

2 **SHB 2773** - S COMM AMD  
3 By Committee on Energy & Utilities

4 ADOPTED 3/3/98

5 Strike everything after the enacting clause and insert the  
6 following:

7 NEW SECTION. **Sec. 1.** The legislature finds that it is in the  
8 public interest to:

- 9 (1) Encourage private investment in renewable energy resources;  
10 (2) Stimulate the economic growth of this state; and  
11 (3) Enhance the continued diversification of the energy resources  
12 used in this state.

13 NEW SECTION. **Sec. 2.** The definitions in this section apply  
14 throughout this chapter unless the context clearly indicates otherwise.

- 15 (1) "Commission" means the utilities and transportation commission.  
16 (2) "Customer-generator" means a user of a net metering system.  
17 (3) "Electrical company" means a company owned by investors that  
18 meets the definition of RCW 80.04.010.  
19 (4) "Electric cooperative" means a cooperative or association  
20 organized under chapter 23.86 or 24.06 RCW.  
21 (5) "Electric utility" means any electrical company, public utility  
22 district, irrigation district, port district, electric cooperative, or  
23 municipal electric utility that is engaged in the business of  
24 distributing electricity to retail electric customers in the state.  
25 (6) "Irrigation district" means an irrigation district under  
26 chapter 87.03 RCW.  
27 (7) "Municipal electric utility" means a city or town that owns or  
28 operates an electric utility authorized by chapter 35.92 RCW.  
29 (8) "Net metering" means measuring the difference between the  
30 electricity supplied by an electric utility and the electricity  
31 generated by a customer-generator that is fed back to the electric  
32 utility over the applicable billing period.  
33 (9) "Net metering system" means a facility for the production of  
34 electrical energy that:  
35 (a) Uses as its fuel either solar, wind, or hydropower;

1 (b) Has a generating capacity of not more than twenty-five  
2 kilowatts;

3 (c) Is located on the customer-generator's premises;

4 (d) Operates in parallel with the electric utility's transmission  
5 and distribution facilities; and

6 (e) Is intended primarily to offset part or all of the customer-  
7 generator's requirements for electricity.

8 (10) "Port district" means a port district within which an  
9 industrial development district has been established as authorized by  
10 Title 53 RCW.

11 (11) "Public utility district" means a district authorized by  
12 chapter 54.04 RCW.

13 NEW SECTION. **Sec. 3.** An electric utility:

14 (1) Shall offer to make net metering available to eligible  
15 customers-generators on a first-come, first-served basis until the  
16 cumulative generating capacity of net metering systems equals 0.1  
17 percent of the utility's peak demand during 1996;

18 (2) Shall allow net metering systems to be interconnected using a  
19 standard kilowatt-hour meter capable of registering the flow of  
20 electricity in two directions, unless the commission, in the case of an  
21 electrical company, or the appropriate governing body, in the case of  
22 other electric utilities, determines, after appropriate notice and  
23 opportunity for comment:

24 (a) That the use of additional metering equipment to monitor the  
25 flow of electricity in each direction is necessary and appropriate for  
26 the interconnection of net metering systems, after taking into account  
27 the benefits and costs of purchasing and installing additional metering  
28 equipment; and

29 (b) How the cost of purchasing and installing an additional meter  
30 is to be allocated between the customer-generator and the utility;

31 (3) Shall charge the customer-generator a minimum monthly fee that  
32 is the same as other customers of the electric utility in the same rate  
33 class, but shall not charge the customer-generator any additional  
34 standby, capacity, interconnection, or other fee or charge unless the  
35 commission, in the case of an electrical company, or the appropriate  
36 governing body, in the case of other electric utilities, determines,  
37 after appropriate notice and opportunity for comment that:

1 (a) The electric utility will incur direct costs associated with  
2 interconnecting or administering net metering systems that exceed any  
3 offsetting benefits associated with these systems; and

4 (b) Public policy is best served by imposing these costs on the  
5 customer-generator rather than allocating these costs among the  
6 utility's entire customer base.

7 NEW SECTION. **Sec. 4.** Consistent with the other provisions of this  
8 chapter, the net energy measurement must be calculated in the following  
9 manner:

10 (1) The electric utility shall measure the net electricity produced  
11 or consumed during the billing period, in accordance with normal  
12 metering practices.

13 (2) If the electricity supplied by the electric utility exceeds the  
14 electricity generated by the customer-generator and fed back to the  
15 electric utility during the billing period, the customer-generator  
16 shall be billed for the net electricity supplied by the electric  
17 utility, in accordance with normal metering practices.

18 (3) If electricity generated by the customer-generator exceeds the  
19 electricity supplied by the electric utility, the customer-generator:

20 (a) Shall be billed for the appropriate customer charges for that  
21 billing period, in accordance with section 3 of this act; and

22 (b) Shall be credited for the excess kilowatt-hours generated  
23 during the billing period, with this kilowatt-hour credit appearing on  
24 the bill for the following billing period.

25 At the beginning of each calendar year, any remaining unused  
26 kilowatt-hour credit accumulated during the previous year shall be  
27 granted to the electric utility, without any compensation to the  
28 customer-generator.

29 NEW SECTION. **Sec. 5.** (1) A net metering system used by a  
30 customer-generator shall include, at the customer-generator's own  
31 expense, all equipment necessary to meet applicable safety, power  
32 quality, and interconnection requirements established by the national  
33 electrical code, national electrical safety code, the institute of  
34 electrical and electronics engineers, and underwriters laboratories.

35 (2) The commission, in the case of an electrical company, or the  
36 appropriate governing body, in the case of other electric utilities,  
37 after appropriate notice and opportunity for comment, may adopt by

1 regulation additional safety, power quality, and interconnection  
2 requirements for customer-generators that the commission determines are  
3 necessary to protect public safety and system reliability.

4 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act constitute  
5 a new chapter in Title 80 RCW."

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9 On page 1, line 2 of the title, after "systems;" strike the  
10 remainder of the title and insert "and adding a new chapter to Title 80  
11 RCW."

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