

SHB 1011 - H AMD 354

By Representative Morris

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds it is in the public
4 interest to adopt this chapter to simplify the process of
5 interconnecting distributed generation facilities that will be used by
6 customers, including net metered customers. The legislature recognizes
7 that interconnection of distributed generation facilities involves
8 technical, engineering, operational, and safety issues. This chapter
9 is intended to both identify a class of distributed generators that can
10 be interconnected with ease and expedition as well as standard
11 procedures to be used for ordinary interconnections by all electric
12 utilities.

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

15 (1) "Applicant" means a person who has filed an application to
16 interconnect a customer-generator facility to an electric distribution
17 system.

18 (2) "Application" means the standard application forms developed by
19 the group under section 7 of this act.

20 (3) "Commission" means the utilities and transportation commission.

21 (4) "Consumer-owned utility" means a municipal electric utility
22 formed under Title 35 RCW, a public utility district formed under Title
23 54 RCW, an irrigation district formed under chapter 87.03 RCW, a
24 cooperative formed under chapter 23.86 RCW, or a mutual corporation or
25 association formed under chapter 24.06 RCW, that is engaged in the
26 business of distributing electricity to more than one retail electric
27 customer in the state.

28 (5) "Customer-generator" means a residential, commercial, or

1 industrial customer that generates electricity, including but not
2 limited to a customer-generator as defined in RCW 80.60.010.

3 (6) "Customer-generator facility" means the equipment used by a
4 customer-generator to generate, manage, and monitor electricity. A
5 customer-generator facility includes an electric generator and/or an
6 equipment package.

7 (7) "Electric distribution system" means the infrastructure
8 constructed and maintained by an electric utility to deliver electric
9 service to end-users.

10 (8) "Electric utility" means a consumer-owned or investor-owned
11 utility.

12 (9) "Equipment package" means a group of components connecting an
13 electric generator with an electric distribution system, and includes
14 all interface equipment including switchgear, inverters, or other
15 interface devices. An equipment package may include an integrated
16 generator or electric source.

17 (10) "Fault current" means electrical current that flows through a
18 circuit and is produced by an electrical fault, such as single-phase to
19 ground, double-phase to ground, three-phase to ground, phase-to-phase,
20 and three-phase. A fault current is several times larger in magnitude
21 and a different phase angle than the current that normally flows
22 through a circuit.

23 (11) "Good utility practice" means any of the practices, methods,
24 and acts engaged in or approved by a significant portion of the
25 electric industry, or any of the practices, methods, and acts that, in
26 the exercise of reasonable judgment in light of the facts known at the
27 time the decision was made, could have been expected to accomplish the
28 desired result at a reasonable cost consistent with good business
29 practices, reliability, safety, and expedition. "Good utility
30 practice" is not intended to be limited to the optimum practice,
31 method, or act to the exclusion of all others, but rather to be
32 acceptable practices, methods, or acts generally accepted in the
33 region.

34 (12) "Governing body" means the council of a city or town, the
35 commissioners of an irrigation district, municipal electric utility, or
36 public utility district, or the board of directors of an electric
37 cooperative or mutual association.

1 (13) "Group" means the interconnection technical advisory group
2 established under section 6 of this act.

3 (14) "Interconnection agreement" means an agreement between a
4 customer-generator and an electric utility that governs the connection
5 of the customer-generator facility to the electric distribution system,
6 as well as the ongoing operation of the customer-generator facility
7 after it is connected to the system.

8 (15) "Investor-owned utility" means a company owned by investors
9 that meets the definition of electrical company in RCW 80.04.010 and is
10 engaged in distributing electricity to more than one retail electric
11 customer in the state.

12 (16) "Minor system modifications" include activities such as
13 changing the fuse in a fuse holder cut-out, changing the settings on a
14 circuit recloser, and other activities that usually entail less than
15 four hours of work and one thousand dollars in materials.

16 (17) "Point of common coupling" means the point where the
17 electrical conductors of the distribution system are connected to a
18 customer's and where any transfer of electric power between the
19 customer and the distribution system takes place.

20 (18) "Spot network" means a type of electric distribution system
21 that uses two or more inter-tied transformers to supply an electrical
22 network circuit. A spot network is generally used to supply power to
23 a single customer or a small group of customers.

