FINAL BILL REPORT
ESHB 2352

C 201 L 06
Synopsis as Enacted

Brief Description: Modifying net metering provisions.

Sponsors: By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Hudgins and B. Sullivan).

House Committee on Technology, Energy & Communications
Senate Committee on Water, Energy & Environment

Background:

Net Metering
Net metering means measuring the difference between the electricity supplied by an electric utility and the electricity generated by a customer-generator over a billing period. State law defines a net metering system as an electrical production facility that: (1) is a fuel cell or uses solar, wind, or hydro power; (2) has a generating capacity of 25 kilowatts or less; (3) is located on the premises of a customer-generator; (4) operates in parallel with the electrical utility's distribution and transmission system; and (5) is intended primarily to offset part or all of the customer's electricity requirements.

Allowable Cumulative Generating Capacity of Net Metering Systems
Electric utilities must offer net metering to eligible customers-generators on a first-come, first-serve basis until the cumulative generating capacity of net metering systems equals 0.1 percent of the utility's peak demand during 1996, of which not less than 0.05 percent must be attributable to net metering systems that use as its fuel either solar, wind, or hydro power.

Excess Generating Credits
If electricity generated by the customer-generator exceeds the electricity supplied by the electric utility, the customer-generator shall be: (1) billed for the appropriate customer charges for that billing period; and (2) credited for the excess kilowatt-hours generated during the billing period, with this kilowatt-hour credit appearing on the bill for the following billing period. At the beginning of each calendar year, any remaining unused credits in excess of kilowatt-hours generated by the customer-generator are granted to the electric utility, without compensation to the customer-generator.

Safety, Power Quality, and Interconnection Requirements
The Utilities and Transportation Commission (UTC), in the case of an electrical company, or the appropriate governing body, in the case of other electric utilities, may adopt additional safety, power quality, and interconnection requirements for customer-generators that the UTC or governing body determines are necessary to protect public safety and system reliability.

Summary:

Net Metering System

Net metering is redefined to eliminate the requirement that the customer-generator electricity is fed back to the electric utility. Net metering system is redefined to mean a facility and produces electricity and used and useful thermal energy from a common fuel source, or a facility for the production of electrical energy that generates renewable energy. Renewable energy is defined as energy generated by a facility that uses water, wind, solar energy, or biogas from animal waste as a fuel. The generating capacity allowed for net metering systems is increased to not more than 100 kilowatts.

Allowable Cumulative Generating Capacity of Net Metering Systems

An electricity utility must offer to make net metering available to eligible customer-generators on a first-come, first-served basis until the cumulative generating capacity of net metering systems equals 0.25 percent, instead of 0.1 percent, of the utility's peak demand during 1996. On January 1, 2014, the cumulative generating capacity available to net metering systems will equal 0.5 percent of the utility's peak demand during 1996. Not less than 50 percent of the utility's 1996 peak demand available for net metering is reserved for the cumulative generating capacity attributable to net metering systems that generate renewable energy.

Excess Generating Credits

On April 30 of each calendar year, any unused kilowatt-hour credits accumulated during the previous year must be granted to the electric utility, without compensation to the customer-generator.

Safety, Power Quality, and Interconnection Requirements

The UTC and governing bodies of electric utilities may adopt limitations on the number of customer-generators and total capacity of net metering systems that may be interconnected to any distribution feeder line, circuit, or network in order to protect public safety and system reliability.

Votes on Final Passage:

House	97	1	
Senate	46	1	(Senate amended)
House	96	1	(House concurred)

Effective: June 7, 2006