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July 15, 2011

Washington Utilities and Transportation Commission

Regarding Docket UE-110667

Cascade Community Wind Company (CCWC) would like to provide the following comments to assist the study of the potential for distributed generation in Washington State. CCWC is a developer of distributed wind energy systems from 100 kW to 5 MW in Washington State and was awarded \$1,000,000 from the State Energy Program to kick off this industry in Washington. Distributed wind energy is big business in Minnesota, Iowa, Ontario, and much of Europe. Though Washington has some great sites for wind farms, we also have an enormous potential for distributed wind power. Unlike many wind farms, distributed wind is owned by Washingtonians and provides power to Washingtonians, leaving around 5 times the money in our economy per MW.

Cascade Community Wind Company is a founding member of the Local Energy Alliance of Washington (WALEA) and asks that you take the WALEA comments very seriously as they represent much of the industry in this state. We do have some supplementary information to provide in regards to community wind power below.

Distributed Wind Meets Local Load

Distributed Generation we define as generation connecting to a utility's distribution system at 34.5 kV or below, as opposed to their transmission system at 69 kV or above. This is fundamentally local energy since the power is generated behind the distribution substation decreasing local demand of the transmission system. The state's current definition limiting distributed generation to 5 MW is reasonable, though a higher limit could be used. It is essential, however, that non distributed projects are prevented from calling themselves distributed by stretching or bending a definition. Both Oregon and Idaho have recently been bitten by commercial wind farms splitting themselves up into multiple 10 MW pieces to qualify for distributed generation incentives. This has killed those incentives in those states. We have seen policy in other states which gives regulators discretion to disqualify projects that are obviously gaming the system.

Washington is blessed with a wind resource that basically follows our loads. On the east side of the Cascades, where summer water pumping is a major load, the wind resource correlates well with the irrigation season. On the west side, where winter heating loads are the major load, the wind also comes mainly in the winter months. Orcas Power and Light Cooperative conducted a study in 2003-2005 which showed that a hypothetical wind power facility would decrease their peak line loading. CCWC's own data from Skagit and Whatcom Counties shows a very high capacity factor (~50- 60%) during the months of Dec, Jan, Feb, for well sited wind plants.



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Our Experience

CCWC has developed two community wind turbines that are operational, and has many more in development. Although many barriers remain, we would not have gotten this far without improvements in market access, accessible incentives, permitting, and local support as outlined below.

- Puget Sound Energy, through their Schedule 91 avoided cost rate, provided a market for our power at a fair price. Without this we could not have started. Other utilities in Washington do not currently offer an avoided cost rate for distributed renewables.
- Federal Incentives were changed with the Recovery Act to be a simple refundable Investment tax credit anyone could take, a change from the production tax credit which could only be taken against passive corporate income. Simply making incentives apply to regular people was critical for allowing regular people to develop renewable energy. The Washington Production incentive currently has little or no impact on community wind projects at this point. We look forward to the incentive being changed from a \$5k cap per project to the same \$5k cap per participant incentive that community solar projects enjoy. This is preferable to simply raising the cap.
- Kittitas County provided a process to install our two 100 kW wind turbines, yet they have no process for a farmer to install a turbine any larger. Other counties we work in have similar difficulty understanding and providing a permitting path for distributed wind. This issue is critical to the distributed wind energy industry.
- CCWC provides a mechanism for community members to subscribe to the output of a community wind turbine. Subscriptions provide us with needed upfront capital and them with green power and power bill savings for the life of the turbine. We believe incentives and policies that empower individuals to pool their resources to construct larger more efficient, well sited, and professionally managed systems are the best way to build a local energy economy. By relying on community support, distributed generation projects have natural limitations to local resource, local desire for said generation, and eliminate many forms of corporate gaming. This also ensures that the economic benefits of these systems stay local and are enjoyed broadly across our communities. Providing for Community Net Metering (also called virtual, neighborhood, or remote net metering) by our utilities would provide a market for distributed generation that was self limiting to local demand.

Cascade Community Wind Company envisions a future where much of Washington's electricity is generated in the communities where it is consumed, by projects owned by members of those communities, keeping much more of our energy dollars re-circulating through the State.

Sincerely,

Terrance Meyer, P.E.