

**Interconnection Rulemaking
Docket UE-112133
Comment Summary – March 6, 2013¹**

WAC 480-108 / Topic	Commenter	Comment	Response
Major Issues			
010 Third Party Ownership	Avista, PacifiCorp, Puget Sound Energy	The concept is not ripe for addition at this time, the Commission has no authority to implement this change, and the change should not be made in this rulemaking. This issue should be addressed through the legislative process.	The Commission believes that RCW 80.60, as currently enacted, allows third parties to own net metering systems. The Commission may interpret this statute through a rulemaking. The Commission has no other net metering rules, thus WAC 480-108 is an appropriate place to address this issue.
	Avista	A third party is not the user of a net metering system.	The definition of “customer-generator” in RCW 80.60.010(2) requires the customer-generator to be a “user” of the net-metering system. In a third-party ownership situation, the third party would own the net metering system while the customer-generator would “use” the net metering system owned by a third party.
	Snohomish PUD	Snohomish PUD is concerned about adverse ratepayer impacts due to the interconnection of more net metering systems.	Net metering is not a least-cost source of wholesale power, but the legislature has found that it is “in the public interest to [e]ncourage private investment in renewable energy resources,” RCW 80.60.005, and allows for net metering subject to utility-specific caps established in RCW 80.60.20.
	PacifiCorp, Puget Sound Energy	Clarify that a third-party owner may not resell electricity, the customer-generator is responsible to the electric utility for the interconnection, operation and maintenance of a net metered system, and the net metering relationship is between the customer (not the owner of the generation equipment) and the utility.	The Commission has modified the definition of “third party owner” in the proposed rules to prohibit the resale of electricity and clarify that the net metering relationship is between the interconnection customer and the utility. The definition of interconnection customer in WAC 480-108-010 states that the interconnection customer is responsible for the operation and maintenance of the net metering system.

¹ Some comments submitted on December 21, 2012 are also included in this document to allow the Commission to respond.

	PacifiCorp, Puget Sound Energy	State law may require the Commission to regulate a third-party owner of a renewable energy system as an electrical company.	This issue is not presented for decision in this rulemaking. Nonetheless, the Commission may provide guidance on the regulation of third-party owners in the order adopting these rules. PacifiCorp submitted comments in this docket arguing that the third-party owners are subject to UTC jurisdiction. IREC submitted a legal memo on September 29, 2011 in a prior docket regarding distributed generation, UE-110667 , arguing that third-party owners are not subject to UTC jurisdiction.
	Puget Sound Energy	The definition of interconnection customer is inconsistent when it requires, in subsection (1), that the interconnection customer “owns a generating facility” and later when it allows third-party ownership.	The list which includes subsection (1) is separated by “or” not “and.” Thus, as long as the interconnection customer is, as described by subsection (2), “a customer-generator of net-metered facilities,” an interconnection customer need not own the generating facility. The definition of “customer-generator” in RCW 80.60.010(2) requires the customer-generator to be a “user,” not owner, of the net-metered facility.
BBB (2)(a)(iv) Disconnect Switch	PacifiCorp, Parker Holden, Puget Sound Energy	Utilities suggest that a disconnect switch should be required unless agreed to by the utility. Mr. Holden supports requiring a disconnect switch under all conditions.	The Commission intends these rules to promote the adoption of distributed generation and reduce the cost of distributed generation facilities. Accordingly, the proposed rule prohibits electrical companies from requiring a visible, lockable AC disconnect switch on Tier 1 systems unless the Washington State Department of Labor and Industries requires a switch.
		Wording is unclear, suggested changes about placement of the switch.	The proposed rule does not discuss the placement of a potential switch.
FFF(14) Insurance	PacifiCorp	PacifiCorp proposes to limit risk by adding: “An Electric Company shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a facility, or for the acts or omissions of the customer generator that cause loss or injury, including death to any third party.”	The Commission does not believe it has the statutory authority to limit the tort liability of a utility through this rulemaking.

