WASHINGTON STATE
HOUSING FINANCE COMMISSION

Karen Miller
Chair

Mr. Kim Herman
Executive Director

March 1, 2018

Mr. Steven King
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

RE: WSHFC comments on Rulemaking UE-171033

Dear Mr. King,

The Washington State Housing Finance Commission (Commission) engages with affordable housing providers and housing authorities to support community solar projects on their properties. A portion of the Commission's Clean Energy Fund 2 grant is dedicated for low-interest loans to finance construction of community solar projects. ESSB 5939 passed by the Legislature last year explicitly allows housing authorities and nonprofits to administer community solar projects, in addition to utilities, codified in RCW 82.16.160(1). That same legislation requires "community solar companies" to register with the Utilities and Transportation Commission (UTC) prior to engaging in business in the state, and allows the UTC to adopt rules establishing a community solar company's responsibility for responding to consumer issues.

As entities serving the public interest, housing authorities are regulated by the U.S. Department of Housing and Urban Development and the Internal Revenue Service, for properties receiving Low Income Housing Tax Credits. The extensive regulatory and information disclosure requirements under which housing authorities operate achieve many of the same goals as those proposed in the draft rule. We believe it is unnecessary and administratively burdensome to subject housing authorities to the full requirements proscribed in the draft rule.

Therefore, we strongly recommend that **housing authorities administering community solar only be required to register with and pay registration fees to the UTC as described in WAC 480-xxx-009 and 480-xxx-007, and submit an annual report per WAC 480-xxx-008(3).**

Additionally, we provide the recommendations below to improve the clarity and administration of the draft rule.

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WAC 480-xxx-006 – Definitions
The rule defines project participants as a type of customer, and then proceeds to use the terms "customer" and project participant interchangeably without clear distinction. For consistency with the administration of the Renewable Energy Cost Recovery Incentive Program, the rule should use the term "project participant."

WAC 480-xxx-008(2) – Annual Reports and regulatory fees
Housing authorities might not establish separate business entities to administer community solar projects, so it would be helpful to specify that the fee should be calculated on the gross intrastate operating revenue associated with community solar administration. Further, this section should be clarified that the fee is due on the May 1 following the initial registration, and each year thereafter that a community solar company operates in Washington State.

WAC 480-xxx-103(2)– Information to customers and project participants
Some administrators of community solar projects may have contracts with equipment providers or installers that include service guarantees or warranties. This section of the rule should add the underlined language for clarity: "…the community solar company or other entity in contract to provides services to the community solar company, must bear all costs…"

WAC 480-xxx-103(6)– Information to customers and project participants
The requirement for a housing authority to maintain a toll-free number exclusively for inquiries related to community solar projects is administratively and financially burdensome and should be removed. Instead, community solar companies should be required to provide a telephone number available during business hours to receive inquiries. This number could be the same as is already provided for other inquiries.

WAC 480-xxx-113 – Deposits
The rule should be clarified that the performance bond, trust or escrow account only needs to be sufficient to cover the amount of any deposits collected. The rule should be clear that this requirement does not apply to community solar companies that do not collect customer deposits. The references to performance bonds in 480-xxx-009(2) and (8) and 480-xxx-010(2) should reference this section for additional detail.

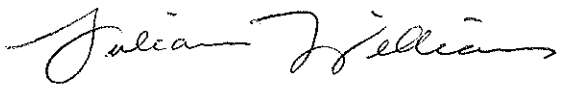
WAC 480-xxx-114– Disposition or transfer
Subsection 1 focuses on the rights of participants, rather than the requirements on community solar companies. The rule should be revised as follows: "A community solar company must allow, but not require, a participant in a community solar project to reduce their participation in a project in part or in whole at any point, by offering at least the following options…"

Subsection 2 should clarify that a participant seeking to sell their share is not subject to the door to door provisions of WAC 480-xxx-104(2).

WAC 480-xxx-183 – Meter tests
As project administrators, community solar companies may not have the technical expertise to test their own system meters. The rule should be revised to allow for utility or electrical contractors to conduct the test: "A community solar company must have its system meter tested, and must report to its customers the accuracy of its system meter once every twelve months."

Thank you for the opportunity to comment, and we are happy to discuss our comments further.

Sincerely,



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