



## Washington State Senate

May 16, 2013

Chairman Dave Danner  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive  
Olympia, WA 98504

Dear Chairman Danner,

The Senate Energy, Environment and Telecommunications Committee this week held a work session to evaluate progress on agency rulemaking, including the Utilities and Transportation Commission's rulemaking on interconnection standards, Docket # UE-112133. The report from UTC staff and ensuing discussion were extremely useful for members of the committee who have an ongoing interest in interconnection standards and how they correspond with larger policies around the development of distributed generation.

The work session shed light on the issue of third-party ownership of net metered distributed generation, a topic that continues to be deliberated in the Legislature. There are unanswered questions regarding the degree to which third-party participation is permitted under current net metering statutes. More importantly, as legislators, we have a keen interest in developing appropriate policies moving forward with regard to issues such as regulatory jurisdiction, consumer protection, and cost recovery. We have engaged in discussions around many of these issues in attempting to meet our state's energy policy objectives. Bills have been introduced, as recently as the 2013 regular session, but none has earned consensus.

The Department of Commerce is convening an informal work group later this month to discuss the merits of third-party financing of distributed generation. It's an issue that warrants further examination, and we believe the legislative process is the best setting for this policy-making discussion.

For this reason, we are urging the Commission to omit references and all provisions related to third-party ownership from the current interconnection rule draft. To attempt to wade into this subject in the current rulemaking is both premature and beyond the scope of this round of rulemaking. We believe more time and deliberation are needed to determine the best approach on this important policy decision, and we intend to take up this matter in the Senate Energy, Environment and Telecommunications Committee this interim and during the 2014 legislative session.

We appreciate your consideration of these comments and we welcome the Commission's participation in our continued discussions on third-party ownership as we move forward.

Sincerely,



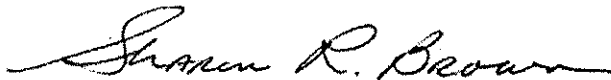
Senator Doug Ericksen, Chair  
Senate Energy, Environment and Telecommunications Committee



Senator Kevin Ranker, Ranking Member  
Senate Energy, Environment and Telecommunications Committee



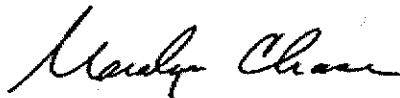
Senator Jim Honeyford  
Senate Energy, Environment and Telecommunications Committee



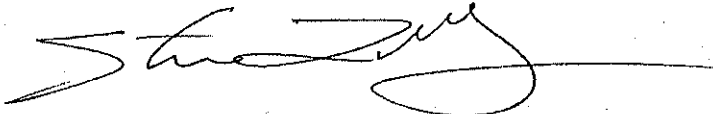
Senator Sharon Brown  
Senate Energy, Environment and Telecommunications Committee



Senator Andy Billig  
Senate Energy, Environment and Telecommunications Committee



Senator Maralyn Chase  
Senate Energy, Environment and Telecommunications Committee



Senator Steve Litzow  
Senate Energy, Environment and Telecommunications Committee