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### **Our Mission**

To advance environmental and economic well-being by providing unmatched energy services, products, education and information based on world-class research.

### **About Us**

Our staff of energy engineers, energy specialists, technical experts, software developers, and energy research librarians work out of our Olympia, Spokane and satellite offices.

Operating similar to a consulting firm, the WSU Energy Program is a self-supported department within the University.

### **Within WSU**

As a part of the College of Agricultural, Human and Natural Resource Sciences, we report directly to the Dean of the College.

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## **Expanding Solar Energy Use in Washington State**

In Executive Order 14-04 – Washington Carbon Pollution Reduction and Clean Energy Action, Governor Jay Inslee directed the **Washington State University (WSU) Energy Program** to develop recommendations to significantly expand the use of solar energy in Washington.

To accomplish this task, we convened over 100 solar stakeholders – representing utilities, appropriate state agencies, solar installers, environmental advocates, equipment manufacturers, and solar customers – to consider existing and potential solar incentives and market structures in the state.

### **Stakeholder insights define the way forward**

Since June 2014, stakeholders have participated in ten meetings to define specific aspects of solar deployment in Washington state. Additionally, dozens of individual stakeholder meetings were conducted to gather input and create a framework for cost-effective solar market expansion.

Insights provided by stakeholders are guiding program design and administrative considerations necessary to create a robust solar market in Washington, and are informing the recommendations that will be delivered to Governor Inslee in December 2014.



After reviewing current statutes, rules, policies and incentives, the stakeholders generally agreed to the following five principles:

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

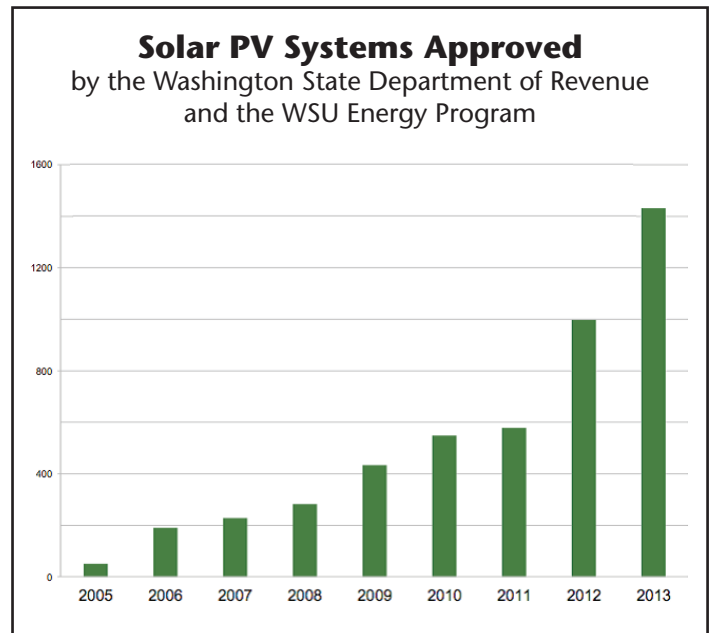
## Stakeholders address broad challenges to build a solid foundation

As the solar stakeholders considered how to expand the use of solar energy in Washington, they addressed challenging topics to ensure that the resulting recommendations to the Governor would be robust, fair and comprehensive. These topics included:

- State financial support for manufacturing
- State financial support for residential-scale solar PV system installations
- State financial support for larger solar PV system installations
- Eligibility for state financial incentives
- Program incentive costs
- Integration of solar into low-income housing
- Market support, oversight and reporting
- Role of utilities

## Washington's current solar incentive program

The WSU Energy Program provides technical expertise to the Washington State Department of Revenue and electric utilities to certify solar photovoltaic (PV) energy systems that qualify for state incentives through the Renewable Energy System Cost Recovery Program (CRP). This program will expire in June 2020.



CRP incentives are based on the amount of electricity produced (per kilowatt-hour). The incentive rate depends on project type and technology type. Extra incentives are available for solar generating systems that use components manufactured in Washington.

In 2013, 8 megawatts (MW) of solar PV were installed under the CRP – a 54% increase from 2012. The cumulative installed capacity in the CRP is 29 MW from more than 5,600 systems.

Utilities pay participating customers, and then recover the costs of payments from the state via a Public Utility Tax (PUT) credit. Limits exist on the total payments per participant, solar ownership business models, and the total amount that each utility can recover through the PUT credit.

This incentive has yielded systems that are limited in scale and participation. The 2020 expiration limits future growth, and some utilities are close to meeting limits associated with payments.

Additionally, the higher incentive rates for in-state manufacturing have yielded systems that cost more, and there are few active manufacturers in the state.

The solar stakeholders developed ideas to improve the design and administration of the state's solar incentive program to encourage more solar development by a larger range of participants and at a lower cost to the state.