

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 2352

59th Legislature
2006 Regular Session

Passed by the House March 6, 2006
Yeas 96 Nays 1

Speaker of the House of Representatives

Passed by the Senate March 3, 2006
Yeas 46 Nays 1

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2352** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 2352

AS AMENDED BY THE SENATE

Passed Legislature - 2006 Regular Session

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 that
8 produces electricity and used and useful thermal energy from a common
9 fuel source, or a facility for the production of electrical energy that
10 generates renewable energy, and that:

11 (~~(Uses as its fuel either solar, wind, or hydropower;~~
12 ~~(b)~~) Has ((a)) an electrical generating capacity of not more than
13 (~~(twenty-five)~~) one hundred kilowatts;

14 (~~(c)~~) (b) Is located on the customer-generator's premises;

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

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

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

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

24 (12) "Renewable energy" means energy generated by a facility that
25 uses water, wind, solar energy, or biogas from animal waste as a fuel.

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

28 An electric utility:

29 (1) Shall offer to make net metering available to eligible
30 customers-generators on a first-come, first-served basis until the
31 cumulative generating capacity of net metering systems equals (~~(0.1)~~)
32 0.25 percent of the utility's peak demand during 1996(~~(, of which not~~
33 ~~less than 0.05 percent shall be attributable to net metering systems~~
34 ~~that use as its fuel either solar, wind, or hydropower)~~). On January
35 1, 2014, the cumulative generating capacity available to net metering
36 systems will equal 0.5 percent of the utility's peak demand during
37 1996. Not less than one-half of the utility's 1996 peak demand

1 available for net metering systems shall be reserved for the cumulative
2 generating capacity attributable to net metering systems that generate
3 renewable energy;

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

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

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

17 (3) Shall charge the customer-generator a minimum monthly fee that
18 is the same as other customers of the electric utility in the same rate
19 class, but shall not charge the customer-generator any additional
20 standby, capacity, interconnection, or other fee or charge unless the
21 commission, in the case of an electrical company, or the appropriate
22 governing body, in the case of other electric utilities, determines,
23 after appropriate notice and opportunity for comment that:

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

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

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

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

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

1 (2) If the electricity supplied by the electric utility exceeds the
2 electricity generated by the customer-generator and fed back to the
3 electric utility during the billing period, the customer-generator
4 shall be billed for the net electricity supplied by the electric
5 utility, in accordance with normal metering practices.

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

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

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

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

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

19 (1) A net metering system used by a customer-generator shall
20 include, at the customer-generator's own expense, all equipment
21 necessary to meet applicable safety, power quality, and interconnection
22 requirements established by the national electrical code, national
23 electrical safety code, the institute of electrical and electronics
24 engineers, and underwriters laboratories.

25 (2) The commission, in the case of an electrical company, or the
26 appropriate governing body, in the case of other electric utilities,
27 after appropriate notice and opportunity for comment, may adopt by
28 regulation additional safety, power quality, and interconnection
29 requirements for customer-generators, including limitations on the
30 number of customer generators and total capacity of net metering
31 systems that may be interconnected to any distribution feeder line,
32 circuit, or network that the commission or governing body determines
33 are necessary to protect public safety and system reliability.

34 (3) An electric utility may not require a customer-generator whose
35 net metering system meets the standards in subsections (1) and (2) of
36 this section to comply with additional safety or performance standards,
37 perform or pay for additional tests, or purchase additional liability

1 insurance. However, an electric utility shall not be liable directly
2 or indirectly for permitting or continuing to allow an attachment of a
3 net metering system, or for the acts or omissions of the customer-
4 generator that cause loss or injury, including death, to any third
5 party.

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