

<<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