



## Washington State Renewable Energy System Cost Recovery Program Renewable Energy Incentive Payments

### What is the Renewable Energy System Cost Recovery Program?

The Renewable Energy System Cost Recovery Program allows utilities to voluntarily administer Renewable Energy Incentive Payments (REIPs) to its net metering customers. This program is fully funded by the Washington State Department of Revenue, up to a cap, by allowing a utility to take a deduction on its Public Utility Tax return. Total tax deductions and incentive payments are subject to a cap of one-half percent of a utility's taxable power sales. Benton PUD's REIP cap varies year to year as our taxable power sales vary as loads fluctuate dependent upon a number of factors including weather.

### What kind of response has Benton PUD received?

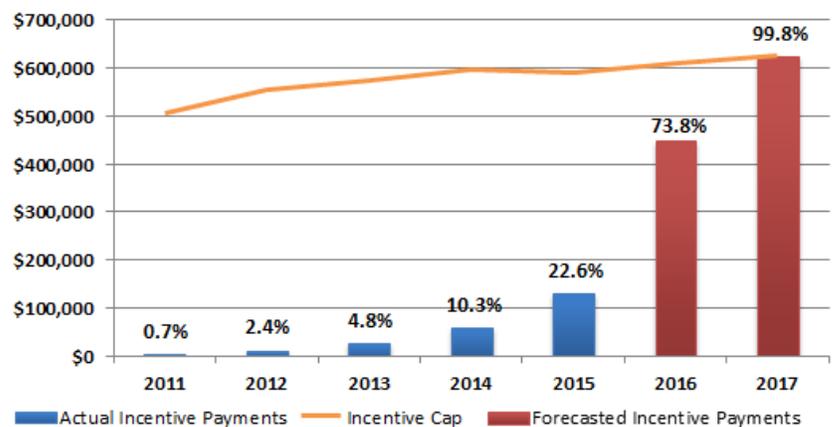
The overwhelming popularity of these programs state-wide has led to greater customer interest than originally anticipated. Recently, Benton PUD has experienced a rapid increase in rooftop solar customer installations. Between 2008 and February 2015, we had only 50 net metering customers; however from February 2015 to April 2016, the Benton PUD received 80 new net metering applications, more than doubling the applications received in the first seven years.

As of April, 2016, Benton PUD has 130 customers participating in the program. Combining the total net metering and community solar incentive obligations, projections show that we will reach the REIP cap by the summer of 2017.

### What is the current status of the incentives?

Benton PUD forecasted the REIP cap to be approximately \$610,000 in 2016 and \$625,000 in 2017. However, to date, Benton PUD's forecasted incentive payments for 2016 are at \$450,000 (74% of the cap) versus the \$610,000 forecasted REIP cap. However due to the significant growth in recent months and the new systems installed this year will generate for a full year in 2017 (July 1, 2016 - June 30, 2017), steps to avoid exceeding the cap must be taken now.

Washington State Production Incentive  
Benton PUD Annual Payment Requests & Limit



### Why has the interest in solar increased?

There are several reasons. The cost of systems has decreased, solar installers are more active in promoting benefits of solar and the overall awareness of state-funded programs has increased creating a surge of installations and increasing the size of the systems installed.

## Are other utilities seeing this growth?

Yes. Both locally and across the state, utilities are seeing a growth in customers installing systems. Seattle City Light expects payment requests to exceed their incentive limited by as much as 20-30% for the 2015-2016 fiscal year. Benton REA and Franklin PUD have also experienced tremendous growth.

## How does the incentive cap impact other customers interested in solar?

Benton PUD will continue to support the net metering program. Net metering allows customers to interconnect and receive reimbursement for the energy generated at Benton PUD's full retail rate. This program is limited to one-half percent of the utility's 1996 peak demand. As of April 2016, Benton PUD was at 47% of its Net Metering cap. This program is NOT impacted by limitation placed on the incentive payments.

## If I am a new net metering customer can I receive incentives?

Benton PUD will continue to support net metering but because we have nearly reached the cap on available funds, customers are not guaranteed to receive an incentive. Benton PUD will retain a list of all customers who interconnect to the utility's grid after April 18, 2016. As the cap increases due to increased taxable power sale increasing, customers will be allowed to benefit from incentives based on their priority on the list. Customers are encouraged to reach out and ask questions as they come up.



For more information:

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