

HOUSE BILL REPORT

HB 2281

As Reported by House Committee On:
Technology & Economic Development
Appropriations

Title: An act relating to recertifying renewable energy systems eligible for a renewable energy system production incentive.

Brief Description: Recertifying renewable energy systems eligible for a renewable energy system production incentive.

Sponsors: Representatives Morris, Hudgins, Tarleton, Slatter, Lytton and Kloba.

Brief History:

Committee Activity:

Technology & Economic Development: 1/11/18, 1/24/18 [DPS];

Appropriations: 2/5/18, 2/6/18 [DPS(TED)].

Brief Summary of Substitute Bill

- Specifies that no Renewable Energy Cost Recovery Incentive Payment Program customer who recertifies their renewable energy system with the Washington State University Extension Energy Program (WSU Energy Program) may continue to receive incentive payments if the cumulative dollar amount of incentive payments made to the customer exceeds 100 percent of the attested total price of the renewable energy system.
- Requires the WSU Energy Program to collect applicable system price data from each person or community solar project administrator applying for recertification under the Renewable Energy Production Incentive Program.
- Establishes that only applicants whose systems were installed and operational after July 1, 2010, must provide system operation data such as global positioning system coordinates, tilt, estimated shading, and azimuth when applying to the WSU Energy Program for recertification.
- Authorizes the WSU Energy Program to waive the requirement to provide applicable system data when extraordinary circumstances exist that result in an unreasonable burden to the applicant.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

HOUSE COMMITTEE ON TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Morris, Chair; Kloba, Vice Chair; Tarleton, Vice Chair; Smith, Ranking Minority Member; DeBolt, Assistant Ranking Minority Member; Doglio, Fey, Harmsworth, Hudgins, Manweller, McDonald, Nealey, Santos, Slatter, Steele, Wylie and Young.

Staff: Nikkole Hughes (786-7156).

Background:

Renewable Energy Cost Recovery Incentive Payment Program.

Under the Renewable Energy Cost Recovery Incentive Payment Program (Cost Recovery Program), an electric utility may claim a credit against its public utility tax obligations for incentive payments made by the utility to a customer for electricity produced by an eligible renewable energy system or community solar project. The Cost Recovery Program closed to new customer participants after September 30, 2017. A customer who entered the program by this date must submit a recertification application to the Washington State University Extension Energy Program (WSU Energy Program) by April 30, 2018, in order to continue to receive an incentive payment. A customer who recertifies with the WSU Energy Program will continue to receive payments for electricity produced through June 30, 2020, at the same rates their utility paid to customers for electricity produced between July 1, 2015, and June 30, 2016.

The WSU Energy Program must establish an application process and form by which to collect certain system operation data, including global positioning system coordinates, tilt, estimated shading, and azimuth, from each customer applying for recertification. The WSU Energy Program must notify any applicant that providing this data is a condition of recertification and that any recertification issued by the WSU Energy Program is void as of June 30, 2018, if the applicant has failed to provide the data by that date.

Renewable Energy Production Incentive Program.

Beginning July 1, 2017, 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 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.

A system that was certified under the Cost Recovery Program cannot be certified under the Production Incentive Program. The WSU Energy Program may issue a new certification for an additional system installed at a location with a previously certified system so long as the new system meets eligibility requirements under the Production Incentive Program and its production can be measured separately from the previously certified system. The WSU

Energy Program may also issue a recertification for a residential-scale or commercial-scale system if a customer makes investments resulting in an expansion of the system's nameplate capacity.

Summary of Substitute Bill:

No Cost Recovery Program customer who recertifies with the WSU Energy Program may continue to receive incentive payments if the cumulative dollar amount of incentive payments made to the customer exceeds 100 percent of the total price of the renewable energy system. Each applicant for recertification or certification under the Production Incentive Program must provide an attestation of the total system price, including applicable sales tax, paid by the applicant for the renewable energy system, except in situations where the renewable energy system was acquired as part of a real estate transaction and the total system price at the time of installation is unknown.

Only applicants whose systems were installed and operational after July 1, 2010, must provide system operation data such as global positioning system coordinates, tilt, estimated shading, and azimuth when applying to the WSU Energy Program for recertification.

The WSU Energy Program must collect applicable system price data from each person or community solar project administrator applying for recertification. The WSU Energy Program is authorized to waive the requirement to provide applicable system data when extraordinary circumstances exist that result in an unreasonable burden to the applicant.

Substitute Bill Compared to Original Bill:

The substitute bill:

- requires the WSU Energy Program to collect applicable system price data from each person or community solar project administrator applying for recertification;
 - restores the stipulation that any certification issued to an applicant who has failed to provide applicable system data is void as of June 30, 2018;
 - authorizes the WSU Energy Program to waive the requirement to provide applicable system data under extraordinary circumstances; and
 - requires an applicant for recertification or certification under the Production Incentive Program to provide a signed attestation of the total system price, including applicable sales tax, paid by the applicant for the renewable energy system, except for situations in which the applicant acquired the renewable energy system as part of a real estate transaction and the total system price at the time of installation is unknown.
-

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on January 25, 2018.

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

Staff Summary of Public Testimony:

(In support) This bill would release owners of older renewable energy systems from providing system data that they do not possess in order to recertify for a production incentive payment. The bill addresses some administrative issues with the Production Incentive Program as it is currently structured.

(Opposed) None.

(Other) The provision regarding the 100 percent incentive cap for recertifying customers is concerning because the incentive payment is dispersed by the utility to the participant. This change jeopardizes the utility-customer relationship. The administrative requirements for compliance that are imposed upon customers under this bill may outweigh the benefits to the state.

Persons Testifying: (In support) Representative Morris, prime sponsor; Sheila Riggs and Phil Lou, Washington State University Energy Program; and Mary Moore, League of Women Voters.

(Other) Kent Lopez, Washington Rural Electric Cooperative Association; and Allison Arnold, Solar Installers of Washington.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Technology & Economic Development be substituted therefor and the substitute bill do pass. Signed by 33 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Bergquist, Buys, Caldier, Cody, Condotta, Fitzgibbon, Graves, Haler, Hansen, Harris, Hudgins, Jinkins, Kagi, Lytton, Manweller, Pettigrew, Pollet, Sawyer, Schmick, Senn, Springer, Stanford, Sullivan, Taylor, Tharinger, Vick, Volz and Wilcox.

Staff: Lily Sobolik (786-7157).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Technology & Economic Development:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) None.

(Opposed) None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.