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Mr. David W. Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

**Re: Docket No. UE-100849
Regulatory Treatment for Renewable Energy Resources**

Dear Mr. Danner:

On July 1, 2010, the Washington Utilities and Transportation Commission (“Commission”) issued a Consolidated List of Issues in the above-referenced docket and requested that interested persons file comments by July 22, 2010. The Commission also provided that interested persons may submit reply comments by August 5, 2010. Energy Northwest hereby submits the following reply comments.

General

1) *Definitions.* What is “*distributed generation*” as applied to solar PV projects?

Energy Northwest agrees with many of the comments made by other parties on this issue. Energy Northwest agrees with Avista’s comment that a solar PV project’s output “should be measured based on its A/C output.” The Joint Comments of Renewable Northwest Project, NW Energy Coalition, Climate Solutions, Cascade Chapter of the Sierra Club, and Washington Environmental Council provide a simple reason for measuring output on an AC basis, and Energy Northwest agrees: “using AC gives . . . a more accurate measure of the true ‘generating capacity’ of the PV resource.”

In its prior comments, Energy Northwest proposed the following language to amend RCW § 19.285.030(9):



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“As used in this definition, the ‘generating capacity’ of solar photovoltaic energy systems must be measured on the alternating current side of the system’s inverter and may be based upon either (1) the manufacturer’s actual output limits for such inverter, or (2) a conversion factor of 85 percent applied to the manufacturer’s nameplate rating in direct current watts under standard test conditions.”

Based upon certain reply comments before the Commission, Energy Northwest would like to clarify the intention of its proposed language. Unlike OAR 860-084-0040, which would only allow a PV project to qualify as a distributed generation facility based on a conversion factor applied to the project’s DC nameplate rating, Energy Northwest’s proposed language would also allow a PV project to qualify based on the project’s AC output limit, as determined by reference to the operating characteristics of the inverter.

The “operating procedures method” proposed by Obsidian Finance Group, LLC (“Obsidian”) appears consistent with the first option under Energy Northwest’s proposed language and would provide an objective and verifiable method for determining maximum AC output based on actual hardware or software limitations.

Energy Northwest appreciates the opportunity to participate in this proceeding.

Very truly yours,



Stephen C. Hall