

Support the Solar Jobs Bill: HB 1048 / SB 5499

The Washington State Legislature created the Renewable Energy Cost Recovery Incentive Payment Program in 2006 to help build a state solar manufacturing sector and to enable Washington residents to put solar power to work on homes, commercial buildings, and community facilities. It has been **enormously successful**:

- Helped deploy almost 85 Megawatts in solar production. *(Source: WSU Energy Program)*
- Assisted approximately 10,000 homes and businesses to convert to solar. *(Source: WSU Energy Program)*
- Helped create and sustain approximately 3,700 family-wage jobs in both solar installation and manufacturing.
(Source: <http://pre.thesolarfoundation.org/solarstates/washington>)

The existing program successfully supports choices for consumers' energy needs as well as a burgeoning solar industry, but is scheduled to expire in 2020. Without reasonable changes, its effectiveness will be significantly reduced. **To protect** the positive benefits of this program and to continue our state's progress deploying clean, renewable energy systems that expand energy choices for Washingtonians, **SIW offers the following updates with HB 1048 / SB 15499** to refresh our state's solar incentive program:

- **More jobs, 5x "bang for our solar buck"**: Reduce the per-kilowatt-hour incentive rate to reflect the improving market and costs of solar systems, while maintaining an in-state manufacturing incentive.
- **Continued Cost-Effectiveness**: Reduce the incentive rate structure each year between 2017 and 2021.
- **Simplicity & Certainty for New Solar Consumers**: Allow customers who seek a solar energy alternative for their home or business to receive eight (8) years of incentive payments at the same rate at which they enter the program.
- **Expand Utility Participation in Renewable Energy Options**: Increase the per-utility incentive cap from 0.5% to 2% of their taxable revenue to allow continued solar deployment in early adoption utilities.
- **Protection for Existing Solar Customers**: Allow customers already enrolled to maintain their existing incentive rates until 2020.
- **Increase State Revenues**: Early elimination of the Sales Tax exemption for solar systems.

CURRENT PROGRAM	STARTING DRAFT OF HB 1048 / SB 5499, THE 2017 SOLAR BILL																				
<ul style="list-style-type: none"> Utility customer receives incentives until June 30, 2020. Rates can be diluted if utility exceeds available cap. 	<ul style="list-style-type: none"> Utility customer receives the same, fixed rate for 8 years. Incentive rates drop each year for new (future) customers. 																				
<ul style="list-style-type: none"> Utility-specific incentive funding cap based on 0.5% of annual utility revenues, or \$100k, whichever is greater. 	<ul style="list-style-type: none"> Utility-specific incentive funding cap based on 2.0% of annual utility revenues, or \$250k, whichever is greater. 																				
<ul style="list-style-type: none"> Sales tax exemption in place until 2018. 	<ul style="list-style-type: none"> Early expiration of sales tax exemption in 2017. 																				
<ul style="list-style-type: none"> Non-optimal, overly rich incentive rate structure: <ul style="list-style-type: none"> Up to \$1.08/kWh for Community Solar Up to \$0.54/kWh for Made in WA modules Up to \$0.18/kWh for Out of State module 	<ul style="list-style-type: none"> Balanced, well-designed incentive rate structure steps down over time: <table border="1" data-bbox="1058 565 2018 760"> <thead> <tr> <th>Fiscal Year</th> <th>Residential & community solar base rate</th> <th>Commercial-scale base rate</th> <th>Made in WA bonus</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>\$0.16 / kWh</td> <td>\$0.06 / kWh</td> <td>\$0.08 / kWh</td> </tr> <tr> <td>2019</td> <td>\$0.14</td> <td>\$0.04</td> <td>\$0.07</td> </tr> <tr> <td>2020</td> <td>\$0.12</td> <td>\$0.02</td> <td>\$0.07</td> </tr> <tr> <td>2021</td> <td>\$0.10</td> <td>\$0.02</td> <td>\$0.06</td> </tr> </tbody> </table> 	Fiscal Year	Residential & community solar base rate	Commercial-scale base rate	Made in WA bonus	2018	\$0.16 / kWh	\$0.06 / kWh	\$0.08 / kWh	2019	\$0.14	\$0.04	\$0.07	2020	\$0.12	\$0.02	\$0.07	2021	\$0.10	\$0.02	\$0.06
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<ul style="list-style-type: none"> Small and large systems receive the same incentive rates. 	<ul style="list-style-type: none"> New rate class for larger systems, resulting in more efficient use of state dollars while encouraging small business participation. Up to 25% of incentive funds may go toward Commercial-Scale systems. 																				
<ul style="list-style-type: none"> Complex Community Solar program; e.g. must be installed on public buildings to qualify; limited to 75 kW. 	<ul style="list-style-type: none"> Simplifies Community Solar program; expands eligibility to non-profits; increases max system size to 500 kW. Up to 25% of incentive funds may go toward Community Solar Projects. 																				
<ul style="list-style-type: none"> Utility customer must own the land, building, and solar equipment to qualify for incentives. 	<ul style="list-style-type: none"> Utility customer must only own the solar equipment to qualify for incentives (long-term leaseholders now eligible). 																				
<ul style="list-style-type: none"> Administered by Department of Revenue. 	<ul style="list-style-type: none"> Administered by WSU Energy Extension Program, improving technical oversight and program reporting. 																				
<ul style="list-style-type: none"> Burdensome administrative requirements for utilities. 	<ul style="list-style-type: none"> Flexible administrative requirements for utilities. 																				
<ul style="list-style-type: none"> Lack of transparency of program data. 	<ul style="list-style-type: none"> Improved transparency for customers, industry, & legislature. 																				
<ul style="list-style-type: none"> Some solar customers of “capped out” utilities are having their incentive payments reduced proportionally as new solar customers sign up within that utility. 	<ul style="list-style-type: none"> Protects existing solar cost recovery program participants from further rate declines / diluted incentives. Removes option for utilities to proportionally reduce rates as funding limits are reached. Restores full rates back to customers with already -diluted rates. 																				