24 (19) "Standard technical requirements" means technical,
25 engineering, operational, and safety requirements for interconnecting
26 distributed generation facilities established under section 7 of this
27 act.

28 **Sec. 3.** RCW 80.60.010 and 2000 c 158 s 1 are each amended to read
29 as follows:

30 The definitions in this section apply throughout this chapter
31 unless the context clearly indicates otherwise.

32 (1) "Commission" means the utilities and transportation commission.

33 (2) "Customer-generator" means a user of a net metering system.

34 (3) "Electrical company" means a company owned by investors that
35 meets the definition of RCW 80.04.010.

36 (4) "Electric cooperative" means a cooperative or association
37 organized under chapter 23.86 or 24.06 RCW.

1 (5) "Electric utility" means any electrical company, public utility
2 district, irrigation district, port district, electric cooperative, or
3 municipal electric utility that is engaged in the business of
4 distributing electricity to retail electric customers in the state.

5 (6) "Irrigation district" means an irrigation district under
6 chapter 87.03 RCW.

7 (7) "Municipal electric utility" means a city or town that owns or
8 operates an electric utility authorized by chapter 35.92 RCW.

9 (8) "Net metering" means measuring the difference between the
10 electricity supplied by an electric utility and the electricity
11 generated by a customer-generator that is fed back to the electric
12 utility over the applicable billing period.

13 (9) "Net metering system" means a fuel cell or a facility for the
14 production of electrical energy that:

15 (a) Uses as its fuel either solar, wind, or hydropower;

16 (b) Has a generating capacity of not more than (~~twenty-five~~) one
17 hundred kilowatts;

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

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

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

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

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

28 **Sec. 4.** RCW 80.60.020 and 2000 c 158 s 2 are each amended to read
29 as follows:

30 An electric utility:

31 (1) Shall offer to make net metering available to eligible
32 customers-generators on a first-come, first-served basis until the
33 cumulative generating capacity of net metering systems equals (~~0.1~~)
34 one percent of the utility's peak demand during 1996, of which not less
35 than (~~0.05~~) 0.5 percent shall be attributable to net metering systems
36 that use as its fuel either solar, wind, or hydropower;

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

7 (a) That the use of additional metering equipment to monitor the
8 flow of electricity in each direction is necessary and appropriate for
9 the interconnection of net metering systems, after taking into account
10 the benefits and costs of purchasing and installing additional metering
11 equipment; and

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

14 (3) Shall charge the customer-generator a minimum monthly fee that
15 is the same as other customers of the electric utility in the same rate
16 class, but shall not charge the customer-generator any additional
17 standby, capacity, interconnection, or other fee or charge unless the
18 commission, in the case of an electrical company, or the appropriate
19 governing body, in the case of other electric utilities, determines,
20 after appropriate notice and opportunity for comment that:

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

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

27 **Sec. 5.** RCW 80.60.030 and 1998 c 318 s 4 are each amended to read
28 as follows:

29 Consistent with the other provisions of this chapter, the net
30 energy measurement must be calculated in the following manner:

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

34 (2) If the electricity supplied by the electric utility exceeds the
35 electricity generated by the customer-generator and fed back to the
36 electric utility during the billing period, the customer-generator

1 shall be billed for the net electricity supplied by the electric
2 utility, in accordance with normal metering practices.

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

5 (a) Shall be billed for the appropriate customer charges for that
6 billing period, in accordance with RCW 80.60.020; and

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

10 ((~~At the beginning~~)) On April 30th of each calendar year, any
11 remaining unused kilowatt-hour credit accumulated during the previous
12 year shall be granted to the electric utility, without any compensation
13 to the customer-generator.

14 NEW SECTION. Sec. 6. (1) There is hereby created the
15 interconnection technical advisory group.

16 (2) Membership of the group shall consist of one representative
17 from each of the investor-owned utilities in the state, one
18 representative from a public utility district in the state, one
19 representative from an electric cooperative in the state, and one
20 representative from a municipal utility in the state.

21 (3) The group shall elect a chair from among its members.

22 (4) Additional nonvoting ex officio members may participate at no
23 cost to the state.

24 (5) The representative from a public utility district, an electric
25 cooperative in the state, and a municipal utility in the state, shall
26 be appointed by the respective statewide associations for those groups.

