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**Technology & Economic Development  
Committee**

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**ESSB 6081**

**Brief Description:** Concerning net metering.

**Sponsors:** Senate Committee on Energy, Environment & Technology (originally sponsored by Senators Palumbo, Carlyle, Mullet, Wellman, Ranker, Keiser, McCoy, Frockt, Rolfes, Pedersen and Hasegawa).

**Brief Summary of Engrossed Substitute Bill**

- Requires an electric utility to offer to make net metering available to eligible customer-generators until the cumulative generating capacity of net metering systems equals 4.0 percent of the utility's peak demand during 1996.
- Requires electric utilities and gas utilities that serve a total of more than 20,000 customers and operate within the state to include the total amount of kilowatt-hours of electricity consumed for the most recent twelve-month period on any customer billing.
- Requires the State Building Code Council to conduct a study of the State Building Code and adopt changes necessary to encourage greater use of renewable energy systems.
- Requires the Department of Commerce to convene a work group to identify issues and laws associated with the future of net metering.

**Hearing Date:** 2/22/18

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

**Background:**

Net Metering.

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*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.*

An electric utility must offer to make net metering available to eligible customer-generators on a first-come, first-served basis until the cumulative generating capacity of net metering systems equals 0.5 percent of the utility's peak demand during 1996. Not less than one-half of the utility's 1996 peak demand available for net metering systems must be reserved for the cumulative generating capacity attributable to net metering systems that generate renewable energy.

An electric utility must measure the net electricity produced or consumed during the billing period in accordance with normal metering practices. If the electricity supplied by the electric utility exceeds the electricity generated by the customer-generator and fed back to the electric utility during the billing period, the customer-generator must be billed for the net electricity supplied. If the electricity generated by the customer-generator exceeds the electricity supplied by the electric utility, the customer generator:

- must be billed for the appropriate customer charges for that billing period; and
- must be credited for the excess kilowatt-hours generated during the billing period, with the credit appearing on the bill for the following billing period.

On April 30 of each calendar year, any unused kilowatt-hour credit accumulated during the previous year is granted to the electric utility, without any compensation to the customer-generator.

"Net metering system" means a fuel cell, a combined heat and power facility, or a renewable energy generation facility that:

- has an electrical generating capacity of not more than 100 kilowatts;
- is located on the customer-generator's premises;
- operates in parallel with the electric utility's transmission and distribution facilities; and
- is intended primarily to offset part or all of the customer-generator's requirements for electricity.

#### Information Required on Customer Billings.

Any customer billing issued by an electric utility or a gas utility that serves a total of more than 20,000 customers and operates within the state must include the following information:

- the rates and amounts of taxes paid directly by the customer upon products or services rendered by the utility; and
- the rate, origin, and approximate amount of certain taxes levied upon the revenue of the utility and added as a component of the amount charged to the customer.

#### State Building Code Council.

The State Building Code Council (Council) maintains the State Energy Code, which provides a minimum level of energy efficiency for residential and nonresidential buildings, as part of the State Building Code.

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

##### Net Metering.

An electric utility must offer to make net metering available to eligible customer-generators on a first-come, first-served basis until the cumulative generating capacity of net metering systems equals 4.0 percent of the utility's peak demand during 1996.

On March 31 of each calendar year, any unused net metering credit accumulated during the previous year must be granted to the electric utility to be used to assist qualified low-income residential customers of the electric utility in paying their electricity bills, without any compensation to the customer-generator.

The Department of Commerce (Department) must convene a work group to identify issues and laws associated with the future of net metering. The work group must consist of representatives from consumer-owned utilities, investor-owned utilities, the Utilities and Transportation Commission, the solar industry, and any other relevant participants. The Department must report the work group's recommendations to the appropriate committees of the Legislature by December 1, 2019. The work group recommendations must identify the specific circumstances in which changes in compensation for net metering systems would be warranted and what the policy should be for customer-generators in the same rate class. The recommendations must also consider the reduction in utility income associated with different levels of net metering and must consider if there are any cost shifts to ratepayers associated with net metering.

#### Information Required on Customer Billings.

Any customer billing issued by an electric utility or a gas utility that serves a total of more than 20,000 customers and operates in the state must include the total amount of kilowatt-hours of electricity consumed for the most recent twelve-month period.

#### State Building Code Council.

The Council, in consultation with the Department of Commerce and local governments, must conduct a study of the State Building Code and adopt changes necessary to encourage greater use of renewable energy systems.

“Renewable energy system” means a solar energy system, an anaerobic digester, or a wind generator used for producing electricity.

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

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