

August 2, 2019

MEMORANDUM

To: Housing, Health, Energy and Workers' Rights Committee
From: Eric McConaghy, Council Central Staff
Subject: Proposed City Light Commercial Large Solar Program – C.B. 119516

On August 15, 2019, the Housing, Health, Energy and Workers' Rights Committee (Committee) will receive a briefing, discuss and may vote on Seattle City Light's (City Light's) proposed [Council Bill \(C.B.\) 119516](#) that would establish a large solar agreement program. City Light's proposed program would serve customers with solar photovoltaic (PV) systems¹ sized between than 100 kilowatts (100 kW) and two megawatts (2 MW).

Background

Consistent with Washington State law,² City Light currently allows customers to connect PV systems with capacities less than 100 kW to the electric grid via meters that can track the inflow and outflow of electricity. Customers can sell to City Light the excess energy generated, calculated as the net between the inflow and outflow, in the form of a credit valued at the retail rate against any purchase of electricity. This is known as "net metering."³

For larger solar voltaic systems over 100 kW, City Light currently requires customers to negotiate payment terms for net metering with City Light. At present, there are four systems larger than 100kW and smaller than 2 MW in City Light's service territory, and each is administered through a separate agreement negotiated between the customer and City Light. The systems are located at the Bullitt Center, the CenturyLink Field Event Center, the Seattle Public Utility North Transfer Station and the U.S. General Services Administration's (GSA) Federal Center South Building. The contracted agreements for these systems would continue if City Light's proposal became law.

City Light is proposing to fill the policy gap for these large PV systems that have generating capacity above 100 kW but less than utility-scale bulk power producers (2 MW) by setting standards, rules, and rates in a new Seattle Municipal Code (SMC) section. City Light prefers to establish terms in the SMC to reduce administrative costs of contracting and increase the predictability of a customers' benefits from large PV installations. The increase in predictability of benefit is meant to encourage private generation of electricity for onsite use, consistent with Seattle's environmental goals.

¹ Solar panels

² [Chapter 80.60 of the Revised Code of Washington \(RCW\)](#)

³ RCW 80.60 encompasses net metering systems generating electricity using water, wind, solar energy, or biogas as fuel sources. In the context of the proposed new section the SMC, the net metered customers are generating power with PV systems.

City Light's proposal would allow for electricity generated in excess of that consumed onsite by the customer to be conveyed onto to the City Light's system for use elsewhere, or "exported," and for the customer to be credited for exported electricity according to the large customer solar export rate, which reflects the value of the power and grid benefits.

The proposal would establish the large customer solar export rate in the SMC and may be updated over time. City Light would accept new participants into the program until at least December 31, 2021 and gather information on the financial and administrative impacts during that time to inform any necessary adjustments to the program.

Next steps

If the Committee recommends passage of C.B. 119516 on August 15, then the City Council could take action as soon as September 3, 2019.

cc: Kirstan Arestad, Central Staff Director
Dan Eder, Deputy Director