27 (6) Members of the group shall serve without compensation.

28 NEW SECTION. Sec. 7. (1) The group must review and study
29 technical, engineering, operational, safety, and procedural issues
30 related to interconnecting distributed generation facilities at each of
31 the levels established under section 8 of this act.

32 (2) By January 1, 2006, the group must establish, by majority
33 agreement, standard technical requirements and standard application
34 forms for interconnection at the simplified and expedited levels
35 established under section 8 of this act and must submit standard

1 technical requirements and standard application forms to the
2 commission, to the governing body of each consumer-owned utility, and
3 to the appropriate committees of the legislature.

4 (3) By July 1, 2006, the group must establish majority agreement on
5 standard technical requirements and standard application forms for
6 interconnection at the intermediate and standard levels established
7 under section 8 of this act and must submit standard technical
8 requirements and standard application forms to the commission, to the
9 governing body of each consumer-owned utility, and to the appropriate
10 committees of the legislature.

11 (4) Within one hundred twenty days of receiving standard technical
12 requirements and standard application forms from the group, the
13 commission and the governing body of each consumer-owned utility shall
14 adopt rules establishing standard technical requirements and standard
15 application forms. The adopted rules shall be substantially consistent
16 with standard technical requirements and standard application forms
17 submitted by the group.

18 (5) Within thirty days of adopting standard technical requirements
19 and standard application forms, the commission and the governing body
20 of each consumer-owned utility shall each provide a report to the group
21 identifying where adopted rules differ from standard technical
22 requirements and standard application forms submitted by the group.
23 The group shall provide information, electronically, to the department
24 of community, trade, and economic development identifying the electric
25 utilities that have adopted rules that are substantially consistent
26 with the standard technical requirements and standard application forms
27 submitted by the group.

28 (6) The group must meet by July 16, 2007, and each year thereafter
29 by July 31st, to update, by majority agreement, standard technical
30 requirements for interconnection at each of the levels established
31 under section 8 of this act.

32 (7) The group must submit recommended changes to the commission, to
33 the governing body of each consumer-owned utility, and to the
34 appropriate committees of the legislature.

35 (8) One year after the group establishes majority agreement and
36 submits standard technical requirements for interconnection at all of
37 the levels established under section 8 of this act, if electric
38 utilities serving eighty-five percent of the total customer load in the

1 state have not adopted standard technical requirements that are
2 substantially consistent with standard technical requirements agreed on
3 by the group, the department of community, trade, and economic
4 development shall adopt rules establishing standard technical
5 requirements for all electric utilities that have failed to adopt
6 standard technical requirements. The rules adopted by the department
7 shall be substantially consistent with the standard technical
8 requirements agreed on by the group.

9 NEW SECTION. **Sec. 8.** There are four interconnection review paths
10 for interconnection of customer-sited generation.

11 (1) Simplified. This applies to facilities certified under section
12 9 of this act with a capacity of ten kilowatts or less, where the
13 generator interconnection is single-phase and for facilities certified
14 under section 9 of this act with a capacity of one hundred kilowatts or
15 less, where the generator interconnection is three-phase.

16 (2) Expedited. This applies to facilities certified under section
17 9 of this act that have a capacity between ten kilowatts and one
18 hundred kilowatts where the generator interconnection is single-phase
19 and for facilities certified under section 9 of this act that have a
20 power rating between one hundred kilowatts and three hundred kilowatts
21 where the generator interconnection is three-phase.

22 (3) Intermediate. This applies to facilities certified under
23 section 9 of this act that have a capacity between three hundred
24 kilowatts and one megawatt where the generator interconnection is
25 three-phase.

26 (4) Standard. This applies to all generating facilities not
27 qualifying for simplified, expedited, or intermediate interconnection
28 that have a power rating of ten megawatts or less.

29 NEW SECTION. **Sec. 9.** (1) To qualify for simplified, expedited, or
30 intermediate interconnection procedures, a customer-generator facility
31 no larger than one megawatt must be certified under this section.

32 (2) An equipment package shall be certified for interconnected
33 operation if it has been submitted by a manufacturer, tested, and
34 listed by a nationally recognized testing and certification laboratory
35 for continuous interactive operation with a utility grid in compliance
36 with the following:

1 (a) The institute of electrical and electronic engineers' 1547
2 standard for interconnecting distributed resources with electric power
3 systems or 929 standard for inverters less than ten kilowatts in size;
4 and

5 (b) UL 1741 inverters, converters, and controllers for use in
6 independent power systems.

