

# Solar Energy in Washington State and Executive Order 14-04

*Presentation to Association of Washington Business*

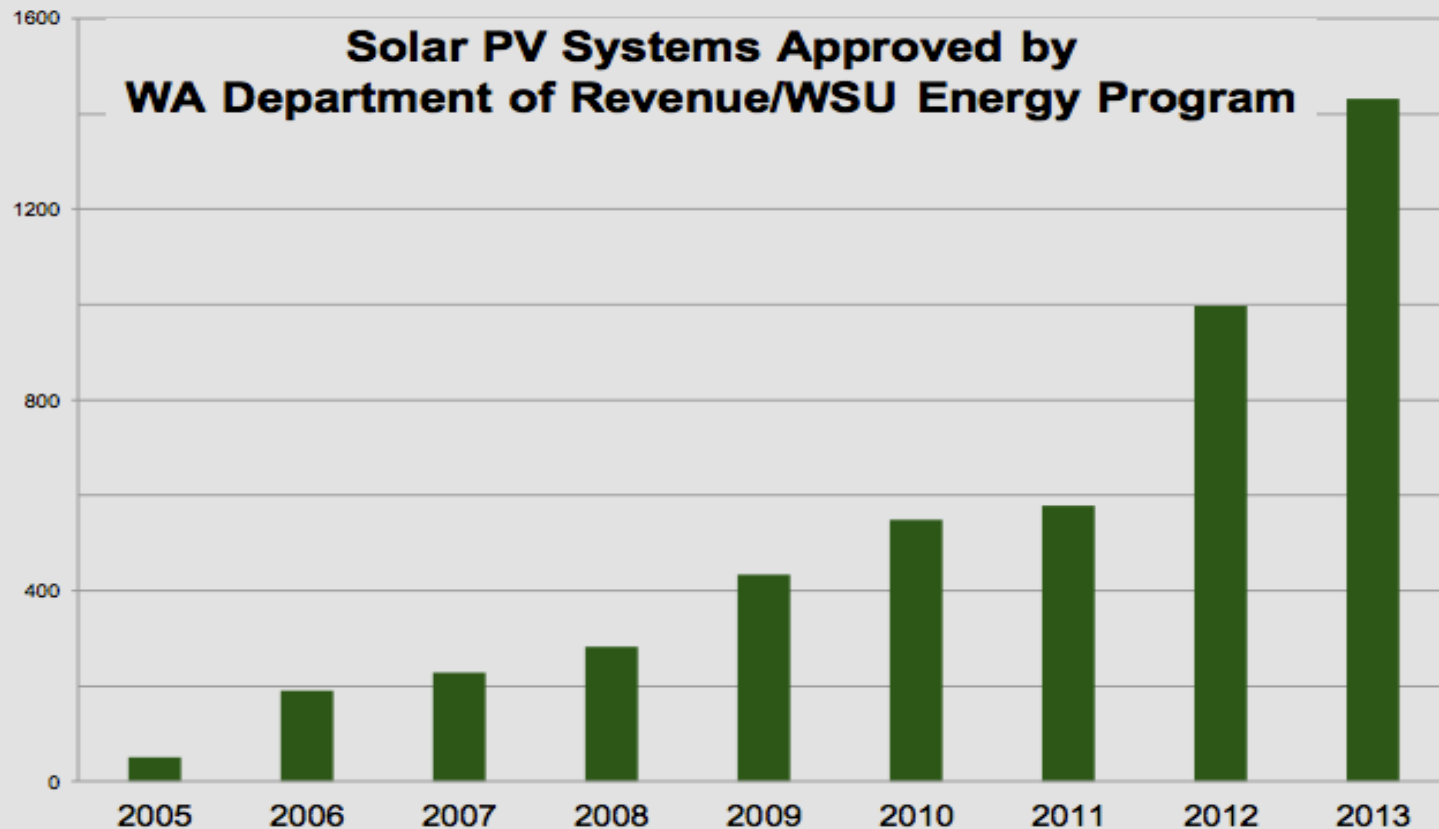
**Jake Fey**

**Director, WSU Energy Program**

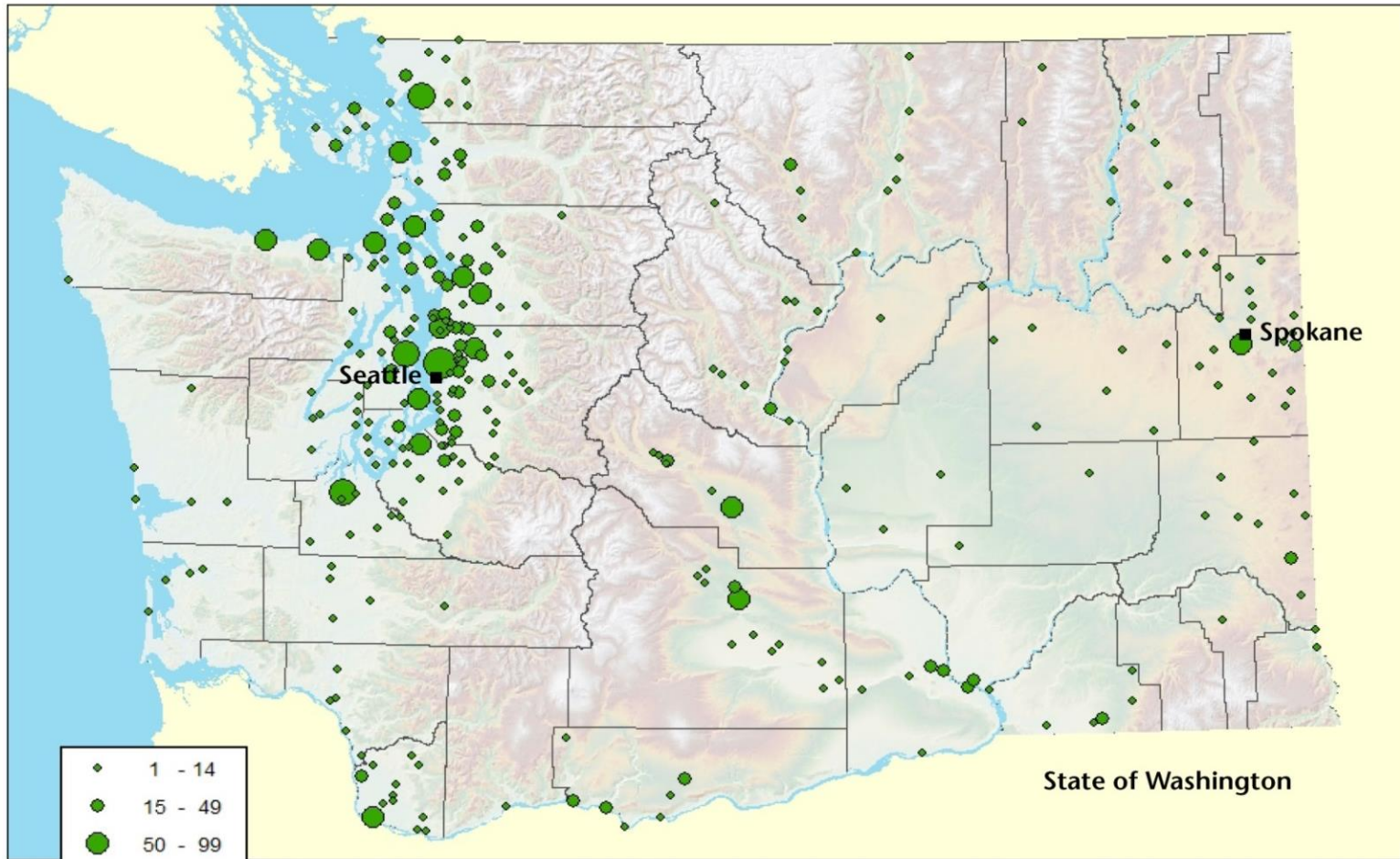
**October 14, 2014**



# Growth of Solar Installations: New Systems per Year



# Where Solar Activity is Occurring



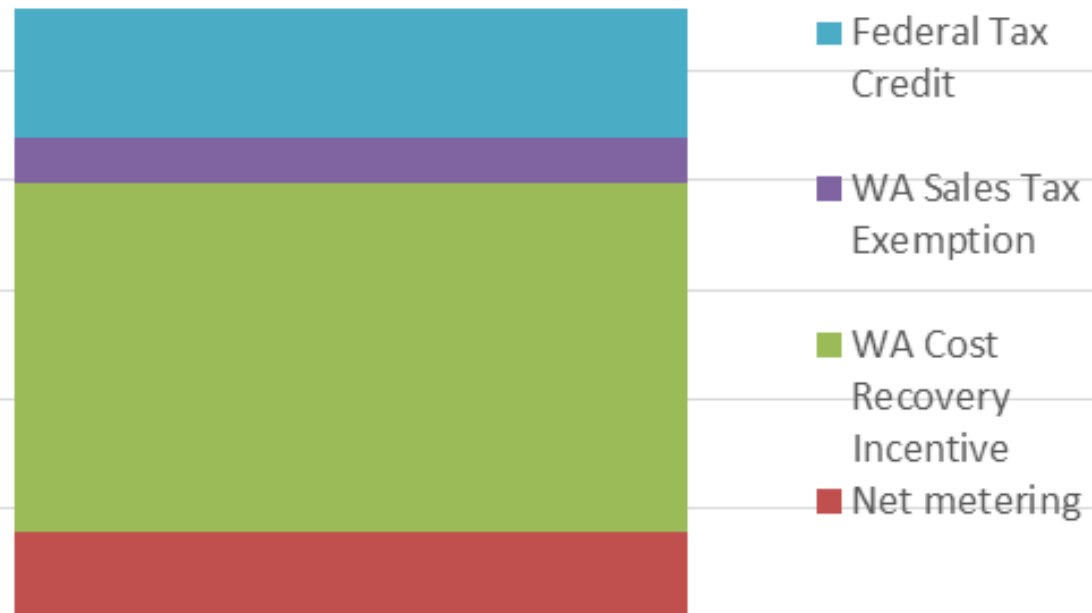
**Solar Photovoltaic Systems Installed**

# Expanding Solar in Washington: Meeting Executive Order 14-04 Goal

- Improve the current support program
  - Extend production incentives beyond 2020 end date
  - Broaden access to more people and businesses
  - Open the program to new markets through leasing and other new business models
- Develop new initiatives
  - Create opportunities for low-income participation
  - Catalyze at least one utility-scale development
  - Encourage solar in new construction
- Recommend new effort supporting advanced solar and energy storage integration

# Customer Benefit Over 10 years under Current Incentive

## Relative Amount of Customer Benefits for 5kW System



In-State Equipment Receiving \$0.54/kWh (\*  
Federal Depreciation not calculated, and dependent on tax rate)

# Opportunity for Improvement

- Program end date, sales tax exemption expiration and reduction in federal incentive will dampen market in future years
- Market is ripe for expansion, but a range of solutions is needed to reduce costs, ensure market stability, and expand participation



