

Agenda Date: December 27, 2013  
Item Numbers: F1; F16; F21; and F15

**Dockets:** UE-131968, UE-132183, UE-132259 and UE-132163  
**Companies:** Avista Corporation, Pacific Power and Light Company and Puget Sound Energy

**Staff:** David Nightingale, Senior Regulatory Engineering Specialist  
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### **Recommendation**

Take no action and allow the interconnection rule-related tariffs for Pacific Power and Light Company in Dockets UE-132183 and UE-132259, Avista Corporation in Docket UE-131968, and Puget Sound Energy in Docket UE-132163 to become effective by operation of law.

### **Discussion**

On July 18, 2013, the commission filed with the code reviser's office a revised distributed energy interconnection rule by Order R-571.<sup>1</sup> This order permanently amended and repealed rules contained in WAC 480-108. This rule governs the terms and conditions of the physical interconnection to each of the company's electric systems. It does not include conditions regarding the sale or transmission of power. Among other provisions, the amended interconnection rule required each electric utility subject to commission jurisdiction to file revised tariffs consistent with the adopted interconnection rule.<sup>2</sup>

In fulfillment of revisions specified in Order R-571, Pacific Power and Light Company (PacifiCorp), Avista Corporation (Avista) and Puget Sound Energy (PSE) filed revisions to their interconnection tariffs as well as their net-metering tariffs. PSE's interconnection tariff has an effective date of March 29, 2014, so it will be considered at an open meeting in March. A summary of the docket filings, topics, and effective dates are provided in the following table.

<b>Company</b>	<b>Docket, Schedule</b>	<b>Tariff Topic</b>	<b>Effective Date</b>
Avista	UE-131968, Schedules 64 and 65	Interconnection	1/1/2014
Avista	UE-131968, Schedule 63	Net-metering	1/1/2014
Avista	UE-131968, Schedule 97	Production Incentives	1/1/2014
PacifiCorp	UE-132183, Schedule 136	Interconnection	1/1/2014
PacifiCorp	UE-132259, Schedule 135	Net-metering	1/10/2014
PSE	UE-132140, Schedule 80	Interconnection	3/29/2014
PSE	UE-132163, Schedule 150	Net-metering	1/1/2014

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<sup>1</sup> Docket UE-112133, General Order R-572, *In the Matter of Amending and Repealing Rules in WAC 480-108 Relating to Electric Companies-Interconnection With Electric Generators.*

<sup>2</sup> WAC 480-108-080.

## **Rule History and Scope**

Impetus for the most recent rule revision came from a legislative request to perform a study of distributed electric generation. In the summer of 2011, during the commission's study process, stakeholders suggested that streamlining the interconnection application process could reduce the costs of interconnecting distributed generation facilities, and technological advances made some of the original interconnection rule requirements obsolete. The study, in Docket UE-110667, offered recommendations for changes in statute and rules to encourage development of cost-effective distributed generation in areas served by electrical companies.

The amended rules, WAC 480-108, were designed to simplify, streamline and advance Washington State's policies encouraging renewable energy, distributed generation and net metering. In addition, the rule incorporates recent technological developments and the current state of knowledge regarding safety and applicable standards, while at the same time fulfilling the commission's longstanding statutory obligation to ensure safe and reliable electric utility service for all customers at prices that are just and reasonable.

The commission decided to engage with the Washington Public Utilities Districts Association at the beginning of the rule revision process as it had done during the original rule development. This was done with the anticipation of developing technical and administrative requirements that are common and uniform between public and private utilities. The technical working group consisted of private and public utility representatives, distributed generation advocates, Dept. of Commerce and commission staff representatives. The output from the working group was "model" language that was useful in modifying the interconnection rule.

## **Overview of Interconnection Rule Revisions**

The revised interconnection rule changed the procedures as well as technical requirements for distributed generation interconnections, and separated the administration of the systems by size and complexity into three tiers.

Tier 3 interconnection generation systems are the most complex and largest distributed generation facilities, up to a maximum size of 20 MW nameplate capacity. The rules require filing of standard contracts for interconnection with supporting studies. The new requirements include improved specific timeframes and clear expectations between the customer and utility around various required studies for feasibility and other issues.

Tier 2 interconnection generation systems are small to medium sized systems that do not qualify as standard Tier 1 systems described below and are sized up to 500 kW nameplate capacity. As compared to Tier 3, Tier 2 has slightly shorter administrative timelines and typically less-extensive supporting studies.

Standardized interconnection generation systems of 25 kW or less are now defined as Tier 1. The Tier 1 systems consist of standardized equipment such as UL-certified inverter technology and are no longer required to have an external visible disconnect switch. Electric utilities must offer a standard single application to Tier 1 customers that includes the combination of information the utility needs for interconnection, net-metering and production incentives. The maximum application fee is \$100.

For all three tiers, the rules disallow any additional liability insurance for interconnection facilities up to 100 kW nameplate capacity. In addition, third-party ownership of net-metering generating facilities is now explicitly allowed in rule.

### **Required Tariff Filings**

To be consistent with the amended Commission interconnection rule significant changes to the tariffs needed to be made by all three regulated electric utilities. The filings included recognition of the requirements described above and included various standard application and contract forms. Each company filed a single application form that included net metering, interconnection and production incentives. Each company also filed standard interconnection agreements and the standard contract agreements for the completion of any required feasibility, system impact and facilities studies.<sup>3</sup>

Commission staff reviewed the initial tariff filings for consistency with the amended interconnection rule as well as increased clarity and usability. Staff compared the amended rule to the tariff language to assure that all key concepts, requirements and processes were included. This included tariff pages as well as numerous application forms and contracts. During the review process, the companies submitted substitute tariff pages and supporting documents that addressed all of staff's concerns. No other parties have submitted comments or otherwise communicated with staff regarding these filings.

### **Conclusion**

Take no action and allow the interconnection rule-related tariffs for Pacific Power and Light Company in dockets UE-132183 and UE-132259, Avista Corporation in Docket UE-131968, and Puget Sound Energy in Docket UE-132163 to become effective by operation of law.

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<sup>3</sup> PSE's interconnection tariff in Docket UE-132140 is still under review.