

May 3, 2017

***VIA ELECTRONIC FILING***

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

**RE: Docket UE-131883—REVISED Distributed Generation Annual Report and State Tax Incentive Annual Report**

Pacific Power & Light Company (Pacific Power or Company), a division of PacifiCorp, submits its Revised Annual Report on Distributed Generation and State Tax Incentives in accordance with the Washington Utilities and Transportation Commission's (Commission) Notice issued in Docket UE-131883.

It is respectfully requested that any formal correspondence and staff requests regarding these reports be addressed to:

By e-mail (preferred) [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232

Please direct informal questions to Ariel Son, Regulatory Affairs Manager, at (503) 813-5410.

Sincerely,

                  /s/                    
R. Bryce Dalley  
Vice President, Regulation  
Pacific Power & Light Company  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
(503) 813-6389  
bryce.dalley@pacificorp.com



## Washington Utilities and Transportation Commission Annual Report of Investment Cost Recovery Incentive (RCW 82.16.110-130)

*The first report, due by August 1, 2016, will contain information on incentives paid for the July 1, 2014 to June 30, 2015 fiscal year. The second report, due February 1, 2017, will contain information on incentives paid for the July 1, 2015 to June 30, 2016 fiscal year.*

*Annual reports are due February 1 each year for the remainder of the program.*

*Please use the following file naming convention: DGtaxincentive\_companyname\_reportyear.xls.*

*Please file the document in docket UE-131883.*

**Utility Name:**

**Pacific Power**

Fiscal Year Ending June 30, **2016**

Total number of customers paid  
an incentive

**507**

<b>System Information</b>							
		Number of systems that earned an incentive		Total nameplate capacity of systems (kW AC)		Average system size (kW AC)	
Technology	Classification/ Size of System	Total Systems	New Systems	Total Systems	New Systems	Total Systems	New Systems
Solar PV	Non-community solar ≤ 10 kW	390	152	1942.22	868.54	4.98	5.71
Solar PV	Non-community solar > 10 kW	74	39	1335.83	651.65	18.05	16.71
Solar PV	Community Solar	3	0	96.9	0	32.33	0
Wind		3	0	23.8	0	8.05	0
Anaerobic digester		0	0	0	0	0	0
<b>Totals</b>		<b>470</b>	<b>191</b>	<b>3398.75</b>	<b>1520.19</b>		

The AC rating is calculated by taking 85% of the DC rating.

### Available Credits (in dollars)

Total credit available to the company under RCW 82.16.130(1)	\$1,723,365.41
Total credit paid to customers	\$1,320,549.30
Remaining credit available to company	\$402,816.11
Total credit earned by "company-owned community" solar systems	\$55,643.38
Remaining credit available to those systems	\$30,524.89
Total credit earned by "utility-owned community" solar systems	\$0
Remaining credit available to those systems	\$430,841.35



**Washington Utilities and Transportation Commission  
 Annual Report of Investment Cost Recovery Incentive (RCW 82.16.110-130)**

**Utility Name:** **Pacific Power**

If requests for the credit exceeded the amount of credit available under RCW 82.16.130, how has the utility responded to this situation?

In 2016 the requested credits did not exceed the credit available.

If requests exceeded the amount of credit available, please include the rate provided in the fiscal year under RCW 82.16.120 for:

Customer-generated Power	Rate per kWh	Community Solar Rate per kWh
Solar modules and inverter both manufactured in Washington state		
Solar modules manufactured in Washington state		
Solar or wind generating equipment with an inverter manufactured in Washington state		
Any other solar system		
Wind turbine with blades manufactured in Washington state		n/a
Any other wind turbine		n/a
Anaerobic digester		n/a

**Additional Filing Requirements:**

- 1 Provide any communication sent to all participants or applicants regarding the administration of the incentive program for the last fiscal year, or current fiscal year.
- 2 Net Metering Report Update (see second tab of this workbook)



**Washington Utilities and Transportation Commission  
 Distributed Generation Report (Update)**

**Utility Name:** Pacific Power

Report covering the six month period ending October 31, 2016

**Net Metering Distributed Generation Update Report**  
*Applicable to generation interconnected under the company's Washington State net metering tariff.*

Technology	Total number of new systems	Total nameplate capacity of new systems (kW DC)	Average size of new systems (kW DC)
Solar	118	1,558	13.2
<i>Totals</i>	<i>118</i>	<i>1558</i>	

**Non-Net Metered Distributed Generation Update Report**  
*Applies only to generation facilities not utilizing the company's net metering tariff that are interconnected to the company's Washington state electric distribution system.*

Technology	Total number of new systems	Total nameplate capacity of new systems (kW AC)	Average size of new systems (kW AC)	Tariff
0	0	0	0	0
<i>Totals</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

# Washington Renewable Energy System Cost Recovery



## Frequently asked questions

### Q: What is the Washington Renewable Energy System Cost Recovery Incentive Program?

A: The Washington Renewable Energy System Cost Recovery is a state program, funded through tax revenue and voluntarily administered by utilities. Pacific Power administers this incentive to its customers in accordance with state law (WAC 458-20-273 and RCW82.15.120). The program is designed to encourage the development of renewable energy projects and provide incentives based on customers' annual production from certain renewable energy sources. Participating customers will receive annual incentive payments for generation through June 30, 2020.