7 (3) If the equipment package has been tested and listed as an
8 integrated package, which includes a generator or other electric
9 source, the equipment package shall be deemed certified and the
10 electric utility shall not require further design review, testing, or
11 additional equipment.

12 (4) If the equipment package includes only the interface components
13 such as switchgear, inverters, or other interface devices, then an
14 interconnection applicant must show that the generator or other
15 electric source being used with the equipment package is compatible
16 with the equipment package and consistent with the testing and listing
17 specified for the package.

18 (5) A certified equipment package does not include equipment
19 provided by the electric utility.

20 NEW SECTION. **Sec. 10.** To qualify for simplified, expedited, or
21 intermediate interconnection, the aggregated generation, including the
22 proposed generator, must not:

23 (1) Exceed ten percent of the total circuit annual peak load under
24 normal operating conditions;

25 (2) Contribute more than ten percent to the distribution circuit's
26 maximum fault current at the point on the high voltage primary level
27 nearest the proposed point of common coupling;

28 (3) Compromise the operation of system safety protective devices;
29 and

30 (4) Compromise system safety and reliability, as measured by
31 specific and verifiable industry standards.

32 NEW SECTION. **Sec. 11.** (1) Each electric utility must have a
33 simplified interconnection procedure for facilities qualified under
34 section 9 of this act that have a capacity of ten kilowatts or less,
35 where the generator interconnection is single-phase and for facilities

1 certified under section 9 of this act with a capacity of one hundred
2 kilowatts or less, where the generator interconnection is three-phase.

3 (2) The simplified procedure must include the following steps:

4 (a) The customer-generator must submit an application filled out
5 properly and completely, including a reasonable application fee
6 established by the electric utility to defray costs of processing and
7 reviewing applications;

8 (b) The electric utility must acknowledge to the customer-generator
9 receipt of the application within five business days of receipt of the
10 application;

11 (c) The electric utility must evaluate the application for
12 completeness and compliance with standard technical requirements, and
13 notify the customer-generator within ten business days of acknowledging
14 receipt of the application that the application is or is not complete;

15 (d) If the application is incomplete, the application shall be
16 rejected and returned to the customer with a list of items needed to
17 make it complete;

18 (e) If the proposed interconnection meets standard technical
19 requirements, within five business days of notifying the customer-
20 generator that the application is complete, the electric utility must
21 execute and send an interconnection agreement to the customer-
22 generator;

23 (f) The customer-generator must return the signed agreement within
24 five business days of receiving the agreement from the electric
25 utility;

26 (g) The electric utility and the customer-generator must establish
27 a schedule for installation of the facility and the customer-generator
28 must notify the electric utility when installation is complete;

29 (h) After installation, the electric utility may inspect an
30 installed generating facility for compliance with standard technical
31 requirements and may arrange for a witness test in which the generating
32 facility is tested with a representative from the electric utility
33 present;

34 (i) If the inspection and test are satisfactory, within five
35 business days of completing the inspection, the electric utility must
36 notify the customer-generator in writing that interconnection is
37 allowed and approved;

1 (j) If the inspection and test are not satisfactory, within five
2 business days of completing the inspection and test, the electric
3 utility must notify the customer and the customer-generator must comply
4 with standard technical requirements before interconnection is allowed
5 and approved; and

6 (k) Customer-generators who do not receive any notice from the
7 electric utility within fifteen business days of the inspection and
8 test are deemed approved for interconnection.

9 (3) Additional protection equipment not included with the certified
10 generator or interconnection equipment package may be added at the
11 electric utility's discretion if the performance of the system is not
12 negatively impacted in any way and the customer-generator is not
13 charged for equipment in addition to that which is included in the
14 certified equipment package.

15 NEW SECTION. **Sec. 12.** (1) Each electric utility must have an
16 expedited interconnection procedure for facilities certified under
17 section 9 of this act that have a capacity between ten kilowatts and
18 one hundred kilowatts where the generator interconnection is single-
19 phase and for facilities certified under section 9 of this act that
20 have a capacity between one hundred kilowatts and three hundred
21 kilowatts where the generator interconnection is three-phase.

