
HOUSE BILL 2604

State of Washington 59th Legislature 2006 Regular Session

By Representatives Grant, McCoy, Blake, Haler, Simpson, Morris, B. Sullivan, P. Sullivan, Moeller, Hudgins, Morrell, Ericks and Springer

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1 AN ACT Relating to improving the production and use of renewable
2 energy resources; amending RCW 80.60.010, 80.60.020, and 80.60.030;
3 adding a new section to chapter 80.60 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that it is in the
6 public interest to:

- 7 (1) Encourage private investment in renewable energy;
- 8 (2) Stimulate the economic growth of the state;
- 9 (3) Enhance the continued diversification of the energy resources
10 used in this state; and
- 11 (4) Provide for the safe interconnection, efficient markets, and
12 distribution of renewable electric energy.

13 **Sec. 2.** RCW 80.60.010 and 2000 c 158 s 1 are each amended to read
14 as follows:

15 The definitions in this section apply throughout this chapter
16 unless the context clearly indicates otherwise.

- 17 (1) "Commission" means the utilities and transportation commission.
- 18 (2) "Customer-generator" means a user of a net metering system.

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

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

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

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

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

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

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

19 (a) Uses as its fuel either biogas produced from an anaerobic
20 digester, solar, wind, or hydropower;

21 (b) ~~((Has a generating capacity of not more than twenty five~~
22 ~~kilowatts;~~

23 ~~(e))~~ Is located on the customer-generator's premises;

24 ~~((d))~~ (c) Operates in parallel with the electric utility's
25 transmission and distribution facilities; and

26 ~~((e))~~ (d) Is intended primarily to offset part or all of the
27 customer-generator's requirements for electricity.

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

31 (11) "Public utility district" means a district authorized by
32 chapter 54.04 RCW.

33 (12) "Small renewable producer" means any customer-generator that
34 uses a net metering system to generate a quantity of not less than one
35 hundred kilowatts and not more than four megawatts from a renewable
36 fuel source using net metering to connect to the utility's electrical
37 distribution grid.

1 **Sec. 3.** 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 one percent of the utility's peak demand during 1996, of which not less
8 than 0.05 percent shall be attributable to net metering systems that
9 use as its fuel either biogas produced from an anaerobic digester,
10 solar, wind, or hydropower;

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 a small renewable producer can demonstrate a base load supply
38 produced in ninety percent of the previous calendar quarter, an

1 electric utility must offer, as an alternative to net metering, to
2 contract for and purchase the portfolio of a small renewable producer
3 at the small renewable producer's mid "C" rate.

4 **Sec. 4.** 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 of each calendar (~~year~~) quarter, any remaining
24 unused kilowatt-hour credit accumulated during the previous (~~year~~)
25 quarter shall be (~~granted to the electric utility, without any~~
26 ~~compensation~~) compensated to the customer-generator at the utility's
27 standard retail rates.

28 NEW SECTION. **Sec. 5.** A new section is added to chapter 80.60 RCW
29 to read as follows:

30 (1) The following renewable energy standards for state agencies are
31 established:

32 (a) By December 31, 2006, state agencies must demonstrate that at
33 least two percent of their total energy resources are generated by
34 small renewable producers' systems;

35 (b) By December 31, 2007, state agencies must demonstrate that at

1 least four percent of their total energy resources are generated by
2 small renewable producers' systems; and

3 (c) By December 31, 2009, state agencies must demonstrate that at
4 least eight percent of their total energy resources are generated by
5 small renewable producers' systems.

6 (2) Any electric utility operating in the state shall assist,
7 participate in, or facilitate the state's net metering purchasing
8 efforts under this section.

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