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Via Electronic Mail

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

Re: Comments of Avista Utilities on the “Review Standards for Interconnection with Electric Generators” Draft Rules - Docket No. UE-112133

Dear Mr. King,

On February 5, 2013 the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a “Notice of Opportunity to Submit Written Comments on Interconnection Draft Rules” in Docket No. UE-112133. This docket was initiated by the Commission to determine if amending the rules, specifically WAC 480-108 governing the interconnection of generation facilities with utility electric systems, is warranted.

The Commission initiated this rulemaking in December of 2011 and since that time there have been numerous opportunities to submit comments and attend workshops or meetings to discuss potential changes to WAC 480-108. Avista has actively participated throughout this process. Specifically, Avista has submitted comments on four separate occasions¹, participated

¹ January 30, 2012, May 14, 2012, September 7, 2012, and December 21, 2012

in a Workshop in March 2012, participated in multiple Interconnection Workgroup meetings, met directly with Commission Staff to discuss current practices in October 2012, and participated in a Technical Editing Workshop on February 19, 2013.

As a result of the work done throughout the rulemaking, the Commission issued a revised set of draft rules on February 5, 2012³ that, if adopted, will amend and replace the current rules with the new model rules. The Commission is now seeking comments on the latest draft rules.

After attending the Technical Editing Workshop, which cleared up many of the Company's questions and concerns, the Company would like to provide the following additional comments and recommendations:

In proposed WAC 480-108-010, revise the definition of "Islanding" to the following:

***"Islanding"** means the condition that occurs when power from the electrical system is no longer present ~~de-energized~~ and the generating facility continues exporting energy onto the ~~de-energized~~ electrical system.*

The proposed definition does not work because if a generator continues to export energy onto the de-energized electrical system, then in fact the electric system is no longer de-energized.

In proposed WAC 480-108-010, revise the definition of "Nameplate Capacity" to the following:

***"Nameplate capacity"** means the manufacturer's output capacity of the generating facility. For a system that uses an inverter to change DC energy supplied to an AC quantity, the nameplate capacity will be the manufacturer's AC output rating of the generator converted in kW at the point of common coupling ~~for that inverter~~.*

Nameplate capacity should be stated in kW to align with the application fee determination and the Tier determination stated which are both stated in kW.

In proposed WAC 480-108-AAA, add the following sentence to the end of Section (4) to provide further clarity for customers:

If applications are submitted for each stage of the project, a separate application fees is required for each stage of the project.

In proposed WAC 480-108-AAA, Section (4)(a), include the words “phased in” to provide clarity around the intent of the language as follows:

(a) If the potential interconnection customer applies with a final phased in project size and the electrical company approves the application, then the potential interconnection customer must notify the electrical company as additional units are added.

In proposed WAC 480-108-BBB, Section (1)(b)(viii), revise the language to the following to ensure there is no reverse flow on a spot network:

(viii) For interconnection of a proposed generating facility to the load side of spot network protectors, the proposed generating facility must utilize an inverter. The generating facility must not allow reverse power flow to the line side of the spot network protectors at any time by exceeding the minimum load on a spot network; ~~The aggregate nameplate capacity of all inverter-based systems must not exceed the smaller of five percent of a spot network's maximum load or 50 kW;~~

If network protectors sense reverse power flow back into the utility system, they will operate and open de-energizing the customer facility thinking that there is a fault.

In proposed WAC 480-108-BBB, Section (2)(a)(iv)(D), remove the phrase “in the absence of an external disconnect switch” as follows:

(D) To maintain electrical company operating and personnel safety ~~in the absence of an external disconnect switch,~~ the interconnection customer shall agree that the electrical company has the right to disconnect electric service

This change is recommended because the Company may need to disconnect the interconnection customer to maintain operations or for personal safety, regardless if there is a disconnection switch or not.

In proposed WAC 480-108-BBB, Section (2)(b)(ii), strike the sentence “Modifications are considered minor if the total cost of the modifications is under \$10,000.” This definition is already included in WAC 480-108-010.

