



In-State Production Incentives for Renewable Energy Development Program Overview

What is the Program?

Mason County PUD No. 1 entered into the Program to encourage and support the development of renewable energy production in our service area while participating in the State's optional new incentive program for renewable energy system manufacturing and small scale production by Washington State ratepayers (WAC 458-20-273: Renewable Energy System Cost Recovery).

Through June 2020, under the State's new Renewable Energy System Cost Recovery (RESCR) legislation, Washington state utilities have the option of participating in a State incentive program for Washington State resident ratepayers (residential, non-residential and government) to install and produce solar, wind and/or biomass generated electrical energy on their own property. Program funding permitting, customer-generators meeting program requirements may receive incentives from \$0.12 - \$0.54 per economic development kilowatt-hour, not to exceed \$2,000 per program year.

Cumulative Incentive Schedule

Use the table below to determine your potential incentive(s). Eligible alternative energy systems composed of one or more left column items may be entitled to the corresponding base rate multiplier(s) in the right.

- Example 1) a ratepayer-owned *wind generator* with *Washington state manufactured inverter* (1.2) and *blades* (1.0) receives a Base Rate Multiplier of 2.2; $2.2 \times \$0.15/\text{kWh} = \$0.33/\text{kWh}$
- Example 2) a ratepayer-owned solar PV system with Washington state manufactured solar modules (2.4) and inverter (1.2) receives a Base Rate Multiplier of 3.6; $3.6 \times \$0.15/\text{kWh} = \$0.54/\text{kWh}$
- Example 3) light and power businesses participating in this program may offset amounts paid to customers by taking a credit against their public utility tax liability subject to specified limitations. Prior to July 1, 2009, the credit was limited to the greater of \$25,000 or 0.25 percent. Effective July 1, 2009, ESSB 6170 increased the amount of this credit to \$100,000 or 1 percent of the utility's taxable power sales, whichever is greater. However, the incentive payments to participants in a utility-owned community solar project may only account for up to 25 percent of the total allowable credits.

Ratepayer-owned Alternative Energy Source	A Base Rate	B Base Rate Multiplier	A X B Incentive per kWh
WA manufactured solar modules	\$0.15/kWh	2.4	\$0.36
WA manufactured inverter for solar or wind generating equipment	\$0.15/kWh	1.2	\$0.18
WA manufactured solar modules and inverters	\$0.15/kWh	3.6	\$0.54
WA manufactured anaerobic digester OR other solar equipment OR wind generator w/blades	\$0.15/kWh	1.0	\$0.15
Non-WA Manufactured solar modules and inverters	\$0.15/kWh	n/a	n/a
All other wind generators	\$0.15/kWh	0.8	\$0.12

Notes: 1) payments are annual and dependent on available funding; 2) Incentives may not exceed \$2,000 per customer-generator or tax i.d. number; 3) To be eligible for maximum incentive levels, hybrid systems (e.g., solar & wind) and/or systems with new upgrades will require two or more (as applicable) revenue grade production meters; otherwise, the lowest applicable incentive level will be used to calculate payment.

Program Eligibility Guidelines

Program renewable energy systems must be located within the Mason County PUD No. 1's service area and must:

- Be officially approved by the PUD, meeting or exceeding applicable Washington State, PUD and Program requirements.
- Have meter bases that meet all PUD and NEC installation and grounding requirements.
- Have one or more (as applicable) revenue grade production meters.
- Consist of solar PV arrays, wind turbines and/or anaerobic digesters located on the customer-generator's property.
- Have the following documentation on file at the PUD for the legal owner(s) of the system:
 - Approved Dept. of Revenue Renewable Energy Cost Recovery Certificate(s)
 - PUD Net-energy Metering & Inter-connection Agreement
 - Program Application
 - Program Agreement
- Be available for inspection at all times.

AND

Must be legally owned by Washington State:

- Residents
- Businesses
- Local (*not federal or state*) government agencies.
- Single entity owners. Example 1: a Co-op with 100 members may receive incentives, though individual members may not; Example 2: A WA resident who resides and operates a business with 2 locations within Mason County PUD1's service area. Note: if two business locations are operated under one tax i.d. #, only one incentive payment can be authorized.

Please note: per Washington State regulations, "*only qualifying renewable energy systems located on interconnected properties belonging to customers of a light and power business are eligible for participation in the incentive payment program... However, the renewable energy system generating the electricity does not itself have to be interconnected to the electric transmission and distribution system as long as it is located on a property served by a light and power business.*"

Metering Requirements

Please note: under Program guidelines, participating renewable energy systems are subject to random audits to ensure program eligibility and metering requirements are being met.

All meter bases within the Program must meet or exceed Mason County PUD No.1 and National Electrical Code (NEC) installation and grounding requirements. The meter base that was/will be installed with your renewable energy system may already meet the PUD's production metering standards.

To ensure that our ratepayers' renewable energy systems receive all applicable program incentives, the Program requires one or more customer-installed *revenue grade* production meters. Complex renewable energy systems, e.g., battery back-up, hybrid (e.g., solar & wind), and/or add-on systems (new solar PV system added to older PV system) may require separate customer-installed revenue grade production meters for each major system component to be eligible for maximum incentive levels. Please note: customers already participating in our Net Energy Metering Interconnection Program will be required to obtain a separate customer-installed revenue grade production meter to participate in the Program.

Program Fees:

Under the State's RESCR legislation, utilities are authorized to recover program costs, including program administration, required metering equipment, engineering coordination, installation and labor associated with the installation of revenue grade production meter bases and meters.

