



August 4, 2017

To the Snohomish PUD Board of Commissioners:

Solar Installers of Washington and SnoPUD have developed a good working relationship over the last three years, and in that spirit we submit the following comments regarding the new Schedule 90 that was presented July 25, 2017 in Proposed Modifications to Small Generation Programs.

We have a number of concerns, and conclude that the proposed Schedule 90 will not achieve its stated goals. Notably, the proposal removes a solar customer's right to use the electricity they generate on their own property, disqualifying their expenditure for the federal residential tax credit. Additionally, the table below illustrates several other concerns from in the proposal's presentation to the Commissioners on July 25<sup>th</sup>.

SnoPUD Claim	Reality
<p>Schedule 90 <i>"addresses system inequity issues."</i>  <i>"Other customers must pay more to support solar generating customers."</i>  <i>"Net metering at retail rates does not reflect cost of service or value of solar."</i></p>	<p>Retail electricity rates by themselves do not reflect the cost of providing service to every customer. Net metering is being singled out for prejudicial treatment, while other energy conservation measures are a larger driver in billing disparities.</p>
<p>Schedule 90 <i>"rewards customers for high value generation profile."</i></p>	<p>Schedule 90 penalizes customers for offsetting their own year-round loads like electric cars and plug loads.</p>
<p><i>"Allows unlimited generation – Customers not limited to own consumption."</i></p>	<p>Customers are subjected to a "taking" that prevents consumption of their own power.</p>
<p><i>"Customers who have offset their consumption through net metering have no financial incentive for energy efficiency."</i></p>	<p>This statement contradicts <b>RCW 43.19.670(3)(e)</b>, which defines <u>solar electric generating systems</u> as an <u>energy conservation measure</u>.</p>
<p>PUD assumes that the federal residential tax credit will be available under the new Schedule 90.</p>	<p>The tax credit will be disallowed; the customer's system will not "generate electricity for use in a dwelling used as a residence by the taxpayer."</p>



The proposed Schedule 90 ignores the loss of power sales due to other solar technologies, such as water heating and passive space heating, as well as lost sales from the use of heat pumps, LEDs, more insulation, more efficient appliances, and increasingly warm winters due to climate change. It is apparent to us that the larger rate design problems facing the PUD are what need the urgent attention that this proposal calls for.

Solar Installers of Washington is not opposed to exploring other alternatives to net metering for solar customer-generators on the SnoPUD grid, and would like to be involved in any stakeholder process that does so. Since there is no urgency in this matter, we propose a stakeholder process that takes the time needed to get it right. We look forward to continuing to work with SnoPUD on behalf of our current and future solar customers.

Sincerely,

SIW Board of Directors

Lori Christian, President (Whidbey Sun & Wind)

Dana Brandt, Vice President (Ecotech Solar)

Dave Kozin, Secretary (A&R Solar)

Alana Nelson, Treasurer (Fire Mountain Solar)

Jeremy Smithson, Legislative & Public Policy Director (Puget Sound Solar)

Jeff Greear (Ellensburg Solar)

i) PUD's 1,340 customer-generators in 2016 incurred a net revenue loss of \$350,000 vs. total electricity sales of \$602,811,000, or \$0.0582 out of every \$100.00. (*SnoPUD 2016 Annual Report*)

ii) Distributed PV produced 7,750 MWh in 2016, or 0.09% of the 8,506,720 MWh sold in 2016 (*SnoPud 2016 Annual Report*).