In proposed WAC 480-108-CCC, Section (1)(c), strike the following language in its entirety:

If the electrical company anticipates that the interconnection customer will experience voltage irregularity, as described in WAC-480-108-FFF(23)(a), the appropriate notification must be included in the electrical company's letter approving the application.

In regard to the recommended language made by Commission Staff regarding voltage irregularities found WAC 480-108-FFF Section (23), Avista believes that if the electric company is operating within the nominal voltage range of the electric system, they should not be required to test or create an engineering estimate for the typical distribution system circuit voltage for a proposed interconnection to determine if the voltage is likely to routinely be at or within two volts of the upper or lower nominal voltage range limit of plus or minus five percent. National standards specify that the nominal voltage at the source should be 120 V and allow a range of 114 to 126 V (RMS) (-5% to +5%). Nominal voltage means at times it is acceptable to operate at the upper limit of the voltage range and at times it is acceptable to operate at the lower limit of the voltage range. The Company recommends these requirements not be more restrictive than the national standard. As a result, the Company recommends removing all of WAC-408-FFF Section (23).

In proposed WAC 480-108-CCC, Section (3)(c)(ii), add the following language to the end of the paragraph.

Interconnection customers must meet the credit requirements of the electric company prior to start of construction.

Before the electric company starts construction of facilities for an interconnection customer, the electric company needs to ensure the interconnection customer meets the credit requirements of the electric company. This may be in the form of a letter of credit for the cost of constructing the facilities. If the electric company were to construct facilities for the interconnection customer and then the interconnection customer was to default on the project after only supplying a 50% cost estimate for the construction, the remaining 50% of the construction cost would be at risk of not being paid for by the interconnection customer.

In proposed WAC 480-108-CCC, Section (3)(c)(iii)(A), add the following language to the end of the paragraph.

The interconnection customer is responsible for all reasonable annual or monthly ongoing operation and maintenance costs associated with the interconnection facilities.

The interconnection customer is responsible for all reasonable cost by the electric company to construct the required interconnection facilities that are put in place for the sole benefit of the interconnection customer's generation interconnection. The electric company would own the interconnection facilities, but there is an ongoing operation and maintenance cost associated with these facilities. The interconnection customer should be responsible for the ongoing operation and maintenance cost associated with the facilities that are constructed for the sole benefit of the interconnection customer.

Throughout the proposed WAC 480-108-CCC there are many timelines both the utility and the interconnection customer must follow during the application procedures. The Company had concerns regarding the duration of some steps of the timeline and the consistency between the various tier application procedures. During the Technical Editing Workshop these timelines were discussed and the parties present came to an agreement on the various timelines. It is Avista's understanding that Commission Staff will be proposing the agreed upon timelines and Avista is in support of the changes discussed.

In proposed WAC 480-108-CCC, Section (3)(c)(iv), the word "under" should be inserted to complete the sentence.

(iv) Denial after additional studies. The electrical company will provide the interconnection customer with the results of the studies conducted under this subsection.

In proposed WAC 480-108-FFF, Section (4), make the following changes.

(4) The interconnection customer shall comply with and must ensure its generating facility meets the requirements in subsections (a), (b), and (c) of this section. However, at its sole discretion, the electrical company may approve, in writing, alternatives that satisfy the intent of, or may ~~wave excuse compliance with,~~ any specific elements of these requirements except local, state and federal building codes.

After discussion with Commission Staff and other parties, the Company believes the intent of this language is to give the utilities the flexibility to “wave” specific requirements, but not excuse compliance.

Lastly, Avista recognizes that third party ownership is one of two unresolved issues to be decided on by the Commission, due to the fact that the intervening parties in this rulemaking were unable to reach consensus or agreement on the aspects of third party ownership. The Company continues to support the statements made in its comments provided on December 21, 2012 regarding the definition of an interconnection customer and the notion of third party ownership.

Avista appreciates the opportunity to comment on the draft rules and supports the Commission’s desire to make the interconnection process safe, reliable and not overly burdensome for the Company and Avista customers.

If you have any questions regarding these comments, please contact Warren Clark at 509-495-4186 or myself at 509-495-4975.

Sincerely,

/s/Linda Gervais

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