
SENATE BILL 5707

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By Senators Ranker, Litzow, Frockt, Mullet, Harper, McAuliffe, Shin, Kline, Rolfes, and Keiser

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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 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. However, a third-party owner of
12 a customer-sited renewable energy facility is not an electrical
13 company.

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

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

1 (6) "Irrigation district" means an irrigation district under
2 chapter 87.03 RCW.

3 (7) "Meter aggregation" means the administrative combination of
4 readings from and billing for all meters, regardless of the rate class,
5 on premises owned or leased by a customer-generator located within the
6 service territory of a single electric utility.

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

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

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

16 (a) Has an electrical generating capacity of not more than one
17 hundred kilowatts;

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

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

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

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

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

29 (13) "Public utility district" means a district authorized by
30 chapter 54.04 RCW.

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

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

35 (1) An electric utility:

36 (a) Shall offer to make net metering available to eligible
37 customers-generators on a first-come, first-served basis until the

1 cumulative generating capacity of net metering systems equals 0.25
2 percent of the utility's peak demand during 1996. On January 1, 2014,
3 the cumulative generating capacity available to net metering systems
4 will equal (~~0.5~~) one percent of the utility's peak demand during
5 1996. Not less than one-half of the utility's 1996 peak demand
6 available for net metering systems shall be reserved for the cumulative
7 generating capacity attributable to net metering systems that generate
8 renewable energy;

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

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

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

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

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

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

35 (2) If a production meter and software is required by the electric
36 utility to provide meter aggregation under RCW 80.60.030(4), the
37 customer-generator is responsible for the purchase of the production
38 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~~) five hundred kilowatts shall
27 be aggregated among all customer-generators participating in a
28 generating 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

1 granted to the electric utility, without any compensation to the
2 customer-generator.

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