



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

July 30, 2021

Filed Via Web Portal

Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

**Re: Docket UE-131883
PSE's Distributed Generation Annual Report**

Dear Mr. Johnson:

Attached is Puget Sound Energy's ("PSE's") Distributed Generation Annual Report dated August 1, 2021. This report includes all distributed generation facilities interconnected to the PSE distribution system regardless of tariff (i.e. both net metered and non-net metered) and energy production data related to the net metered facilities.

In providing this report, PSE would like to note that the "Annual Energy Production" section of the report is not as informative and meaningful as in past years. This section of the report includes "Energy Produced" and "Energy Consumed," which can only be measured by also installing a second meter, known as a production meter, to measure the solar generated before accounting for the customer's load. Production metering is not a requirement of Net Metering, as governed by chapter 80.60 RCW and PSE Schedule 150, and it comes at an additional cost to customers. Until 2019, nearly all customers participating in Net Metering chose to include optional utility-owned production meters for the purpose of participating in the Washington State Renewable Energy Production Incentive Program. As such, the utility had meaningful data for making comparisons of energy produced to energy consumed or delivered to the grid through net metering.

Since the State Production Incentive Program closed to new PSE customers in 2019, only 10% of new net metered systems include a production meter. As of March of 2021 the percentage of total net metered systems with a production meter had dropped to 80% of the systems within PSE's service area, and that percentage is expected to decline each year. Further, while the reported "Energy Produced" only represents energy from 80% of net metered systems, the reported "Energy Delivered" is from the full set of net metered systems. Comparing these two data points could be misleading, as it makes it seem as if 70% of the energy generated by PSE's net metered customers is delivered to the grid, which is not accurate. Because of the shift away from production metering, it is not possible for PSE to accurately measure the total energy produced by all net metered customers, and therefore to accurately account for the percentage of that energy consumed versus returned to the grid, which was the original intent of the Distributed Generation Annual Report.

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Mr. Mark L. Johnson

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Please contact Kara Durbin at (425) 456-2377 or Heather Mulligan at (425) 456-2916 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

Jon Piliaris
Director, Regulatory Affairs
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cc: Lisa Gafken, Public Counsel

Attachment: Distributed Generation Annual Report