22 (2) The expedited procedure must include the following steps:

23 (a) To assist customers in the interconnection process, the
24 electric utility must designate an employee or office from which basic
25 application information can be obtained through an informal process;

26 (b) Upon the applicant's request, the electric utility must meet
27 with the applicant before submission of an application;

28 (c) The applicant must submit an application filled out properly
29 and completely to the electric utility, including a reasonable
30 application fee established by the electric utility to defray costs of
31 processing and reviewing applications;

32 (d) The electric utility must acknowledge to the applicant receipt
33 of the application within five business days of receipt of the
34 application;

35 (e) The electric utility must notify the applicant within fifteen
36 business days of its receipt of the application whether the application
37 has been completed adequately;

1 (f) If the application is incomplete, the electric utility must
2 provide the applicant with a written list detailing all information
3 that must be provided to complete the application;

4 (g) The applicant must submit the missing information within ten
5 business days of receiving the written list. If the applicant does not
6 submit the listed information to the electric utility within the ten
7 business days, the application shall be deemed withdrawn;

8 (h) An application is complete when the applicant submits all
9 information identified in the electric utility's written list. The
10 electric utility must acknowledge to the customer-generator receipt of
11 the application within five business days of receiving the information
12 identified in the electric utility's written list;

13 (i) The electric utility must review the proposed interconnection
14 within twenty business days after the electric utility notifies the
15 applicant it has received a complete application. Review must include
16 the following:

17 (i) Review of compliance with standard technical requirements;

18 (ii) Notice to the applicant of the results, including copies of
19 analysis and data underlying the electric utility's determinations; and

20 (iii) Any additional studies or tests the electric utility deems
21 necessary to evaluate the proposed interconnection, conducted at the
22 electric utility's own expense;

23 (j) If review determines that the proposed interconnection meets
24 standard technical requirements, the interconnection application must
25 be approved and the electric utility must provide the applicant with an
26 executable interconnection agreement within five business days after
27 the determination;

28 (k) If review determines that the proposed interconnection does not
29 meet standard technical requirements, but the electric utility
30 determines through review that the small generator may nevertheless be
31 interconnected consistent with safety, reliability, and power quality
32 standards, with or without minor system modifications, the electric
33 utility will provide the applicant with an executable interconnection
34 agreement within five business days after the determination and the
35 generator is responsible for the cost of any minor system modifications
36 required;

37 (l) If review determines that the proposed interconnection does not
38 meet standard technical requirements, and the electric utility does not

1 or cannot determine that the generator may nevertheless be
2 interconnected consistent with safety, reliability, and power quality
3 standards, then the electric utility must:

4 (i) Offer to perform additional review if the electric utility
5 concludes that additional review might determine that the proposed
6 interconnection could qualify for interconnection pursuant to the
7 expedited technical requirements; and

8 (ii) Provide a nonbinding, but good faith estimate of the costs and
9 schedule for the additional review;

10 (m) Within five business days of receiving an executable
11 interconnection agreement from the electric utility, the applicant must
12 return the signed interconnection agreement to the electric utility;

13 (n) The electric utility and the customer-generator must establish
14 a schedule for installation of the facility and the customer-generator
15 must notify the electric utility when installation is complete;

16 (o) After installation, the electric utility may inspect an
17 installed generating facility for compliance with standard technical
18 requirements and may arrange for a witness test, in which the
19 generating facility is tested with a representative from the utility
20 present;

21 (p) If the inspection and test are satisfactory, within five
22 business days of completing the inspection, the electric utility must
23 notify the customer in writing that interconnection is allowed and
24 approved; and

25 (q) If the inspection and test are not satisfactory, within five
26 business days of completing the inspection and test, the electric
27 utility must notify the customer and the customer-generator must comply
28 with standard technical requirements before interconnection is allowed
29 and approved.

30 (3) Additional fees may be charged to customer-generators if their
31 generator interconnection requires minor system modifications under
32 subsection (2)(k) of this section or additional review under subsection
33 (2)(l) of this section.

34 NEW SECTION. **Sec. 13.** (1) Each electric utility must have an
35 intermediate interconnection procedure for facilities certified under
36 section 9 of this act that have a capacity between three hundred

1 kilowatts and one megawatt where the generator interconnection is
2 three-phase.

