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August 8, 2011

Submitted via email to records@utc.wa.gov / WUTC Records Center

Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
PO Box 47250
Olympia, WA 98504-7250

**Subject: Additional Comments of Snohomish Public Utility District No. 1
Study of the Potential for Distributed Energy in Washington State
Docket UE-110667**

Commissioners:

Snohomish Public Utility District No. 1 (“Snohomish PUD”) submitted initial comments on issues identified in the June 24, 2011 notice regarding Docket UE-110667, *Study of the Potential for Distributed Energy in Washington State*. Snohomish PUD offers the following additional comments in response to the July 29, 2011 notice of opportunity:

In its July 15, 2011 comments, Snohomish PUD emphasized that its power portfolio is diverse, and that it consists of clean, renewable resources such as hydroelectric power, wind, landfill gas, and biomass. Snohomish PUD has successfully launched numerous programs and initiatives to acquire, construct, and develop or support the development of renewable energy resources.

Snohomish PUD launched its Solar Express program in 2009 to encourage the installation of solar systems that offset a customer’s electrical consumption. The program offers information and financial incentives to business and residential customers for installing solar photovoltaic and solar hot water systems. Solar Express has provided incentives for more than 100 Snohomish PUD customers to date.

In addition, Snohomish PUD recently formalized a new Small Renewables Program designed to encourage the development of small, distributed renewable generating resources inside the utility’s service territory. Through this program the utility determines the price it can pay for the energy and associated environmental attributes from clean, renewable resources larger

than 100kW but no more than 2 MW in size. Projects that meet the program's criteria and the necessary credit and interconnection requirements are eligible to sell 100% of the project's energy output and associated environmental attributes to Snohomish PUD under a standard Power Purchase Agreement for a Contract Term of up to five years.

From the Snohomish PUD perspective, distributed generation is a small resource with electric production "dedicated" to support the nearby associated load. Generator owners/developers can operate their generating equipment in parallel with Snohomish PUD's electric system, provided there is no adverse effects on its other customers, equipment, personnel, or quality of service. A formal interconnection process with studies to determine the generator's impact on utility systems is an essential part of these efforts.

For the longer term, Snohomish PUD is undertaking broader efforts to facilitate distributed generation. These efforts include:

- Modernizing the utility grid, infrastructure, and information technology (IT) systems to integrate a variety of resource types, sizes and locations in an efficient and economical manner.
- Investing in distribution level energy storage technologies and developing energy storage systems that support the integration of distributed generation resources which are often intermittent in nature (e.g., solar and wind).

Snohomish PUD suggests that incentives focus on helping utilities develop robust infrastructure and processes to support distributed generation. This will encourage innovation, flexibility, and efficiency, as opposed to additional legislative mandates that result in costly procurement of resources without supporting structures in place.

Snohomish PUD thanks the Commission for its willingness to seek and consider comments and looks forward to working with staff as the Commission works through the study.

Sincerely,



Dana Toulson
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cc: Steve Klein, General Manager
Philip Jones, Washington UTC Commissioner