### Q: What are recent and anticipated incentives for Pacific Power customers?

Customer Generated Power	Fiscal Year (July 1, 2015 – June 30, 2016)			Fiscal Year (July 1, 2016 – June 30, 2017)		
	Base Rate	Factor	Price per kWh	Base Rate	Factor	Price per kWh
Solar modules and inverter manufactured in Washington state	\$0.15	3.6	\$0.54	\$0.09-0.12	3.6	\$0.324-0.432
Solar modules manufactured in Washington state	\$0.15	2.4	\$0.36	\$0.09-0.12	2.4	\$0.216-0.288
Solar and wind generating equipment with an inverter manufactured in Washington state	\$0.15	1.2	\$0.18	\$0.09-0.12	1.2	\$0.108-0.144
Anaerobic digester or other solar equipment without components manufactured in Washington state	\$0.15	1.0	\$0.15	\$0.09-0.12	1.0	\$0.09-0.12
Wind generator equipped with blades manufactured in Washington state	\$0.15	1.0	\$0.15	\$0.09-0.12	1.0	\$0.09-0.12
All other electricity produced by wind	\$0.15	.8	\$0.12	\$0.09-0.12	0.8	\$0.072-0.096

The rates are established in the legislation approving the program.

### Q: Why is the base rate for incentives changing?

A: The number of customers participating in the program continues to increase. In order for all participants to receive an incentive from the funds available, the incentive level is lowered for all those participating.

There are several factors contributing to increased participation:

- The falling cost of systems has created a boom in solar energy adoption
- Larger average system sizes with increased generation, coupled with increased adoption of Washington-manufactured equipment (which pays a higher maximum incentive per kWh)
- Changes in weather year over year, as well as other drivers of electricity sales, impact the level of incentives available

*continued*

**Q: How is the base rate determined?**

A: The total funds available for all annual incentive payments is 0.5 percent of the prior year's taxable power sales or \$100,000, whichever is greater. When the number exceeds the limit of the total incentive funds available, the base rate will be reduced for all incentive payments. The base rate will continue to be adjusted annually until it is possible to pay an incentive payment to all customer-generators and administrators without exceeding the available funds.

**Q: Will the base rate continue to go down through 2020?**

A: It is anticipated that the number of customers participating in the program will continue to grow year over year, so the incentive rates could continue to decrease every year that the cap is met.

**Q: When can I apply for my 2017 incentive?**

A: In July, you will receive the Annual Incentive Payment Application and a letter from Pacific Power informing you of the annual kWh production from your renewable energy system. Submit your completed application by August 1. You will receive your annual incentive payment from Pacific Power on or before December 15, 2017.

**Q: Where can I find more information?**

A: Additional information is available on the Washington Department of Revenue website [www.dor.wa.gov](http://www.dor.wa.gov) and search for "Washington Renewable Cost Recovery Incentive Payment Program."

<<Date>>

<<Customer Name>>  
<<Mailing Address>>  
<<Mailing City, ST Zip>>

Dear <<Customer Name>>:

Thank you for your interest in renewable power and for participating in Washington's Renewable Energy System Cost Recovery program. You are in good company. Nearly 700 of our customers are receiving incentives for generating clean renewable energy through this program.

In order to continue to welcome future projects into the program, Washington sets a limit on incentives for renewables based on a state prescribed cap. We are expecting to meet the incentive cap during the 2016-2017 program year. When this happens the state requires that we adjust the incentive rate to support all program participants.

The new incentive rate will be determined following the end of Washington's fiscal year, which ends on June 30, 2017. It is expected to drop between 3 and 6 cents per kilowatt-hour (kWh). This means the base rate would move from the current rate of 15 cents to an estimated 9 to 12 cents per kWh. The base rate will be finalized by the state in summer 2017.

As we head into the last four years of the Washington Renewable Energy System Cost Recovery program, the incentive rate is expected to continue to be reduced each year as participation increases.

We recognize this is disappointing news, but the silver lining is that Washington's incentive program is growing and that means more renewable energy is being produced in Washington and that's good for everyone.

For additional information, please refer to the frequently asked questions enclosed or visit [pacificpower.net/solar](http://pacificpower.net/solar).

Sincerely,



John Sullivan  
Customer Generation

Enclosure: Frequently Asked Questions