
SENATE BILL 6131

State of Washington

58th Legislature

2004 Regular Session

By Senators Poulsen, Morton, Keiser, Kline, Mulliken, Winsley,
Fairley, Esser and Kohl-Welles

Read first time 01/12/2004. Referred to Committee on Natural
Resources, Energy & Water.

1 AN ACT Relating to providing incentives to support renewable
2 energy; adding a new chapter to Title 80 RCW; providing an effective
3 date; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that the use of
6 renewable energy resources generated from local sources such as solar
7 and wind power benefit our state by reducing the load on the state's
8 electric energy grid, by providing nonpolluting sources of electricity
9 generation, and by the creation of jobs for local industries that
10 develop and sell renewable energy products and technologies.

11 The legislature finds that Washington state has become a national
12 and international leader in the technologies related to the solar
13 electric markets. The state can support these industries by providing
14 incentives for the purchase of locally made renewable energy products.
15 Locally made renewable technologies benefit and protect the state's
16 environment. The legislature also finds that the state's economy can
17 be enhanced through the creation of incentives to develop additional
18 renewable energy industries in the state.

1 The legislature intends to provide incentives for the greater use
2 of locally created renewable energy technologies, support and retain
3 existing local industries, and create new opportunities for renewable
4 energy industries to develop in Washington state.

5 NEW SECTION. **Sec. 2.** The definitions in this section apply
6 throughout this chapter unless the context clearly requires otherwise.

7 (1) "Customer-generated electricity" means the electricity that is
8 generated from a renewable energy system located on an individual's,
9 businesses', or local government's real property. A system located on
10 a leasehold interest does not qualify under this definition.
11 "Customer-generated electricity" does not include electricity generated
12 by a light and power business, independent power producer, or a gas
13 distribution business.

14 (2) "Gas distribution business" has the same meaning as described
15 in RCW 82.16.010.

16 (3) "Independent power producer" means a person who has entered
17 into an agreement for the sale of electricity to a utility.

18 (4) "Light and power business" has the same meaning as described in
19 RCW 82.16.010.

20 (5) "Photovoltaic cell" means a device that converts light directly
21 into electricity without moving parts.

22 (6) "Renewable energy system" means a solar energy system or a wind
23 generator used for producing electricity.

24 (7) "Solar energy system" means any device or combination of
25 devices or elements that rely upon direct sunlight as an energy source
26 for use in the generation of electricity.

27 (8) "Solar inverter" means the device used to convert direct
28 current to alternating current in a photovoltaic cell system.

29 (9) "Solar module" means the smallest nondivisible self-contained
30 physical structure housing interconnected photovoltaic cells and
31 providing a single direct current electrical output.

32 NEW SECTION. **Sec. 3.** (1) The renewable energy incentive account
33 is created in the custody of the state treasurer.

34 (2) Until June 30, 2013, one and three-quarters percent of the
35 money collected under RCW 82.16.020(1), on light and power businesses

1 and gas distribution businesses, shall be deposited into the account
2 created in subsection (1) of this section.

3 (3) Only the director of the department of revenue or the
4 director's designee may authorize expenditures from the account.

5 (4) The account is subject to allotment procedures under chapter
6 43.88 RCW, but an appropriation is not required for expenditures.

7 (5) Expenditures from the account may not exceed the balance in the
8 account.

9 NEW SECTION. **Sec. 4.** (1) Any individual, business, or local
10 governmental entity, not in the light and power business or in the gas
11 distribution business, may apply to the department of revenue, on an
12 annual basis, for an investment cost recovery incentive for each
13 kilowatt-hour from a customer-generated electricity renewable energy
14 system installed on its property.

15 (2) The application for the incentive shall be on a form prepared
16 by the department of revenue. The applicant shall submit a
17 certification, in a form approved by the department of revenue, from
18 any in-state manufacturer of any inverter, solar module, or wind
19 generator used by the applicant, verifying the applicant's use of in-
20 state qualifying equipment. In-state manufacture of solar inverters,
21 solar modules, and wind generators shall be authenticated by the
22 climate and rural energy development center at Washington State
23 University. This shall be done each year in which this legislation is
24 in effect. The application shall also include a statement verifying
25 electrical production, national electric code compliance, and
26 verification of electrical inspection by the appropriate local electric
27 code enforcement authority issued by the climate and rural energy
28 development center at Washington State University.

29 (3) The investment cost recovery incentive shall be paid at the
30 following rate unless requests exceed the amount contained in the
31 renewable energy incentive fund:

32 (a) Up to forty-eight cents per kilowatt-hour for systems with
33 solar inverters and solar modules manufactured in Washington state;

34 (b) Up to twenty-five cents per kilowatt-hour for systems using
35 wind generators manufactured in Washington state;

36 (c) Up to thirty-seven cents per kilowatt-hour for systems that use
37 a solar inverter or solar module manufactured in Washington state; or

1 (d) Up to twenty cents per kilowatt-hour for solar or wind
2 equipment manufactured outside of Washington state.

3 (4) No individual, household, business, or local governmental
4 entity is eligible for an incentive payment that exceeds four thousand
5 five hundred dollars per year.

6 (5) If requests for the investment cost recovery incentive exceed
7 the amount of funds available in the renewable energy incentive
8 account, the incentive amounts will be reduced proportionately.

9 (6) The climate and rural energy development center at Washington
10 State University energy program shall be reimbursed by the department
11 of revenue five percent of annual funds allocated to the fund, to apply
12 toward the administrative and educational expenses related to this
13 program. The center will establish guidelines and standards for
14 technologies that are identified as Washington manufactured and
15 therefore most beneficial to the state's environment.

16 (7) The department of revenue shall retain one percent of each
17 incentive payment to apply toward the administrative expenses related
18 to this program.

19 NEW SECTION. **Sec. 5.** This act takes effect July 1, 2004.

20 NEW SECTION. **Sec. 6.** This chapter expires July 1, 2014.

21 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act constitute
22 a new chapter in Title 80 RCW.

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