



Puget Sound Energy
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COMMISSION

July 27, 2022

Filed Via Web Portal

Amanda Maxwell, 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 Ms. Maxwell:

Attached is Puget Sound Energy's ("PSE's") Distributed Generation Annual Report ("DG Report"). 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.

The original purpose of PSE's DG Report was to provide data about the number, size and type of systems installed relative to the caps and limits described in RCW 80.60 and to provide aggregate data about energy produced from net-metered systems. As explained in last year's cover letter accompanying the 2021 DG Report, PSE reiterates 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, the percentage of new net-metered systems with a production meter has continued to drop to less than 5% of new metered systems. As of March 2022, the percentage of total net metered systems with a production meter had dropped to 67%. Further, while the reported "Energy Produced" only represents energy from 67% 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 86% of the energy generated by PSE's net metered customers is delivered to the grid, in reality, it is far less. Because of the shift away from production metering, it is not possible for PSE to accurately measure the total energy produced

Amanda Maxwell

July 27, 2022

Page 2

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 DG Annual Report.

Additionally, revisions to RCW 80.60 in 2019 added a requirement that all Washington utilities report Net Metered System Capacity and percent toward limits under RCW 80.60.030 to the Washington State University Energy Program (“WSU”). The useful numbers contained within this DG Report are now published bi-annually by WSU.

For the reasons discussed above, PSE recommends that the Washington Utilities and Transportation Commission discontinue the DG Annual Report requirement after this year’s submissions.

Please contact Wendy Gerlitz (425) 462-3051 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
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cc: Lisa Gafken, Public Counsel

Attachment: Distributed Generation Annual Report