Energy Program
WASHINGTON STATE UNIVERSITY

Our Mission

To advance environmental and economic well-being by providing unmatched energy services, products, education and information based on world-class research.

About Us

Our staff of energy engineers, energy specialists, technical experts and software developers work out of Olympia, Washington. The WSU Energy Program is a self-supported department within the University.

Within WSU

We are part of the College of Agricultural, Human and Natural Resource Sciences. Our Director, Todd Currier, reports to the Dean of the College.

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January 2019 Update:
The Renewable Energy System Incentive Program

Background

- In 2005, a production incentive was established in the State of Washington as part of the Renewable Energy Cost Recovery Program (Legacy Program). It was for homeowners, businesses and local governments that installed solar electric, wind power or anaerobic digester systems.
- The Washington State University (WSU) Energy Program provided technical support to the Department of Revenue in the administration of this program.
- In 2009, the program was expanded to include Community Solar Projects.
- Then in 2017, Engrossed Substitute Senate Bill (ESSB) 5939 directed the WSU Energy Program to launch and administer a new program for citizens and businesses of Washington known as the Renewable Energy System Incentive Program (New Program).

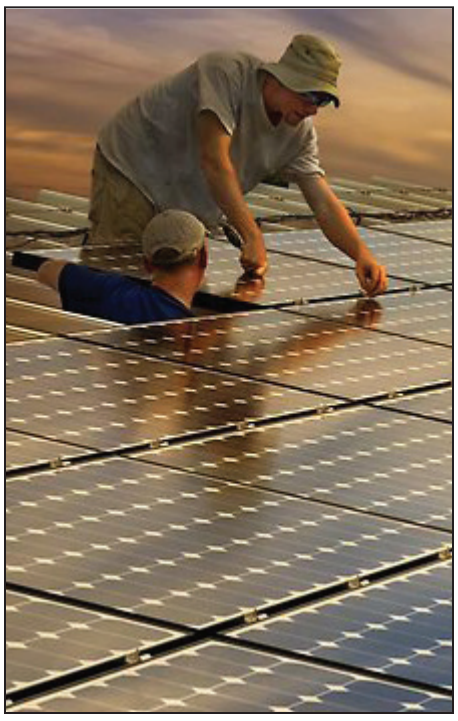
New Program Elements

The New Program is different from the Legacy Program:

- Program term
- Additional data requirements
- Participation categories
- Declining incentive rates
- Total New Program incentive cap of $110 million

Program Term

- Eight years of incentive payments, up to 50 percent of the system price – whichever comes first
- Four-year enrollment through June 2021, or when the authorized funding is exhausted



Additional Program Data Requirements

- Interconnection Agreement
- System and operation data
- Total system price

Participation Categories

- Residential-scale – 12 kW_{dc} or less, combined
  - Annual incentive limit is $5,000
- Commercial-scale – Greater than 12 kW_{dc}
  - Annual incentive limit is $25,000
- Community Solar Project – 1,000 kW_{dc} or less
  - Annual incentive limit is $5,000 per participant
- Shared Commercial Solar Project – one to five MW_{dc}
  - Annual incentive limit is $35,000 per participant

Fiscal Year 2018 Incentive Base Rates

- Residential-scale.....$0.16/kWh
- Commercial-scale $0.06/kWh
- Community Solar.....$0.16/kWh
- Shared Commercial Solar.....$0.06/kWh
- Made in Washington Bonus.....$0.05/kWh
- Rates decline over time

The Caps

- $110 million statewide cap on the New Program
- 1½ percent of each utility's taxable power sales generated in calendar year 2014, or $250,000 – whichever is greater – up to the utility's Public Utility Tax liability
- Annual and cumulative incentive payments

Utilities are Key Program Delivery Partners

Despite the fact that participation is voluntary, 47 of the state's electric utilities decided to engage in the program and support the installation of solar systems by customers in their service territories.

Roles that utilities play in the New Program:

- Agree to support the program
- Make payments to participants annually and collect the energy output data on which payments are based
- Market the program and answer questions from customers and installers
- Some are also sponsors or adminstrators of Community Solar Projects

