

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Rulemaking
Regarding The Washington Utilities &
Transportation Commission's Jurisdiction
And Regulation Of Community Solar
Companies

DOCKET UE-171033

INITIAL COMMENTS OF THE
ENERGY PROJECT (CR 101)

I. INTRODUCTION

1 The Energy Project (TEP) files these comments in response to the Commission's Notice
of Informal Draft Rules And Opportunity To File Written Comments, dated February 16, 2018.
The stated purpose of this proceeding is to consider adoption of rules to provide a framework for
Commission regulatory oversight of community solar companies, pursuant to Engrossed
Substitute Senate Bill (ESSB) 5939, which became effective July 7, 2017.

2 The Energy Project works with Community Action Partnership Agencies and other
organizations that provide rate assistance and energy efficiency programs to low-income electric
service customers. Not only does the Energy Project engage generally with utilities and other
stakeholders to develop and expand rate assistance and energy efficiency programs for low-
income customers in Washington, but it also works to expand access to renewable energy. The
Energy Project is a frequent party in general rate cases and other significant dockets before the
UTC involving Washington investor-owned utilities when energy affordability, energy
efficiency, and customer service policies are at issue.

II. COMMENTS

3 In these initial comments, The Energy Project recommends that the Commission include
reporting, registration and informational requirements in its draft rules that will both help track

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the deployment of community solar projects in low-income communities and help facilitate broader access.

4 In its introductory statement of intent, ESSB 5939 includes a legislative finding and declaration that states, in part:

“The legislature finds and declares that stimulating local investment in distributed renewable energy generation is an important part of a state energy strategy....The legislature intends to increase the effectiveness of the existing renewable energy investment cost recovery program by [reducing the maximum incentive] ... *and by creating opportunities for broader participation by low-income individuals and others who may not own the premises where a renewable energy system may be installed....*”¹

5 The statute goes on to state that: “The legislature intends ... that deployment of community solar projects is balanced among eligible utilities, nonprofits, and local housing authorities.”² This is relevant for low-income customers and communities because non-profits and local housing authorities often serve disadvantaged and vulnerable populations.

6 Community solar is increasingly recognized as an effective and practical vehicle for delivering the benefits of renewable energy to all segments of the utility’s customer base. The National Renewable Energy Laboratory published a report in 2015 entitled *Shared Solar: Current Landscape, Market Potential, and The Impact of Federal Securities Regulation (Shared Solar)*.³ The report finds that 49 percent of households and 48 percent of businesses are unable to host photovoltaic (PV) solar systems because they rent their spaces or have a lack of suitable owned roof space.⁴ The report goes on to state that:

¹ESSB 5939, Section 1 (emphasis added).

² *Id.*

³ *Shared Solar at v.* <https://www.nrel.gov/docs/fy15osti/63892.pdf>.

⁴ *Id.*

“Despite tremendous growth in the U.S. solar market over the last decade, existing business models and regulatory environments have not been designed to provide access to a significant portion of potential PV system customers. As a result, the economic, environmental, and social benefits of distributed PV are not available to all consumers. Emerging business models for solar deployment have the potential to expand the solar market customer-base dramatically. Options such as offsite shared solar and arrays on multi-unit buildings can enable rapid, widespread market growth by increasing access to renewables on readily available sites, potentially lowering costs via economies of scale, pooling customer demand, and fostering business model and technical innovations.”⁵

7 Policymakers have been seeking ways to increase low-income participation in community solar. In some cases, programs are being adapted to benefit low-income households, while in others, low- and moderate-income customer participation is simply mandated.⁶

8 ESSB 5939 endorses this concept as well, stating that: “[t]he purpose of community solar programs is to facilitate broad, equitable community investment in and access to solar power.”⁷ To further this goal, the administrator of a community solar project “must administer the project in a transparent manner that allows for fair and nondiscriminatory opportunity for participation by utility customers.”⁸

9 In furtherance of the legislative intent to broaden opportunities for low-income and moderate-income customers to benefit from community solar investment, the statute provides that the Washington State University Extension Energy program must submit a report to the legislature which includes “an evaluation of whether or not community solar projects are being deployed in low-income and moderate-income communities.”⁹

⁵ *Id.*

⁶ *Bringing The Benefits of Solar to Low-Income Households: A Guide For States and Municipalities*, Bentham Paolos, Sustainable Solar Education Project, Clean Energy States Alliance, at 31. (May 2017). <https://www.cesa.org/assets/2017-Files/Bringing-the-Benefits-of-Solar-to-Low-Income-Consumers.pdf>.

⁷ ESSB 5939, Section 7 (1).

⁸ ESSB 5939, Section 7 (3)

⁹ ESSB 5939, Section 6 (30)(a)(iv)(A). The report to the legislature is due on November 1, 2019.

The Energy Project recommends that the Commission's rules include reporting on the extent of deployment of community solar projects that serve low-income customers. This can serve three purposes: (1) it will help provide the information that will ultimately be needed for the legislative reporting requirement, (2) it will help provide the Commission, other policy makers, and interested stakeholders a way to track the extent to which community solar projects are achieving "broad, equitable community investment," and (3) it may prompt community solar projects to consider designing projects that include opportunities for participation by low and moderate income customers. All of these would be positive outcomes. Asking companies at the time of registration to describe the services offered to low-income customers can advance similar goals. The Energy Project also recommends that the information rule include appropriate references to low-income customer participation.

The Energy Project submits the following recommended additions to the reporting, registration, and information disclosure provisions of the Informal Draft Rules.

Recommended language

WAC 480-xxx-008 Annual reports and regulatory fees.

- (1) The commission requires, on an annual basis, a report from each community solar company that operated within the state during the prior calendar year. The report must be filed on or before the first day of May, to cover the operations of the prior calendar year. The report must include a statement of oath showing the community solar company's gross operating revenue from intrastate operations during the prior calendar year. The report must include a list of the individual community solar projects and related programs and services administered by the community solar company including identification of projects that are designed to facilitate participation by low-income customers, and any data regarding the level of low-income participation.

- (3) On or before the first day of May, each investor-owned utility operating community solar projects must file a list of the individual community solar projects and related programs

and services offered by the utility, including identification of projects that are serving low-income customers.

WAC 480-xxx-009 Registration as a community solar company.

(4) The registration must include at a minimum:

(f) A description of the services, including low-income services, the community solar company offers or intends to offer, including financing models;

WAC 480-xxx-103 Information to customers and project participants.

(1) The community solar company must administer the project in a transparent manner that allows for fair and nondiscriminatory opportunity for participation by utility customers, including low-income customers.

(4) The community solar company must maintain and update annually through June 30, 2030, the following information for each project it operates or administers:

(e) Project design details, including but not limited to project location, output capacity, equipment list, and interconnection information; and subscription information, including rates, fees, terms, and conditions, and project components that facilitate low-income participation, if applicable. The community solar company must provide the information required to the commission at the time it submits its application.

(8) The community solar company must provide to each applicant relevant rate information and a disclosure form that explains the rights and responsibilities of a community solar company customer. The community solar company may provide this information in an electronic format consistent with provisions in this chapter governing the use of electronic information. The disclosure form must include all material terms and conditions of participation in the project, including but not limited to, at a minimum the following:

(x) If applicable, an explanation of the project provisions offered to low-income customers to facilitate access and participation.

III. CONCLUSION

12 The Energy Project respectfully requests consideration of these recommended additions to the draft rules. TEP may have additional recommendations or modifications to these proposals as the discussions develop. The Energy Project looks forward to working with the Commission and other stakeholders in the March 6 workshop, and in the future as this docket moves forward.