3 (2) The intermediate procedure must include the following steps:

4 (a) To assist applicants in the interconnection process, the
5 electric utility must designate an employee or office from which basic
6 information on the application can be obtained through an informal
7 process;

8 (b) Upon the applicant's request, the electric utility must meet
9 with the applicant before submission of an application for
10 interconnection;

11 (c) The applicant must submit an application filled out properly
12 and completely to the electric utility, including a reasonable
13 application fee established by the electric utility to defray costs of
14 processing and reviewing applications;

15 (d) The electric utility must acknowledge to the applicant receipt
16 of the application within five business days of receipt of the
17 application;

18 (e) The electric utility must notify the applicant within fifteen
19 business days of its receipt of the application whether the application
20 has been completed adequately;

21 (f) If the application is incomplete, the electric utility must
22 provide the applicant with a written list detailing all information
23 that must be provided to complete the application;

24 (g) The applicant must submit the missing information within ten
25 business days of receiving the written list. If the applicant does not
26 submit the listed information to the electric utility within ten
27 business days, the application shall be deemed withdrawn;

28 (h) An application is complete when the applicant submits all of
29 the information identified in the electric utility's written list and
30 the electric utility must acknowledge to the applicant receipt of the
31 application within five business days of receiving the information
32 identified in the electric utility's written list;

33 (i) Within sixty business days after the electric utility notifies
34 the applicant that it received a complete application, the electric
35 utility must perform review of the proposed interconnection. Review
36 must include the following:

37 (i) Review of electric utility system impact, if any, and
38 compliance with standard technical requirements;

1 (ii) Notice to the applicant of the results, including copies of
2 the analysis and data underlying the electric utility's determinations;
3 and

4 (iii) Any additional studies or tests the electric utility deems
5 necessary to evaluate the proposed interconnection, conducted at the
6 electric utility's own expense;

7 (j) If review determines that the proposed interconnection meets
8 standard technical requirements, the electric utility must approve the
9 interconnection application and must provide the applicant an
10 executable interconnection agreement within five business days after
11 the determination;

12 (k) If review determines that the proposed interconnection does not
13 meet standard technical requirements, but the electric utility
14 determines through the review that the small generator may nevertheless
15 be interconnected consistent with safety, reliability, and power
16 quality standards, with or without minor system modifications, the
17 electric utility must approve the interconnection application and
18 provide the applicant an executable interconnection agreement within
19 five business days;

20 (l) If review determines that the proposed interconnection does not
21 meet standard technical requirements, and the electric utility does not
22 or cannot determine from the initial review that the generator may
23 nevertheless be interconnected consistent with safety, reliability, and
24 power quality standards, then the electric utility must:

25 (i) Offer to perform additional review if the electric utility
26 concludes that an additional review might determine that the generator
27 could qualify for interconnection; and

28 (ii) Provide a nonbinding, but good faith estimate of the costs and
29 schedule for the additional review;

30 (m) The applicant must return the signed agreement to the electric
31 utility within five business days of receiving an executable
32 interconnection agreement from the electric utility;

33 (n) The electric utility and the customer-generator must establish
34 a schedule for installation of the facility and the customer-generator
35 must notify the electric utility when installation is complete;

36 (o) After installation, the electric utility may inspect an
37 installed generating facility for compliance with standard technical

1 requirements and may arrange for a witness test, in which the
2 generating facility is tested with a representative from the utility
3 present;

4 (p) If the inspection and test are satisfactory, within five
5 business days of completing the inspection, the electric utility must
6 notify the customer in writing that interconnection is allowed and
7 approved; and

8 (q) If the inspection and test are not satisfactory, within five
9 business days of completing the inspection, the electric utility must
10 notify the customer-generator and the customer-generator must comply
11 with standard technical requirements before interconnection is allowed
12 and approved.

13 (3) Additional fees may be charged to customer-generators if their
14 generator interconnection requires the electric utility to conduct an
15 impact study under subsection (2)(i)(i) of this section, minor system
16 modifications under subsection (2)(k) of this section, or additional
17 review under subsection (2)(l) of this section.

18 NEW SECTION. **Sec. 14.** (1) Each electric utility must have a
19 standard interconnection procedure available for generators not
20 exceeding ten megawatts in capacity that do not qualify for simplified,
21 expedited, or intermediate interconnection procedures.