- Application Fee: *Must apply each year*
- Annual administrative fee (due at the time of initial application and with each annual renewal request):
Waived until further notice

Annual Incentive Payments:

1. Funds supporting Program incentive payments are limited to the greater of:
 - a. .25% of the PUD's prior year's taxable sales under Washington State law; or
 - b. \$25,000
2. Incentive payments are dependent upon available Program funds and based on the electricity that your approved renewable energy system generates as measured by your revenue grade production meter during the Program year, running from July 1st through June 30th. Annual incentive payments may not exceed \$2,000; however, if funds are not available to pay annual incentives in full, payments to each participating customer-generators will be reduced by an equal percentage.
3. Payments are calculated by
 - a. multiplying the total kilowatt hours generated by your PUD approved system (within the July 1st through June 30th program year) by:
 - b. a base rate of \$0.15/kilowatt hour;
 - c. a base rate of \$0.15/kilowatt hour, multiplied by the highest applicable incentive factors (ranging from 0.8 to 3.6) for which your system is eligible.
4. The PUD will issue Washington State *Renewable Energy System Cost Recovery Incentive Payment Applications* and *Program Annual Renewal* forms annually after June 1st of each year to eligible customer-generators for that fiscal year's production.
 - a. Customer-Generators will read their meters during the last week of June and certify the meter reading and meter reading date with their signature on the *Program Payment Request* form.
 - b. *Program Payment Request* and *Annual Renewal* forms are due to the Mason County PUD No.1 by 5:00 p.m. on August 1st. Note: if August 1st should fall on a weekend, the above forms will be due to the Mason County PUD No. 1 by 5:00 p.m. on the Friday *preceding* August 1st.
 - c. At the discretion of the District, unsigned, incomplete and/or late Washington State *Renewable Energy System Cost Recovery Incentive Payment Applications* may be denied or applied to the following year.
5. The PUD reviews the *Program Payment Request* form for eligibility and issues payments (funding permitting) within 60 days to eligible customer-generators. The PUD reserves the right to recoup, with interest, any overpayment of incentive payments.
6. Customer-generators maintain all paperwork and records related to incentive application and payments for a period of five years, making them available for examination at any time by the Mason County PUD No. 1 or Department of Revenue.

Program Procedures:

A. Net-energy metering and Interconnection Agreements:

According to applicable state laws, your qualifying renewable energy system must be located within our service area on a property that is interconnected with/receives electrical service from the PUD. For information on these standards, please contact the Utility Services Department

B. Department of Revenue Certification:

Before a customer-generator can apply for the Mason County PUD No. 1s Program, the customer-generator must submit a Renewable Energy System Cost Recovery Certification Form (82.16 RCW) to the Washington State Department of Revenue (DOR) at the below listed address. Within thirty days of receipt of the certification, the Department of Revenue will advise the applicant in writing whether the renewable energy system qualifies for the incentive. If the system qualifies, the DOR will issue a *Renewable Energy System Cost Recovery Certificate*. Applicants may consult with the Climate and Rural Energy Development Center to determine eligibility for the incentive payment.

Mail to: Department of Revenue
Taxpayer Account Administration
POB 47476
Olympia WA 98504-7476

OR FAX to: Department of Revenue
Taxpayer Account Administration
(360) 586-0527

C. Program Application Process

1. To be eligible for payment for renewable energy production during the Program Year (July 1 – June 30), Customer-Generators must submit the following materials to the District **by 5:00 pm, August 1st**, for the *preceding* program year: 1) A signed and complete *Program Application packet*; 2) A signed *Program Agreement*; and 3) an official WA State Department of Revenue *Renewable Energy System Cost Recovery Certificate*. Incomplete, ineligible and/or illegible applications will be returned. Late applications will be denied. The Customer-Generator bears sole responsibility for timely delivery of Program application materials to the PUD. Applications may be dropped at the PUD office or mailed to the below listed address.

Mail to: Mason County PUD No. 1
Attn: Net Metering Program
N. 21971 Hwy 101
Shelton, WA 98584

Note: Providing that legal ownership of the approved renewable energy system remains unchanged, once a customer-generator's Program application has been approved, there is no need to go through the entire application process again for the same renewable energy system; an Annual Renewal form will suffice.

2. Mason County PUD No. 1 has 60 days to evaluate, approve or deny Program applications. Once we receive your completed Program application, we may contact you to review your system configuration. Note: if your system does not meet Program requirements, you must consult a qualified electrician and/or the installation contractor to bring your system up to Program specifications.

D. Program Resources:

1. The following PUD forms are available at the PUD office and online at www.masonpud1.org.
 - a. *Program Application Checklist*
 - b. *Intro to Net Metering (PUD Doc 1)*
 - c. *Net Energy Metering Interconnection Agreement (PUD Doc 2)*
 - d. *Application for Net Metering Appendix A (PUD Doc 3)*
 - e. *Interconnection Standards Appendix B (PUD Doc 4)*
 - f. *In-State Incentives Overview (State Doc 1)*
 - g. *In-State Incentives Agreement (State Doc 2)*
 - h. *Initial Program Application Form (State Doc 3)*
 - i. *Program Annual Renewal Form (State Doc 4)*
2. The following Washington State Department of Revenue forms are available online at <http://dor.wa.gov> or by calling 1-800-647-7706:
 - a. *Renewable Energy System Cost Recovery Program Rules*
 - b. *Renewable Energy System Cost Recovery Certification Application (82.16 RCW)*
3. Net Metering Program, PUD No.1 of Mason County: (360) 877-5249 or (800) 544-4223.
4. Information on WAC 458-20-273, the legislation authorizing the State's Renewable Energy System Cost Recovery Program, may be found at: <http://apps.leg.wa.gov/WAC/default.aspx?cite=458-20-273>.