

SENATE BILL REPORT

SB 6130

As of January 15, 2018

Title: An act relating to community solar gardens.

Brief Description: Concerning community solar gardens.

Sponsors: Senators McCoy, Rolfes, Palumbo, Carlyle, Lias, Dhingra, Kuderer, Ranker, Cleveland, Frockt, Mullet, Pedersen, Chase, Conway, Saldaña, Van De Wege, Wellman and Hasegawa.

Brief History:

Committee Activity: Energy, Environment & Technology: 1/17/18.

Brief Summary of Bill

- Establishes requirements for the operation and administration of community solar gardens.
- Defines community solar garden as a facility that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic (PV) device where subscribers receive a bill credit for electricity generated proportionate to their subscription size.
- Directs the electric utility to provide a bill credit equivalent to the subscriber's applicable retail rate for no less than 25 years.

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TECHNOLOGY

Staff: Kimberly Cushing (786-7421)

Background: Renewable Energy Production Incentive Program (Production Incentive Program). In 2017, the Legislature established the Production Incentive Program. Under the 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.

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.

Community Solar Projects. In 2017, the Legislature directed that community solar projects may be up to 1000 kilowatts (kW) in size and must have at least ten participants, or one participant for every 10 kW, all of whom must be customers of the utility providing service at the project's location. A utility or nonprofit must administer the project in a transparent manner. The purpose of a community solar project is to facilitate broad, equitable community investment in and access to solar power. A utility or nonprofit organization may establish a reasonable fee to cover its costs and must give project participants clear and conspicuous notice of the portion of the incentive payment that will be assessed as a fee.

Community Solar Companies. In 2017, the Legislature defined a community solar company as a person, firm, or corporation, other than an electric utility, that owns a community solar project and provides related services to project participants. A community solar company must register with the Utilities and Transportation Commission (UTC) before engaging in business in the state or applying for certification from the WSU Energy Program under the Production Incentive Program.

The UTC may adopt rules for registering a community solar company and annual reporting requirements, as well as fees for both processing applications and regulation. The UTC may also issue penalties against community solar companies for failure to register with the UTC, and such failures are a violation of the Consumer Protection Act.

Summary of Bill: Community Solar Gardens. Community solar garden is defined as a facility, including a community solar project under current law, that generates electricity by means of a ground-mounted or roof-mounted solar PV device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription, which must be at least one kW.

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, and if the electric utility has a distributed energy resources plan or other distribution system plan, the community solar garden must be located in an area that provides the most benefit on the distribution system; and
- must allocate no less than 40 percent of project capacity to residential and small business customers under 25 kW.

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 no 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 no less than 25 years at the electric utility's avoided cost rate.

A subscription, when combined with other distributed generation resources on the premises, may supply no more than 120 percent of the average annual consumption of electricity by each subscriber. 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 current law 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. An electric utility must file a community solar garden program plan by January 1, 2019, to the UTC in the case of an investor-owned utility, or the Department of Commerce (Commerce) in the case of a consumer-owned utility. The plan must meet certain requirements, including:

- establishing 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;
- identifying the information that must be provided to potential subscribers to ensure fair disclosure of future costs and benefits of subscriptions; and
- including 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 Commerce, an electric utility must begin crediting subscriber accounts of each community solar garden facility in its service territory.

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

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.