FFF(23)(a) Notice of Voltage Irregularity	Avista, PacifiCorp, Puget Sound Energy, Tacoma Power	<p>Utilities suggest removing this section. Utilities suggest that they should not have to maintain their voltages more stringently than called for in WAC 480-100-373.</p> <p>PSE suggests that the proposed irregular voltage requirement is incompatible with Tier 1’s expedited nature and requirement to “not require an upgrade to or construction of new electrical company facilities.”</p> <p>“The words ‘anticipated’ and ‘irregularity’ are not defined.</p>	<p>After reviewing the concerns raised regarding the proposed notification procedures, the Commission significantly revises the requirement in the proposed rules. The new rule reads:</p> <p>“030(1)(b) Notification of potential voltage irregularities. Application materials shall include a notice explaining that voltage may be routinely at the upper limits of the range described in WAC 480-100-373, and this may limit the ability of a generating facility to export power to the electric system.”</p> <p>This revision eliminates all of the concerns raised in response to the original proposal. This revision does not require utilities to perform any studies, but does require the electrical company to include a standard notification in its application materials. This requirement puts the interconnection customer on notice that voltage irregularities may exist.</p>
		<p>Avista suggests that companies should “not be required to test or create engineering estimates for typical distribution system circuit voltage for a proposed interconnection.” PSE and PacifiCorp raise concerns about the requirement adding significant costs.</p>	<p>The Commission disagrees that costly additional studies are required to estimate an interconnection customer’s anticipated voltage. A utility should be aware of the operating characteristics of its distribution circuits and know which parts of which circuits may be routinely experiencing voltages at or near the limits of the allowed range without burdensome studies.</p>
Other Issues			
General	Puget Sound Energy	<p>PSE hopes the Commission circulates another set of draft rules after this comment period due to many new changes found in this version of draft rule.</p>	<p>The Commission circulated several drafts of the rule to stakeholders for review and held a number of workshops where stakeholders could bring up their concerns and suggest revisions. The Commission is now circulating proposed rules, and will accept more written and oral feedback on the proposed rules as described in the notice issued on April 16, 2013.</p>
010 Islanding	Avista, Puget Sound Energy	<p>The definition of “islanding” creates unintended consequences. PSE and Avista suggested alternative language.</p>	<p>Staff reviewed all the comments and selected Avista’s proposed definition for inclusion in the proposed rules.</p>

010 Nameplate Capacity	Avista, Puget Sound Energy	PSE suggests that the definition of “Nameplate capacity” should not be the manufacturer’s AC output rating of the inverter. Use of the AC output rating is confusing and not necessary. PSE suggests using the manufacturer’s DC output capacity of the generating facility unless the utility agrees to base the system capacity on the AC output capacity. Avista suggested revisions to clarify this definition.	Stakeholders differed on how to define nameplate capacity: as the capacity of the inverter or the generator. The definition in the proposed rule will largely remain the same, and requires the use of the unit of kilowatts.
AAA Reapplicati on fee waiver	PacifiCorp	Recommends adding a section to read: “If an Interconnection Application is later deemed withdrawn, the application fee shall be applied to a request for reapplication if submitted within thirty (30) business days.”	The Commission has included the change in the proposed rules.
AAA(4) Phased-in projects	Avista	Suggests clarifying wording.	The Commission has included the change in the proposed rules, and added further clarifications.
BBB	Tacoma Power	Extensive technical edits suggested, mainly dealing with format and syntax.	The Commission agrees with most of these detailed comments and incorporates many edits into the proposed rules.

