H-3464.1			

HOUSE BILL 2352

State of Washington 59th Legislature 2006 Regular Session

By Representatives Morris, Hudgins and B. Sullivan

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

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- 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:
- The definitions in this section apply throughout this chapter unless the context clearly indicates otherwise.
 - (1) "Commission" means the utilities and transportation commission.
 - (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.

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- 1 (7) "Municipal electric utility" means a city or town that owns or operates an electric utility authorized by chapter 35.92 RCW.
 - (8) "Net metering" means measuring the difference between the electricity supplied by an electric utility and the electricity generated by a customer-generator that is fed back to the electric 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:
 - (a) Uses as its fuel either solar, wind, or hydropower;
- 10 (b) Has a generating capacity of not more than ((twenty five)) one 11 hundred kilowatts;
 - (c) Is located on the customer-generator's premises;
- 13 (d) Operates in parallel with the electric utility's transmission 14 and distribution facilities; and
- 15 (e) Is intended primarily to offset part or all of the customer-16 generator's requirements for electricity.
- 17 (10) "Port district" means a port district within which an 18 industrial development district has been established as authorized by 19 Title 53 RCW.
- 20 (11) "Public utility district" means a district authorized by 21 chapter 54.04 RCW.
- 22 **Sec. 2.** RCW 80.60.020 and 2000 c 158 s 2 are each amended to read as follows:

24 An electric utility:

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- (1) Shall offer to make net metering available to eligible customers-generators on a first-come, first-served basis until the cumulative generating capacity of net metering systems equals ((0.1)) one percent of the utility's peak demand during 1996, of which not less than ((0.05)) 0.5 percent shall be attributable to net metering systems that use as its fuel either solar, wind, or hydropower;
- (2) Shall allow net metering systems to be interconnected using a standard kilowatt-hour meter capable of registering the flow of electricity in two directions, unless the commission, in the case of an electrical company, or the appropriate governing body, in the case of other electric utilities, determines, after appropriate notice and opportunity for comment:

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

- (b) How the cost of purchasing and installing an additional meter is to be allocated between the customer-generator and the utility;
- (3) Shall charge the customer-generator a minimum monthly fee that is the same as other customers of the electric utility in the same rate class, but shall not charge the customer-generator any additional standby, capacity, interconnection, or other fee or charge unless the commission, in the case of an electrical company, or the appropriate governing body, in the case of other electric utilities, determines, after appropriate notice and opportunity for comment that:
- (a) The electric utility will incur direct costs associated with interconnecting or administering net metering systems that exceed any offsetting benefits associated with these systems; and
- (b) Public policy is best served by imposing these costs on the customer-generator rather than allocating these costs among the utility's entire customer base.
- **Sec. 3.** RCW 80.60.030 and 1998 c 318 s 4 are each amended to read 22 as follows:
 - Consistent with the other provisions of this chapter, the net energy measurement must be calculated in the following manner:
 - (1) The electric utility shall measure the net electricity produced or consumed during the billing period, in accordance with normal metering practices.
 - (2) If the electricity supplied by the electric utility exceeds the electricity generated by the customer-generator and fed back to the electric utility during the billing period, the customer-generator shall be billed for the net electricity supplied by the electric utility, in accordance with normal metering practices.
 - (3) If electricity generated by the customer-generator exceeds the electricity supplied by the electric utility, the customer-generator:
- 35 (a) Shall be billed for the appropriate customer charges for that 36 billing period, in accordance with RCW 80.60.020; and

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(b) Shall be 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.

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

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