

August 10, 2021

Washington State Building Code Council
1500 Jefferson Street SE
Olympia, WA 98501
Via: krista.braaksma@des.wa.gov

RE: Washington state Building Code Council's Technical Advisory Committee (TAG) proposal for "Code Section # C411, with carry over to C406, C407."

Ms. Braaksma:

Thank you for the opportunity to comment on the Washington state Building Code Council's Technical Advisory Committee (TAG) proposal for "Code Section # C411, with carry over to C406, C407." The Washington Public Utility Districts Association (WPUDA) represents 27 public utility districts and one joint operating agency, Energy Northwest, in Washington State. Our members provide very low carbon electricity services to over 30 percent of the retail electric customers in Washington.

WPUDA finds the cost-effectiveness analysis associated with the proposed code changes to have several shortcomings. These shortcomings effectively prevent the TAG from accurately gauging the consequences of this proposal.

1. On the benefit side, the electric bill savings to the owner/operator of the building are likely to be less than assumed by the analysis.
 - a. State statute (RCW 80.60.010 & .020) allows, with certain specific sideboards, building owners to install distributed generation and use the resulting generation to offset power delivered from the utility – a practice known in the electric power industry as net metering. The limits are:
 - i. The capacity of the distributed generation is limited to 100kW; and,
 - ii. the cumulative net metering amount placed on the utility reaches 4% of their peak 1996 peak load.

Two of the examples provided in the economic analysis are above 100kW and no consideration is placed on the cumulative amount of net metering currently installed at each utility.

- b. The assumed retail price of electricity of \$0.092/kWh is too high. It appears that the proponent looked to the Energy Information Agency (report EIA-861, 2019 data) and divided total revenue from commercial customers in Washington by total was delivered to those customers to come up with the estimated retail price. However, the total revenue includes fixed and demand charges. If the TAG is to use averages, the better estimate is from retail utility commercial energy rates. Those averaged \$0.0619/kWh in 2018.

However, averages mask the wide variability in commercial energy rates among Washington utilities. For example, the current commercial retail electric rates for Chelan and Douglas PUDs are \$0.016 and \$0.021/kWh, respectively, while Jefferson and Klickitat PUDs are \$0.0785 and \$0.084/kWh. If this proposal is adopted, customer savings are going to vary dramatically depending on the electric utility serving that customer.

- c. Also, if either “net metering” threshold identified in 1.a. is exceeded, then the utility is free to treat the facility as no different than any other power producer and pay wholesale market prices for electricity from that facility. In 2020, the average peak price for wholesale electricity was \$0.02484/kWh while the average over the months of June, July and August was \$0.02419 (Intercontinental exchange (ICE)).
2. Finally, the cost of the solar system appears to only consider installation costs. WPUDA is of the understanding that solar panels are typically assumed to have a useful life of 30 years while inverters last 10 years. The analysis fails to include the cost of replacing the inverters.

Thank you for your attention to these concerns.

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