

Solar Horizon LLC

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December 14, 2018



Filed Via Web Portal

Mr. Mark L. Johnson, Executive Director and Secretary
State of Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

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12/14/18 11:11
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COMMISSION

RE: Response to Small Business Economic Impact Statement (SBEIS) Questionnaire, Public Utility Regulatory Policies Act, Obligations of the Utility to Qualifying Facilities, WAC 480-107 Docket U-161024

Dear Mr. Johnson:

Solar Horizon is a small business renewable energy developer, owner and operator. We have less than 5 employees, hiring subcontractors for construction and professional services. We develop, own and operate solar renewable energy systems which are typically less than 1,000kW in size.

We support the State in its efforts to increase the use of low-cost renewable energy through the installation of small renewable energy Qualifying Facilities (QFs) under Chapter 480-107 WAC. With regards to economic impacts to small businesses developing, owning and operating QFs, we have the following responses to your questioner:

- We recommend that QFs which are less than 500kW in size be specifically exempt from most of the provisions of 480-106-030 (2) Contracting Procedures as development, installation and operation of these systems would be impeded significantly and disproportionately by the regulatory and administrative requirements reasonably placed on larger QFs. This maybe addressed by establishing simpler requirements for QFs less than 500kW in size or by clarifying that 480-106-030 (2) Contracting Procedures apply only to QFs between 500kW and 5,000kW in size.
- QFs less than 500kW can reasonably be expected to comply with 480-106-030 (2) (a)i through (a) iv), a (vii), and (x) without significant financial burden.
- The cost to comply with 480-106-030 (2) (v), (ix), (xiii), (xiv) will require 10s of thousands of dollars that are at risk until the QF Contract becomes enforceable regardless of the size of the proposed facility. The specific cost can be calculated based determining the cost of Supervisory Control and Data Acquisition (SCADA) or similar equipment required to meet the requirements of (2) (v) and the costs of preparing and applying for interconnection required in (2) (xiv) which is typically \$5,000 to \$20,000 in addition to the costs that might be incurred for the Utility to study impacts on the transmission/distribution system under procedures designed to evaluate installation of larger systems.

- 480-106-030 (3), (4) and (5). While these provisions are reasonable for larger QFs, I believe that more streamlined/simplified contracts should be developed for QF's less than 500kW in size. Contract review and negotiation costs are typically \$300-\$600 per hour or more for legal support. Negotiating full-length contracts can easily cost \$20,000 to \$50,000 for the Developer as well as an equivalent cost for the Utility.
- 480-106-040 (3). When calculating the avoided cost, the value or cost of distributed energy resources at the distribution circuit level should be included in the calculation. If for example constructing new, larger substations, distribution or transmission lines can be avoided by the installation of distributed renewable energy systems, there could be substantial avoided costs at that specific location/circuit.

In addition to the above comments, I recommend a slight editorial change to Section 480-106-010 (1). The "owner" should be changed to "Project Developer" or "Independent Power Producer", as at the time that the contract is signed, there is likely no physical asset.

Solar Horizon appreciates the opportunity to respond to your economic questioner. Please feel free to call or email me with any questions you have.

Sincerely,

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