



Interstate Renewable Energy Council

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Submitted via email to records@utc.wa.gov

January 31, 2014

Records Center
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Drive S.W.
Olympia, WA 98504

RE: Docket UE-131883, Filing of Comments of the Interstate Renewable Energy Council, Inc. Pursuant to December 19, 2013 Notice of Opportunity to File Written Comments

To the Records Center:

On behalf of the Interstate Renewable Energy Council, Inc. (IREC), attached for filing in the above referenced docket is the document titled “**Comments of the Interstate Renewable Energy Council, Inc. on Conducting a Cost-Benefits Test in Washington**”.

This document is attached to a transmittal email submitted on this date to records@utc.wa.gov.

Thank you for your assistance.

Sincerely,

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**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

Docket UE-131883

**Comments of the Interstate Renewable Energy Council, Inc.
on Conducting a Cost-Benefits Test in Washington**

The Interstate Renewable Energy Council, Inc. (IREC) appreciates the opportunity to submit comments in response to the Utilities and Transportation Commission's (Commission) December 19, 2013 Notice of Opportunity to File Written Comments (Notice) regarding the Commission's continuing consideration of the costs and benefits of distributed generation (DG).

IREC is a 501(c)(3) organization that focuses on enabling greater use of clean energy in a sustainable way by (i) introducing regulatory policy innovations that empower consumers and support a transition to a sustainable energy future, (ii) removing technical constraints to distributed energy resource integration, and (iii) developing and coordinating national strategies and policy guidance to provide consistency on these policies centered on best practices and solid research.

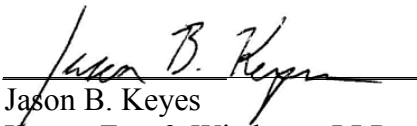
IREC noted in our November 6, 2013 comments that the impulse to undertake a comprehensive DG study should be tempered with pragmatism, and that a study should wait until the market has grown enough to warrant a closer look at cost and integration-related impacts. If a study were conducted today, it may be the case that the cost of the study, itself, would exceed either the net costs or net benefits it reveals. While the DG market continues to make great strides in Washington, it has not grown to such a size or at such a pace to make a cost-benefit study a pressing matter. IREC reiterates its position that Washington has probably not yet hit a critical mass of DG penetration that merits a comprehensive study.

From preliminary data reports, IREC's understanding is that approximately eight megawatts (8 MW) of mostly residential solar facilities were installed in Washington in 2013, with total installations over all years of approximately 20 MW. Based on an estimated average of 1000 kWh/kW-yr, all of the solar energy facilities in place now in the state will generate roughly 20 million kWh in 2014. Studies of the costs and benefits of net metering vary, but generally fall in a range of a couple cents net cost to a couple cents net benefit per kWh. IREC expects that the net impact (either way) found by a study, including the impact of 2014

installations, will be no more than \$500,000. The result may very well be that the net impact is close to zero. Given these figures, IREC suggests that there is no great urgency to conduct a study, but applauds the Commission for thinking ahead about the eventual need for a study.

While a study is not urgently needed at this time, IREC does suggest, however, that a study could be useful to policymakers in charting the course of Washington's long-term DG strategy. Accordingly, IREC recommends that the UTC conduct a study toward the end of the year. As net metering continues to grow, the efficacy of net metering as a policy tool will become increasingly relevant. Given the likelihood that Puget Sound Energy is likely to near its net metering program cap in the next two years, a study of the cost and benefits of net metering, or solar more generally, could be a valuable tool to assist the Legislature's consideration of whether to raise the net metering cap, or remove the cap altogether.

Respectfully Submitted on January 31, 2014.

By: 
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