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WA-18

## Net-Metered Account Rebate Program

As you know, Klickitat PUD has been a leader in renewable electric generation since the late 1990s. Not surprisingly, our customers share that same outlook. We have more net-metered accounts relative to our size than any PUD in the state.

Net-metered accounts are those where the homeowner has their own small hydro, wind or solar generation unit that helps offset their electricity use.

The success of this program has recently created an issue. Part of the incentive program put in place by legislators that represent you in Olympia is a state-funded rebate. When a customer wants to move forward with a net-metered account and participate in programs designed to encourage distributed generation, they do two administrative things. They contact us to set up the required metering account. They also contact the Department of Revenue to get an approved certification and approval letter.

On an annual basis, we use this certification and the customer generation meter reads to send information to the state to obtain the rebate funds to pass through to those customers. We receive a credit on our tax bill, and we pass this credit along to customers. However, this amount from the state is capped at 0.5 percent of our annual retail revenues. Given the increasing interest in solar and wind generation, we have reached this cap.

I believe higher incentives offered by the state to encourage solar equipment manufactured in Washington also have led to the increased interest. The state

reimbursement is 54 cents per kilowatt-hour for solar equipment made in Washington, and 18 cents per KWh for solar equipment manufactured outside the state.



However, the net impact here is that the state no longer supplies this incentive to new Klickitat PUD customers because we have reached our cap.

These funds are a state program; they are not funds the PUD receives from our customers. As a utility, we do not believe ratepayers should subsidize—or pay for—other people's decisions. Therefore, we do not take revenues received from customers to pay for these rebates. The rebates were created as a state program, and the cap we have reached is theirs.

We fully support customer choice and are happy to participate in a program that contains further funding—provided other customers would not be affected negatively.

If legislation is passed in Olympia that reinstates the incentives and makes them available to Klickitat PUD to pass along to you, we will participate in this program. For now, if you are interested in furthering this program, I suggest you contact your local legislators—your representatives in Olympia—and ask them to increase the incentive cap available to utilities and their customers.

**Jim Smith, General Manager**