22 (2) The standard procedure must include the following steps:

23 (a) To assist applicants in the interconnection process, the
24 electric utility must designate an employee or office from which basic
25 information on the application can be obtained through an informal
26 process;

27 (b) Upon the applicant's request, the electric utility must meet
28 with the applicant before submission of an application for
29 interconnection;

30 (c) The applicant must submit an application filled out properly
31 and completely, including a reasonable application fee established by
32 the electric utility to defray costs of processing and reviewing
33 applications, or an applicant's interconnection application is
34 transferred from simplified, expedited, or intermediate interconnection
35 procedures for failure to meet all of the requirements of those
36 procedures. If an application is transferred from simplified,

1 expedited, or intermediate interconnection procedures, the application
2 shall be considered as a newly submitted application for standard
3 review;

4 (d) The electric utility must acknowledge receipt of the
5 application or the transfer from simplified, expedited, or intermediate
6 interconnection procedures within five business days;

7 (e) The electric utility must notify the applicant within fifteen
8 business days of receipt of the application whether the application has
9 been completed adequately;

10 (f) If the application is incomplete, the electric utility must at
11 the same time provide the applicant a written list detailing all
12 information that must be provided to complete the application;

13 (g) The applicant must submit the missing information within ten
14 business days of receiving the written list. If the applicant does not
15 submit the listed information to the electric utility within ten
16 business days, the application shall be deemed withdrawn;

17 (h) An application is complete when the applicant submits all of
18 the information identified in the electric utility's written list. The
19 electric utility must acknowledge to the applicant receipt of the
20 application within five business days of receiving the information
21 identified in the electric utility's written list;

22 (i) Within twenty business days of notifying the customer-generator
23 that the application is complete, the electric utility must conduct
24 initial review. Initial review must include:

25 (i) Review using standard technical requirements;

26 (ii) A scoping meeting or discussion with the customer-generator to
27 review the application;

28 (iii) Review of information such as the available fault current at
29 the proposed location, the existing peak loading on the lines in the
30 general vicinity of the proposed generator, and the configuration of
31 the distribution lines at the proposed point of interconnection; and

32 (iv) Any additional studies or tests the electric utility deems
33 necessary to evaluate the proposed interconnection, conducted at the
34 electric utility's own expense;

35 (j) If initial review determines that additional study is
36 necessary, the electric utility must conduct supplemental review within
37 twenty business days of completing initial review. Supplemental review
38 shall identify:

1 (i) Specific additional requirements for interconnection and an
2 executable interconnection agreement; or

3 (ii) Notice that continued additional studies are required;

4 (k) When supplemental review reveals that continued additional
5 studies are required, the electric utility and the customer-generator
6 must enter into an agreement that provides for the electric utility to
7 perform additional studies, facility design, and engineering, and
8 provides detailed cost estimates for billing to the customer-generator
9 at the customer-generator's expense. The agreement must set forth the
10 electric utility's estimated schedule and charges for completing such
11 work;

12 (l) The maximum amount of time provided to complete all review and
13 studies is one hundred fifty business days;

14 (m) If the electric utility determines, in accordance with good
15 utility practice, that system modifications or additions to the
16 electric utility's electric system are necessary, the electric utility
17 will produce a cost estimate and schedule for the modifications. The
18 electric utility and the customer-generator shall enter into an
19 agreement setting forth the electric utility and the customer-
20 generator's responsibilities, completion schedules, and costs;

21 (n) After executing the applicable agreements, the electric utility
22 and the customer-generator shall construct and install modifications or
23 facilities identified in the agreements;

24 (o) After installation, the electric utility shall inspect the
25 completed generator installation and attend any required commissioning
26 tests;

27 (p) If the inspection and tests are satisfactory, within five
28 business days of completing the tests, the electric utility shall
29 notify the customer in writing that interconnection is allowed and
30 approved; and

31 (q) If the inspection and tests are not satisfactory, within five
32 business days of completing the inspection, the electric utility must
33 notify the customer-generator and the customer-generator must satisfy
34 inspection and tests before interconnection is allowed and approved.