Highlights – Utilities and the New Program

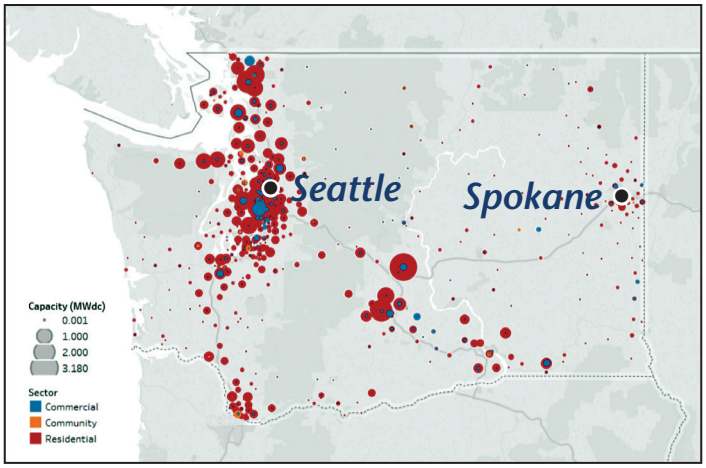
- Puget Sound Energy added nearly 2,000 new systems to the approximately 5,000 systems that they supported under the Legacy Program
- The largest system is in Avista service territory – 28 MW. This is the first Shared Commercial Solar Project
- Over 6,000 applications have been received under the New Program: 95 percent Residential-scale, 5 percent Commercial-scale
- Total electrical capacity of the new systems is more balanced: 54 percent Residential-scale, 46 percent Commercial-scale
- First certified Community Solar Project under the New Program – and currently the largest – is sponsored by the Orcas Power and Light Cooperative (OPALCO) – 504 kW with 274 participants
- Seattle City Light has the most participants in Community Solar Projects
- Very small utilities are also participating – one system was sited in the service territory of Nespelem and one in the City of McCleary

New Program Results

(As of January 15, 2019)

- 6,450 applications submitted
- 5,246 systems certified
- Capacity – 83.1 MW_{dc}
- 42.7 MW_{dc} Residential-scale
- 12.1 MW_{dc} Commercial-scale
- 27.8 MW_{dc} Shared Commercial
- 0.55 MW_{dc} Community Solar Projects
- Incentives obligated – $97 million
- Reported system price – $224 million
- Average per watt – $3.61
- $3.65 Residential-scale
- $2.81 Commercial-scale
- Pre-certifications approved:
  - 6.0 MW_{dc} Community Solar Project
  - 5.0 MW_{dc} Shared Commercial Solar Project
- The WSU Energy Program projects that all $110 million of the statewide program cap will be committed to projects by February 2019 – nearly 2½ years earlier than contemplated by the legislation

New Projects Statewide



Legacy Program Transition

- Nearly 15,000 Legacy Program participants successfully transitioned to WSU Energy Program oversight and tracking
- New administrative requirements meant all had to reapply to continue to receive payments
- Utility collaboration was essential to a successful transition

Timeline

- **July 7, 2017:** ESSB 5939 signed into law
- **October 1, 2017:** Administration of Legacy Program transitions from Department of Revenue to the WSU Energy Program
- **October 30, 2017:** Emergency Rule filed with initial program operating procedures and decisions
- **December 27, 2017:** Start accepting new incentive applications through newly developed tracking system
- **July 1, 2018:** Start of fiscal year 2019
- **September 21, 2018:** Final Program Rule adopted
- **November 16, 2018:** Deadline to submit pre-certification applications – Community Solar and Shared Commercial Solar
- **January 31, 2019:** Deadline for final electrical inspections – Residential-scale and Commercial-scale systems
- **February 14, 2019:** Deadline to submit applications for systems completed by the end of January – Residential-scale and Commercial-scale systems

OPALCO Encourages Low and Moderate Income Participation

OPALCO is reserving 10 percent of its Community Solar system's production to benefit established low income households that are participating in the Energy Assist program through OPALCO. This Energy Assist program is dependent on participation in some other vetted low income federal assistance programs or local financial assistance.

OPALCO also offers a program where members or non-members can donate a Solar Unit to any existing member – including low or moderate income households. The "Gift of Power" is a sustained donation of the Community Solar Array's monthly production for the 20 year term of the project. Local non-profit businesses or any other member that would qualify under the eligibility guidelines can participate.

Solar in Low and Moderate Income Communities

- No specific income data was collected on participants in the New Program
- No specific subsidized funding was provided for low income participants
- Therefore, since the average Residential-scale system cost is over $25,000, it is unlikely that the Residential-scale incentive resulted in significant penetration into low to low moderate income communities

- The primary ways that benefits are provided to low income individuals have been through the Community Solar effort and the installation of Commercial-scale systems on low income housing
- Community Solar Project sponsors report any strategies for benefitting low income communities to the WSU Energy Program at the time of pre-application for the incentive program – which is the primary source of information about low income benefits under the New Program
- Each of the three Community Solar Projects certified and operating today have implemented their project to create low income benefits, and most of the pre-certified projects have identified ways in which low income benefits will be provided
- Though it is not specifically tracked, the WSU Energy Program is aware of several Commercial-scale Projects that have been installed on low income multi-family housing units that provide benefits indirectly to low income residents

Moving Forward

The WSU Energy Program appreciates the opportunity to continue to meet the goals of the legislation and contribute to the growth of renewable energy in the State of Washington.