

---

**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, and 80.60.030.

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 the  
8 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: Solar photovoltaic or  
27 solar thermal electric energy; wind energy; ocean thermal, wave, or  
28 tidal energy; fuel cells; landfill gas; incremental gains in energy  
29 production from capital improvements in naturally flowing water and  
30 hydroelectric or run of river hydropower generation; and advanced  
31 biomass power conversion technologies, such as gasification using such  
32 biomass fuels as wood, agricultural, or food wastes, energy crops,  
33 biogas, biodiesel, or organic refuse-derived fuel. The following  
34 technologies or fuels shall not be considered renewable energy  
35 supplies: Coal, oil, nuclear power, or fuel gases, excluding fuel  
36 gases that are used in a combined heat and power plant designed to  
37 produce both heat and electricity from a single heat source.

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

3       An electric utility:

4       (1) Shall offer to make net metering available to eligible  
5 customers-generators on a first-come, first-served basis until the  
6 cumulative generating capacity of net metering systems equals ~~((0.1))~~  
7 0.5 percent of the utility's peak demand during 1996, of which not less  
8 than ~~((0.05))~~ 0.25 percent shall be attributable to net metering  
9 systems that use ~~((as its fuel either solar, wind, or hydropower))~~  
10 renewable energy;

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

17       (a) That the use of additional metering equipment to monitor the  
18 flow of electricity in each direction is necessary and appropriate for  
19 the interconnection of net metering systems, after taking into account  
20 the benefits and costs of purchasing and installing additional metering  
21 equipment; and

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

24       (3) Shall charge the customer-generator a minimum monthly fee that  
25 is the same as other customers of the electric utility in the same rate  
26 class, but shall not charge the customer-generator any additional  
27 standby, capacity, interconnection, or other fee or charge unless the  
28 commission, in the case of an electrical company, or the appropriate  
29 governing body, in the case of other electric utilities, determines,  
30 after appropriate notice and opportunity for comment that:

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

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

37       If one or more utilities are found to be approaching the maximum  
38 cumulative generating capacity of net metering systems allowed under

1 subsection (1) of this section, the legislature may review the  
2 generation thresholds contained in this section for potential  
3 modification.

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

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

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

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

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

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

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

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

--- END ---