35 NEW SECTION. **Sec. 15.** (1) Once an interconnection has been
36 approved under this chapter, the electric utility shall not require a
37 customer-generator to test its facility except for the following:

1 (a) An annual test in which the customer-generator's facility is
2 disconnected from the electric utility's equipment to ensure that the
3 generator stops delivering power to the grid;

4 (b) Any manufacturer-recommended testing; and

5 (c) Testing when the electric utility has identified a condition
6 outside of normal operating conditions that will affect system safety
7 and reliability.

8 (2) An electric utility may inspect a customer-generator's facility
9 both before and after interconnection approval is granted, at
10 reasonable hours and with reasonable advance notice to the customer-
11 generator.

12 (3) If the electric utility discovers the customer-generator's
13 facility is not in compliance with standard technical requirements and
14 the noncompliance adversely affects the safety or reliability of the
15 electric system, the electric utility shall require disconnection of
16 the customer-generator's facility until it complies with this chapter.
17 If the customer-generator fails to disconnect, the electric utility may
18 itself disconnect the facility.

19 (4) Each customer-generator approved for interconnection shall
20 affix to their electric revenue meter a warning sign that notifies
21 utility personnel of the existence of customer-sited parallel
22 generation.

23 NEW SECTION. **Sec. 16.** (1) A customer-generator approved for
24 interconnection must, at its own expense, maintain in force general
25 liability insurance without any exclusion for liabilities related to
26 the interconnection.

27 (2) The amount of the general liability insurance must be
28 sufficient to insure against all reasonably foreseeable direct and
29 indirect liabilities given the size and nature of the customer-
30 generator's generating equipment, the interconnection itself, and the
31 characteristics of the system to which the interconnection is made.

32 (3) A customer-generator must obtain additional insurance if
33 necessary as a function of owning and operating a generating facility.

34 (4) An electric utility shall not be liable directly or indirectly
35 for permitting or continuing to allow an interconnection, or for the
36 acts or omissions of the customer-generator that cause loss or injury,
37 including death, to any third party.

1 NEW SECTION. **Sec. 17.** (1) The procedures established in this
2 chapter apply under normal work conditions and when an electric utility
3 has a reasonable number of applications for interconnection under
4 review.

5 (2) A customer-generator may bring a civil action in the
6 appropriate court of limited jurisdiction identified in RCW 3.02.010 to
7 enforce this chapter and recover damages up to the maximum amount of
8 damages specified in RCW 3.66.020.

9 (3) Damages in the amount of ten dollars per kilowatt capacity of
10 the customer-generator's generating facility applies to an electric
11 utility's failure to comply with procedures established under this
12 chapter up to the maximum amount of damages specified in RCW 3.66.020.

13 NEW SECTION. **Sec. 18.** If any provision of this act or its
14 application to any person or circumstance is held invalid, the
15 remainder of the act or the application of the provision to other
16 persons or circumstances is not affected.

17 NEW SECTION. **Sec. 19.** Sections 1, 2, and 6 through 18 of this act
18 constitute a new chapter in Title 19 RCW."

19 Correct the title.

EFFECT: Revises the substitute bill to clarify the authority and
duties of the interconnection technical advisory group. Clarifies that
nonvoting ex officio members can participate. Provides that the
interconnection technical advisory group will have six months to
establish standard technical requirements at the first two levels of
review and six additional months to establish standard technical
requirements at the next two levels of review.

Provides that the Utilities and Transportation Commission and the
governing body of consumer-owned utilities must adopt standard
technical requirements that are substantially consistent with standard
technical requirements agreed on by the interconnection technical
advisory group.

Removes the penalties associated with failing to adopt standard
technical requirements.

Provides that the Department of Community, Trade, and Economic
Development shall adopt rules substantially consistent with the
standard technical requirements agreed on by the interconnection
technical advisory group if electric utilities serving eighty-five

percent of the total load in the state fail to adopt standard technical requirements within one year of the interconnection technical advisory group reaching agreement on standard technical requirements.

Clarifies that an electric utility may charge a reasonable fee to cover the costs of application processing. Removes provisions establishing specific application fees.

Revises and extends timelines for application processing and review. Provides that additional studies, as needed at the upper levels of review, shall be conducted by agreement between the electric utility and the customer. Clarifies that timelines and procedures apply under normal work conditions when an electric utility has a reasonable number of applications under review.

Revises and corrects definitions.

Makes technical changes for consistency.

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