



Solar Installers of Washington

Date: July 26, 2018

TO: Executive Director and Secretary
Washington State Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250 Olympia, WA 98504-7250

FR: Board of Directors, Solar Installers of Washington
Allison Arnold, Executive Director, Solar Installers of Washington

Re: Docket UE-171033, CR-101. Comments of the Solar Installers of Washington on Revised Draft Rulemaking regarding the Utilities and Transportation Commission's jurisdiction and regulation of community solar companies

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As Washington's solar trade association, Solar Installers of Washington (SIW) appreciates the opportunity to submit the following comments in response to the Washington Utilities and Transportation Commission's (UTC) Notice of Revised Draft Rules and Opportunity to File Written Comments issued in Docket UE-171033.

Thank you for the opportunity to submit comments on March 1, 2018, in response to the original draft rules. The questions we raised in those comments remain outstanding, as unfortunately, the revised draft rules still leave much room for clarification on the business structure of community solar. **We respectfully thank you for the opportunity to resubmit these again.**

We also raise an additional request for clarification on the "provision of electricity" – its value and for whom – for community solar projects managed by community solar companies or investor-owned utilities. Understanding that value will be essential to structuring successful projects. We have noted this supplemental question as "*Additional*" on page 2.

First, we seek clarification on the definition of "provision of electricity," as several arrangements might count. For instance, power purchase agreements (PPAs) establish a contract between a community solar project's owner and the project's host. For example, a church may host a community solar project on its roof and purchase power from the project via a PPA, but the church is not also a direct participant in the community solar program.



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By contrast, utility bill credits establish a contract between a utility and a community solar project's participants, better known as virtual net metering. But while very different, both a PPA and bill credits can plausibly be defined as "provision of electricity." We ask for clarification on what arrangement(s) will qualify for a community solar project to meet its obligation to "provide electricity."

Additional: More specifically, in describing "WAC 480-xxx-030 Annual reports and payment of regulatory fees" (p5), the revised draft rules differentiate between community solar projects operated by community solar companies versus those operated by investor-owned utilities. However the "provision of electricity" occurs, is it assumed to be the same for community solar projects administered by an official community solar company versus those administered by an investor-owned utility?

Whoever manages a community solar project, understanding the electricity's value and for whom – as defined in the "provision of electricity" – will be essential to structuring a successful project.

Secondly, we seek confirmation on the role of project ownership in defining community solar companies versus service providers. Referencing the revised draft rules' definitions (WAC 480-xxx-002, pp1-2):

"Community solar company" means a person, firm, or corporation, other than an electric utility or community solar cooperative that owns a community solar project *and* provides community solar project services to project participants. [Emphasis added]

"Community solar project services" means the provision of electricity generated by a community solar project, or the provision of the financial benefits associated with electricity generated by a community solar project, to multiple project participants, and may include other services associated with the use of the community solar project such as system monitoring and maintenance, warranty provisions, performance guarantees, and customer service.

We interpret these definitions to mean that *if* an entity is providing services listed under the definition of "community solar project services," but does not also have an *ownership* role in the project, then they are merely a "community solar project service provider," and not subject to regulation as a "community solar company." We anticipate this question for providers of such services as marketing, design, installation, and others who are important partners for a successful community solar company, but which are not specifically *owners* in the community solar project they service.



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Relatedly, if an entity serves as the project’s primary legal owner for the purpose of using federal tax credits to lower the overall project cost for community solar participants – but is not involved in the solicitation of participants, installation, or other community solar services – we interpret that they are also not regulated as a community solar company. We propose the following:

- If an entity owns a project and provides community solar services, it should be classified as a community solar company.
- If an entity is merely a passive owner (for tax equity purposes) or another service provider, it should not be regulated as a community solar company.

Finally, as Washington’s solar trade association, the SIW requests a clause confirming that those involved in the design or installation of a project be classified as providers of “community solar project services,” but not subject to regulation as community solar companies.

Most importantly, it is our hope that community solar thrives in Washington, both to provide our local companies with role in installation, and to expand participation in solar's benefits. We commend that experienced nonprofit organizations like Spark Northwest, and Front & Centered, and others are involved commenting as well.

Thank you again for your time and expertise on community solar companies and consumer protection. We welcome further conversation.

Sincerely,

The Board and Executive Director of the Solar Installers of Washington

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