<p>BBB(1)(a) (xi)</p> <p>Radial distribution circuit</p>	<p>Avista, Puget Sound Energy, Tacoma Power</p>	<p>Avista, PSE, and Tacoma Power state that this provision is not needed for their systems and are concerned about the wording. Tacoma Power recommends deleting entirely. PSE suggests rewording to: "Is not proposed for interconnection to a radial distribution circuit where the entire circuit serves only one customer or to a spot network distribution circuit serving one customer."</p>	<p>The Commission agrees the wording regarding "radial distribution circuit" is problematic. This provision is not included in the proposed rules.</p>
<p>BBB(1)(b) (viii)</p> <p>Spot Networks</p>	<p>Avista</p>	<p>Avista recommends deleting: "The aggregate nameplate capacity of all inverter based systems must not exceed the smallest of five percent of a spot network's maximum load or 50 kW," and replacing it with: "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."</p>	<p>The language Avista suggests deleting is the same as FERC's current Small Generator Interconnection Procedures Section 2.2.1.3. Additionally, this language is not proposed for modification in the latest version of FERC's draft revision of its Small Generator Interconnection Procedures. In the absence of a compelling reason to deviate from this federal standard, the Commission proposes to continue using this language.</p>
<p>CCC</p> <p>Electronic Documents</p>	<p>Puget Sound Energy</p>	<p>Clarify the use of electronic documents.</p>	<p>The Commission intends to facilitate the use of electronic communications whenever possible. In the introduction to this section, the Commission adds a sentence to provide that "An electrical company may send any notice described in this section by electronic mail." Additionally, WAC 480-108-AAA(1) requires the standard application to be available on the utility's web site and, "unless unreasonably burdensome, allow for submission via the internet."</p>
<p>CCC</p>	<p>Avista, PacifiCorp, Puget Sound Energy</p>	<p>Adopt shortened timelines.</p>	<p>The Commission has included the change in the proposed rules.</p>

CCC(3)(c) (ii) Credit Requireme nt	Avista	Add: "Interconnection customers must meet the credit requirements of the electric company prior to start of construction."	The Commission has included the change in the proposed rules.
CCC(3)(c) (iii)(A)	Avista	Add: "The interconnection customer is responsible for all reasonable annual or monthly ongoing operation and maintenance costs associated with the interconnection facilities."	The Commission agrees with this comment if the facilities are dedicated solely to a single interconnection customer's use. The Commission has included the change in the proposed rules.
CCC(3)(c) (iii)(B) Cost Disputes	Snohomish PUD	A utility should retain full responsibility for evaluating the feasibility and potential impacts of interconnections.	A third party cannot perform a system impact study independently; in contrast, utility personnel must be involved in each study. The existing rule, which the Commission does not proposed to modify in this rulemaking, requires the utility and interconnection customer to agree on the party to perform the study, and estimated cost of the study. The utility retains its right to object to the identity of the party to perform the study, or the estimated cost of the study.
	PacifiCorp	Remove the provision allowing a customer to provide an "alternative cost estimate from a third-party qualified to perform the studies required."	The subsection in question is available to customers under the current rules, and provides a consumer protection function should a utility drastically overestimate the time or cost of required studies. Under the current rules, the utility and the interconnection customer must come to an agreement on the cost and timeline for performing any required studies, and if no agreement can be reached the Commission's normal dispute resolution procedures are available. In other states, the timing and cost of system impact studies have been sources of disagreement between interconnection customers and utilities. The Commission hopes that such disputes do not become common in this state, but retains this consumer protection provision in the event such disputes do arise.
GGG Electrical Permits	Puget Sound Energy	PSE believes that either section (4) or (5) should mention the need for the interconnection customer to obtain a state or local electrical permit and inspection.	The need for state or local electrical permits is covered by the broad language used in subsection (2)(a) that requires "the receipt of any required electrical and building permits."

GGG(2)	Tacoma Power	Recommends adding “the commissioning tests have been performed per the requirements of IEEE 1547.”	The Commission believes that compliance with IEEE 1547 is required by subsection (2)(b)’s broad language requiring “installation in compliance with the technical requirements for interconnection in this chapter.”
110 Filing Timeline	Puget Sound Energy	Requests more time for any required filings.	The Commission agrees the timeline should be extended to 60 business days, which is close to three months.
120 Cumulative Effects	Tacoma Power	Recommends complete removal of the cumulative effects section. Total cumulative effects should include all effects, not an arbitrary cutoff at 55kW. Since there is no guidance on what to do with the studies, they are wasteful.	The Commission disagrees that cumulative effects analysis is wasteful and unnecessary. However, any cumulative effect analysis should cover all interconnected systems, and the title implies that less than all interconnections should be considered. Accordingly, the proposed rules include a revised title.