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Updates to PSE's renewable energy payment structure

Dear Customers and Installers,

2015 has been a phenomenal year for renewables. In addition to record temperatures and a higher number of sunny days, we predict ending the year with 1,200 new solar customers, bringing the total number of PSE net metered customers to 3,800. We also have 18 community solar arrays in neighborhoods across our service area, and the momentum is substantial going into next year.

The increase in customers combined with greater production means we are on track to reach the limit of Washington State incentives for renewables. In order to welcome future projects into the program, and to comply with PSE’s state prescribed cap, currently $10 million, the base payment rate will need to be adjusted for all renewable energy customers starting next year. As of September 2015, the rate is expected to drop between 2 to 5 cents per kilowatt-hour (kWh), with latest calculations estimating a 3 cent drop. This would move the base rate from 15 cents to 12 cents. For customers using in-state manufactured solar equipment where the payout is highest, the payment would be adjusted from 54 cents per kWh to 43.2 cents. We will continue to adjust the base rate annually until all payments can be made and will communicate quarterly with customers and installers about the increasing solar adoption rate. Base rates will be finalized in early summer 2016. For more details on how our state’s renewable incentives work, please visit pse.com/REAP.

As we head into the last five years of Washington State’s solar incentive, we look forward to working with you, legislators, and manufacturers to extend solar payments and continuing to grow renewable energy in our state.

Thank you for your dedication to renewable energy.

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