameplate Rating" is needed, and encourages the UTC to use care in adopting a new definition, so it does not conflict or create confusion with the use of related terminology in the context of legislation and rules pertaining to the Energy Independence Act (Initiative 937).

E. Inverter testing [Reference proposed NEW WAC 408-108-BBB section (2)(b)(vii)(C)]:

The term "certify" should be replaced with the phrase "verify the performance of" throughout this paragraph.

F. WECC [Reference proposed WAC 408-108-EEE section (2)(c)]:

"Western Electric Coordinating Council" should be replaced with "Western Electricity Coordinating Council".

Snohomish PUD appreciates the opportunity to provide and the Commission's willingness to consider these comments. We look forward to further discussion as the Commission works through revisions to the interconnection rules.

Sincerely,



Craig Collar

Assistant General Manager, Power, Rates & Transmission Management

cc: Steve Klein, General Manager
Anne Spangler, General Counsel