
HOUSE BILL 2471

State of Washington

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By Representatives McCoy, Chase, and Morris

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1 AN ACT Relating to net metering of electricity; and amending RCW
2 80.60.010, 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 2007 c 323 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~~) requires 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) "Meter aggregation" means the administrative combination of
2 readings from and billing for all meters, regardless of the rate class,
3 on premises owned or leased by a customer-generator located within the
4 service territory of a single electric utility.

5 (8) "Municipal electric utility" means a city or town that owns or
6 operates an electric utility authorized by chapter 35.92 RCW.

7 (9) "Net metering" means measuring the difference between the
8 electricity supplied by an electric utility and the electricity
9 generated by a customer-generator over the applicable billing period.

10 (10) "Net metering system" means a fuel cell, a facility that
11 produces electricity and used and useful thermal energy from a common
12 fuel source, or a facility for the production of electrical energy that
13 generates renewable energy, and that:

14 (a) Has an electrical generating capacity of not more than (~~one~~
15 ~~hundred kilowatts~~) two megawatts;

16 (b) Is located on the customer-generator's premises;

17 (c) Operates in parallel with the electric utility's transmission
18 and distribution facilities; and

19 (d) Is intended primarily to offset part or all of the customer-
20 generator's requirements for electricity.

21 (11) "Premises" means any residential property, commercial real
22 estate, or lands, owned or leased by a customer-generator within the
23 service area of a single electric utility.

24 (12) "Port district" means a port district within which an
25 industrial development district has been established as authorized by
26 Title 53 RCW.

27 (13) "Public utility district" means a district authorized by
28 chapter 54.04 RCW.

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

31 **Sec. 2.** RCW 80.60.020 and 2007 c 323 s 2 are each amended to read
32 as follows:

33 (1) An electric utility:

34 (a) Shall offer to make net metering available to eligible
35 customers-generators on a first-come, first-served basis until the
36 cumulative generating capacity of net metering systems equals 0.25
37 percent of the utility's peak demand during 1996. On January 1, 2014,

1 the cumulative generating capacity available to net metering systems
2 will equal ((0.5)) five percent of the utility's peak demand during
3 1996. Not less than one-half of the utility's 1996 peak demand
4 available for net metering systems shall be reserved for the cumulative
5 generating capacity attributable to net metering systems that generate
6 renewable energy;

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

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

18 (ii) How the cost of purchasing and installing an additional meter
19 is to be allocated between the customer-generator and the utility;

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

27 (i) The electric utility will incur direct costs associated with
28 interconnecting or administering net metering systems that exceed any
29 offsetting benefits associated with these systems; and

30 (ii) Public policy is best served by imposing these costs on the
31 customer-generator rather than allocating these costs among the
32 utility's entire customer base.

33 (2) If a production meter and software is required by the electric
34 utility to provide meter aggregation under RCW 80.60.030(4), the
35 customer-generator is responsible for the purchase of the production
36 meter and software.

1 **Sec. 3.** RCW 80.60.030 and 2007 c 323 s 3 are each amended to read
2 as follows:

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

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

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

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

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

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

20 (4) If a customer-generator requests, an electric utility shall
21 provide meter aggregation.

22 (a) For customer-generators participating in meter aggregation,
23 kilowatt-hours credits earned by a net metering system during the
24 billing period first shall be used to offset electricity supplied by
25 the electric utility.

26 (b) Not more than a total of one hundred kilowatts shall be
27 aggregated among all customer-generators participating in a generating
28 facility under this subsection.

29 (c) Excess kilowatt-hours credits earned by the net metering
30 system, during the same billing period, shall be credited equally by
31 the electric utility to remaining meters located on all premises of a
32 customer-generator at the designated rate of each meter.

33 (d) Meters so aggregated shall not change rate classes due to meter
34 aggregation under this section.

35 ~~(5) ((On April 30th of each calendar year, any remaining unused~~
36 ~~kilowatt-hour credit accumulated during the previous year shall be~~
37 ~~granted to the electric utility, without any compensation to the~~
38 ~~customer-generator.))~~ (a) Electric utilities shall carry over any

1 excess kilowatt hour credits earned by a customer-generator and apply
2 those credits to subsequent billing periods to offset the customer-
3 generator's consumption in those billing periods until all credits are
4 used.

5 (b) Electric utilities shall offer customer-generators, who do not
6 choose to carry over excess credits to subsequent billing periods, the
7 following options: (i) A customer-generator may receive a lump-sum
8 payment for annual net excess generation at the electric utility's
9 avoided cost; (ii) the customer-generator may donate excess credits to
10 assist low-income residential customers served by the utility; or (iii)
11 a combination of (b)(i) and (ii) of this subsection.

12 (c) By April 30th of each calendar year, the electric utility must
13 notify customer-generators with excess credits of the amount of credits
14 in their accounts and of options available under this section.

15 (d) By March 30th of the same year, a customer-generator must
16 notify the electric utility if the customer-generator elects options
17 provided under (b) of this subsection.

18 (e) An electric utility, upon notification from a customer-
19 generator, must within thirty days implement the option chosen by the
20 customer-generator under this subsection.

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