
ENGROSSED SUBSTITUTE HOUSE BILL 2352

State of Washington

59th Legislature

2006 Regular Session

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

READ FIRST TIME 01/25/06.

1 AN ACT Relating to net metering; and amending RCW 80.60.010,
2 80.60.020, 80.60.030, and 80.60.040.

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

4 **Sec. 1.** RCW 80.60.010 and 2000 c 158 s 1 are each amended to read
5 as follows:

6 The definitions in this section apply throughout this chapter
7 unless the context clearly indicates otherwise.

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

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

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

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

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

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

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

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

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

9 (a) Uses (~~as its fuel either solar, wind, or hydropower~~)
10 renewable energy;

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

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

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

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

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

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

23 (12) "Renewable energy" means resources whose common characteristic
24 is that they are nondepletable or are naturally replenishable existing
25 or emerging nonfossil fuel energy sources or technologies, and shall
26 include but not be limited to the following:

27 (a) Solar photovoltaic or solar thermal electric energy;

28 (b) Wind energy;

29 (c) Ocean thermal, wave, or tidal energy;

30 (d) Fuel cells;

31 (e) Landfill gas;

32 (f) Incremental gains in energy production from capital and
33 operational improvements in hydroelectric generating facilities;

34 (g) Run of river hydropower generation;

35 (h) Hydroelectric generation that does not impede the flow in
36 naturally flowing water;

37 (i) Advanced biomass power conversion technologies, such as

1 gasification using such biomass fuels as wood, agricultural, or food
2 wastes, energy crops, biogas, biodiesel, or organic refuse-derived
3 fuel;

4 (j) Biomass energy using animal waste, solid organic fuels from
5 wood, forest, or field residues, dedicated energy crops that do not
6 include wood pieces that have been treated with chemical preservatives
7 such as creosote, pentachlorophenol, or copper-chrome-arsenic; and

8 (k) Lignin in spent pulping liquors.

9 The following technologies or fuels shall not be considered
10 renewable energy supplies: Coal, oil, nuclear power, or fuel gases,
11 excluding fuel gases that are used in a combined heat and power plant
12 designed to produce both heat and electricity from a single heat
13 source.

14 **Sec. 2.** RCW 80.60.020 and 2000 c 158 s 2 are each amended to read
15 as follows:

16 An electric utility:

17 (1) Shall offer to make net metering available to eligible
18 customers-generators on a first-come, first-served basis until the
19 cumulative generating capacity of net metering systems equals ~~((0.1))~~
20 0.25 percent of the utility's peak demand during 1996~~((, of which not~~
21 ~~less than 0.05 percent shall be attributable to net metering systems~~
22 ~~that use as its fuel either solar, wind, or hydropower))~~. If one or
23 more utilities are found to be approaching the maximum cumulative
24 generating capacity of net metering systems allowed under this
25 subsection, the legislature may review the generation threshold
26 contained in this section for potential modification. On January 1,
27 2014, the cumulative generating capacity of net metering systems will
28 equal 0.5 percent of the utility's peak demand during 1996;

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

35 (a) That the use of additional metering equipment to monitor the
36 flow of electricity in each direction is necessary and appropriate for

1 the interconnection of net metering systems, after taking into account
2 the benefits and costs of purchasing and installing additional metering
3 equipment; and

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

6 (3) Shall charge the customer-generator a minimum monthly fee that
7 is the same as other customers of the electric utility in the same rate
8 class, but shall not charge the customer-generator any additional
9 standby, capacity, interconnection, or other fee or charge unless the
10 commission, in the case of an electrical company, or the appropriate
11 governing body, in the case of other electric utilities, determines,
12 after appropriate notice and opportunity for comment that:

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

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

19 **Sec. 3.** RCW 80.60.030 and 1998 c 318 s 4 are each amended to read
20 as follows:

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

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

26 (2) If the electricity supplied by the electric utility exceeds the
27 electricity generated by the customer-generator and fed back to the
28 electric utility during the billing period, the customer-generator
29 shall be billed for the net electricity supplied by the electric
30 utility, in accordance with normal metering practices.

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

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

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

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

5 **Sec. 4.** RCW 80.60.040 and 2000 c 158 s 3 are each amended to read
6 as follows:

7 (1) A net metering system used by a customer-generator shall
8 include, at the customer-generator's own expense, all equipment
9 necessary to meet applicable safety, power quality, and interconnection
10 requirements established by the national electrical code, national
11 electrical safety code, the institute of electrical and electronics
12 engineers, and underwriters laboratories.

13 (2) The commission, in the case of an electrical company, or the
14 appropriate governing body, in the case of other electric utilities,
15 after appropriate notice and opportunity for comment, may adopt by
16 regulation additional safety, power quality, and interconnection
17 requirements for customer-generators, including limitations on the
18 number of customer generators and total capacity of net metering
19 systems that may be interconnected to any distribution feeder line,
20 circuit, or network that the commission or governing body determines
21 are necessary to protect public safety and system reliability.

22 (3) An electric utility may not require a customer-generator whose
23 net metering system meets the standards in subsections (1) and (2) of
24 this section to comply with additional safety or performance standards,
25 perform or pay for additional tests, or purchase additional liability
26 insurance. However, an electric utility shall not be liable directly
27 or indirectly for permitting or continuing to allow an attachment of a
28 net metering system, or for the acts or omissions of the customer-
29 generator that cause loss or injury, including death, to any third
30 party.

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