# Creating the Next Generation Program

Five Principles/Objectives developed from the stakeholder engagement process

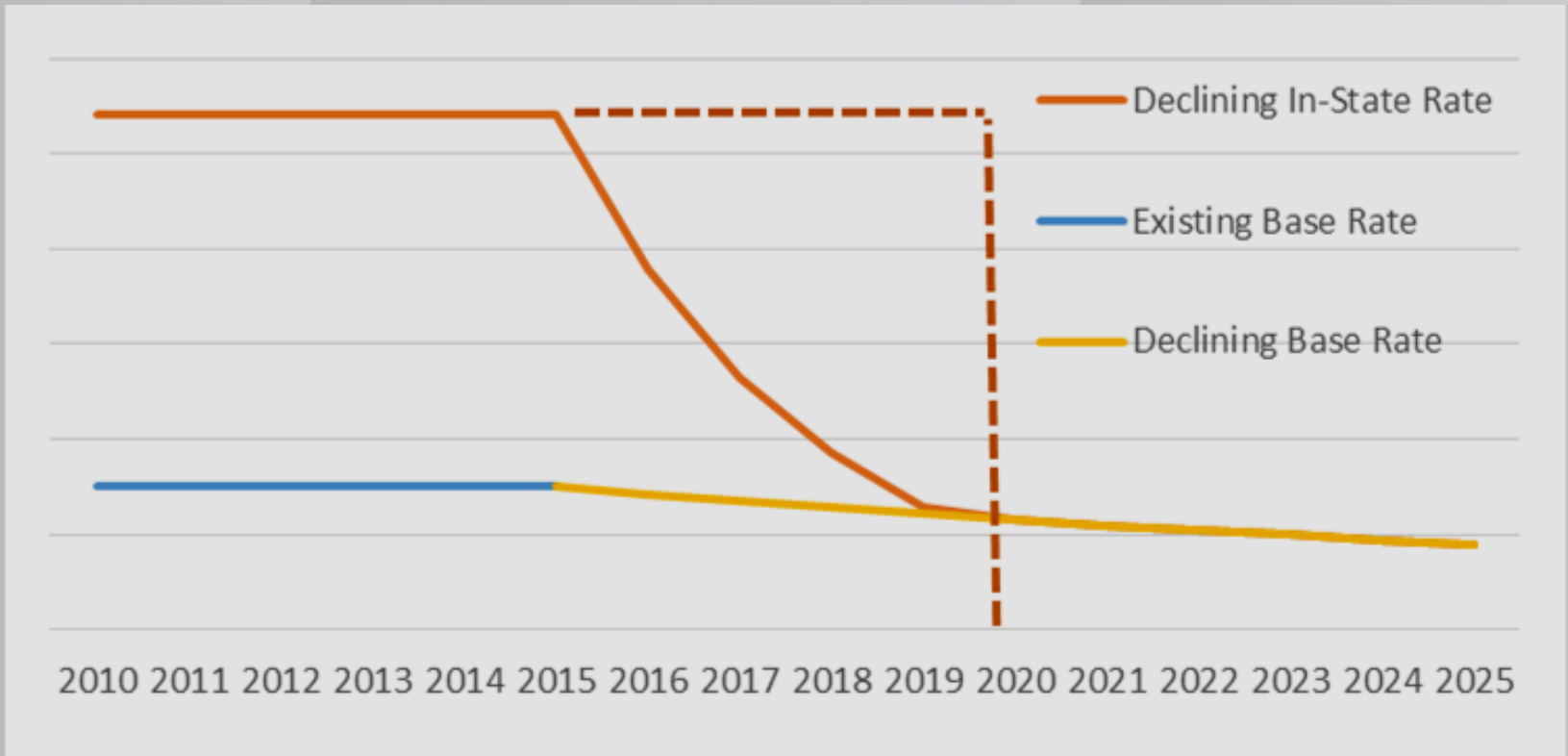
- Define and establish specific targets and metrics for solar expansion
- Broaden access in the solar marketplace to a greater range of participants
- Increase cost-effectiveness of incentives
- Provide predictability for participants and state budget
- Promote fairness and transparency for customers and administrators

