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**Technology & Economic Development  
Committee**

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**HB 2280**

**Brief Description:** Concerning community solar gardens.

**Sponsors:** Representatives Morris, Hudgins, Goodman, Santos, Slatter, Lytton, Tharinger, Senn, Frame, Kloba, Ryu and Doglio.

**Brief Summary of Bill**

- Establishes requirements for community solar garden programs.

**Hearing Date:** 1/11/18

**Staff:** Nikkole Hughes (786-7156).

**Background:**

Community Solar Projects Under the Renewable Energy Production Incentive Program.

Under the Renewable Energy Production Incentive Program (Production Incentive Program), a person that owns a renewable energy system, an administrator of a community solar project, or a utility or business under contract with a utility that administers a shared commercial solar project, may apply to the Washington State University Extension Energy Program (WSU Energy Program) for certification establishing the applicant's eligibility to receive an annual production incentive payment for each kilowatt-hour of alternating current electricity generated by the system.

Under the Production Incentive Program, a "community solar project" is a solar energy system that has a direct current nameplate generating capacity no greater than 1,000 kilowatts. A community solar project that has a generating capacity greater than 500 kilowatts must be subject to a standard interconnection agreement with the utility serving the situs of the project. A community solar project must be administered by a utility, nonprofit organization, or local

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housing authority and must have at least 10 participants or one participant for every 10 kilowatts of direct current nameplate capacity, whichever is greater. Except for community solar projects administered in cooperation with a joint operating agency, each participant must be a customer of the utility providing service at the situs of the community solar project.

The administrator of a community solar project must provide each project participant with a disclosure form containing all material terms and conditions of participation in the project.

The Utilities and Transportation Commission (UTC) must publish, without disclosing proprietary information, a list of:

- entities other than utilities that organize and administer community solar projects; and
- community solar projects and related programs and services offered by investor-owned utilities.

If a consumer-owned utility opts to provide a community solar program or contracts with a nonutility administrator to offer a community solar program, the governing body of the consumer-owned utility must publish, without disclosing proprietary information, a list of the nonutility administrators contracted by the utility as part of its community solar program.

Violation of the reporting and disclosure requirements for administrators of community solar projects is a violation of the Consumer Protection Act.

#### Community Solar Company Registration Requirements.

No community solar company may engage in business in the state or apply to the WSU Energy Program for certification under the Production Incentive Program without first registering with the UTC. The UTC is authorized to adopt rules that describe the manner by which it will register a community solar company. Failure of a community solar company to register with the UTC constitutes an unfair or deceptive act in trade or commerce in violation of the Consumer Protection Act.

"Community solar company" means a person, firm, or corporation, other than an electric utility or a community solar cooperative, that owns a community solar project and provides community solar project services to project participants.

#### **Summary of Bill:**

##### Community Solar Gardens.

"Community solar garden" means a facility, including a community solar project under the Renewable Energy Production Incentive Program (Production Incentive Program), that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription.

A community solar garden:

- may not have fewer than five subscribers, with no single subscriber having more than 40 percent interest in the project;

- must be located in the service territory and on the distribution system of an electric utility that files a community solar garden program plan such that, if the electric utility has a distributed energy resources plan or other distribution system plan, the community solar garden is located in an area that provides the most benefit on the distribution system; and
- must allocate not less than 40 percent of project capacity to residential and small business customers under 25 kilowatts.

An electric utility must provide a monetary credit or other compensatory mechanism to a community solar garden subscriber's monthly electric bill for the electricity output attributable to that subscriber. The monetary credit must be equivalent to the subscriber's applicable retail rate, and be provided for not less than 25 years from the date the community solar garden becomes interconnected and energized. Subscription credits that exceed a subscriber's monthly bill must be carried over and applied to the next month's bill.

An electric utility must purchase all unsubscribed electricity generated by a community solar garden in the electric utility's service territory for a period of not less than 25 years at the electric utility's avoided cost rate.

All environmental attributes associated with a community solar garden are considered property of the community solar garden owner and may be distributed, sold, accumulated, or retired at the discretion of the community solar garden owner.

A community solar garden subscriber organization that is not subject to the consumer protection requirements under the Production Incentive Program or the community solar company registration requirements must have a process in place for dispute resolution between the subscriber organization and its subscribers.

A subscriber or subscriber organization may not be considered an electric utility solely as a result of participation in a community solar garden program.

#### Community Solar Garden Program Plans.

In order to operate a community solar garden program, an electric utility must file a community solar garden program plan by January 1, 2019, to the Utilities and Transportation Commission (UTC), in the case of an investor-owned utility, or the Department of Commerce (Department), in the case of a consumer-owned utility. The plan must meet certain requirements, including:

- establish uniform standards, fees, and processes for the interconnection of community solar garden facilities that allow the utility to recover reasonable interconnection costs for each community solar garden;
- identify the information that must be provided to potential subscribers to ensure fair disclosure of future costs and benefits of subscriptions; and
- include a description of the system used to apply credit to each subscriber's monthly bill.

Within 180 days of approval of a community solar garden program plan by the UTC or the Department, an electric utility must begin crediting subscriber accounts of each community solar garden facility in its service territory.

#### Rulemaking.

The UTC and the Department are authorized to coordinate in developing rules necessary to implement requirements regarding community solar gardens and community solar garden program plans.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.