# Key Program Improvements

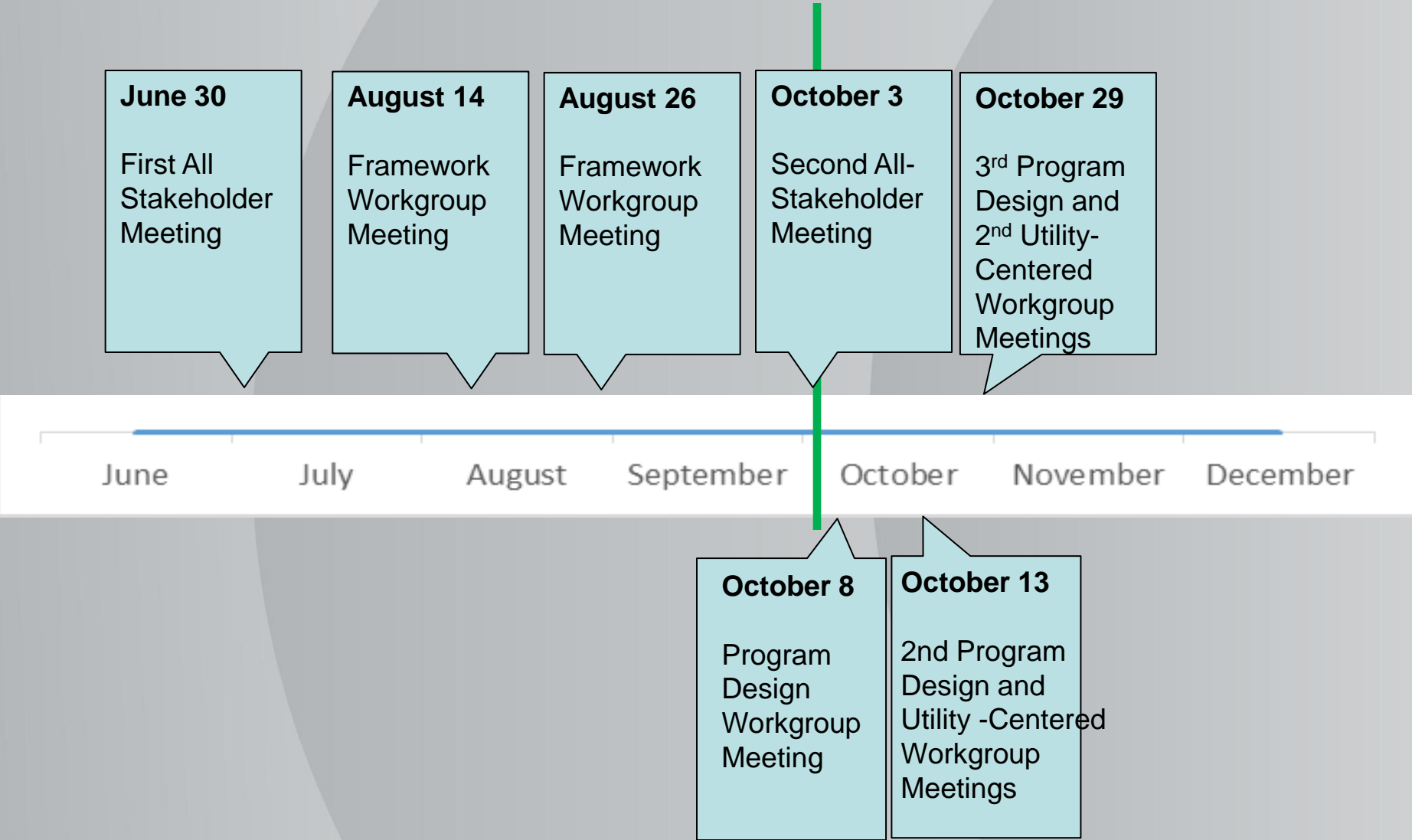
Issues	Solutions
Incentive program end dates create market problem	Change to rolling fixed number of years production incentive with stepped decrease over time
In-State Manufacturing incentive too large and not working appropriately	Phase incentive out over time, find more effective mechanisms to motivate manufacturing
Limited opportunity outside residential solar market	Expand program to larger commercial systems at reduced rates and higher caps. Reduce community solar rates and eligibility restrictions
Financing options limited	Enable third-party financing and leases
Program benefits primarily higher income participants	Create low-income multi-family solar initiative



# Future Potential Production Incentive Model



# 2014 Stakeholder Process Timeline



WASHINGTON STATE UNIVERSITY



EXTENSION ENERGY PROGRAM

[www.energy.wsu.edu](http://www.energy.wsu.edu)

## Additional Information

- Project website :  
[www.energy.wsu.edu/RenewableEnergy/WashingtonSolarStakeholderProcess.aspx](http://www.energy.wsu.edu/RenewableEnergy/WashingtonSolarStakeholderProcess.aspx)
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