
SUBSTITUTE HOUSE BILL 2281

State of Washington

65th Legislature

2018 Regular Session

By House Technology & Economic Development (originally sponsored by Representatives Morris, Hudgins, Tarleton, Slatter, Lytton, and Kloba)

READ FIRST TIME 01/26/18.

1 AN ACT Relating to recertifying renewable energy systems eligible
2 for a renewable energy system production incentive; and amending RCW
3 82.16.120 and 82.16.165.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.16.120 and 2017 3rd sp.s. c 36 s 3 are each
6 amended to read as follows:

7 (1)(a) Any individual, business, local governmental entity, not
8 in the light and power business or in the gas distribution business,
9 or a participant in a community solar project may apply to the light
10 and power business serving the situs of the system, each fiscal year
11 beginning on July 1, 2005, and ending June 30, 2017, for an
12 investment cost recovery incentive for each kilowatt-hour from a
13 customer-generated electricity renewable energy system.

14 (b) In the case of a community solar project as defined in RCW
15 82.16.110(2)(a)(i), the administrator must apply for the investment
16 cost recovery incentive on behalf of each of the other owners.

17 (c) In the case of a community solar project as defined in RCW
18 82.16.110(2)(a)(iii), the company owning the community solar project
19 must apply for the investment cost recovery incentive on behalf of
20 each member of the company.

1 (2)(a) Before submitting for the first time the application for
2 the incentive allowed under subsection (4) of this section, the
3 applicant must submit to the department of revenue and to the climate
4 and rural energy development center at the Washington State
5 University, established under RCW 28B.30.642, a certification in a
6 form and manner prescribed by the department that includes, but is
7 not limited to, the information described in (c) of this subsection.

8 (b) The department may not accept certifications submitted to the
9 department under (a) of this subsection after September 30, 2017.

10 (c) The certification must include:

11 (i) The name and address of the applicant and location of the
12 renewable energy system.

13 (A) If the applicant is an administrator of a community solar
14 project as defined in RCW 82.16.110(2)(a)(i), the certification must
15 also include the name and address of each of the owners of the
16 community solar project.

17 (B) If the applicant is a company that owns a community solar
18 project as defined in RCW 82.16.110(2)(a)(iii), the certification
19 must also include the name and address of each member of the company;

20 (ii) The applicant's tax registration number;

21 (iii) That the electricity produced by the applicant meets the
22 definition of "customer-generated electricity" and that the renewable
23 energy system produces electricity with:

24 (A) Any solar inverters and solar modules manufactured in
25 Washington state;

26 (B) A wind generator powered by blades manufactured in Washington
27 state;

28 (C) A solar inverter manufactured in Washington state;

29 (D) A solar module manufactured in Washington state;

30 (E) A stirling converter manufactured in Washington state; or

31 (F) Solar or wind equipment manufactured outside of Washington
32 state;

33 (iv) That the electricity can be transformed or transmitted for
34 entry into or operation in parallel with electricity transmission and
35 distribution systems; and

36 (v) The date that the renewable energy system received its final
37 electrical inspection from the applicable local jurisdiction.

38 (d) Within thirty days of receipt of the certification the
39 department of revenue must notify the applicant by mail, or
40 electronically as provided in RCW 82.32.135, whether the renewable

1 energy system qualifies for an incentive under this section. The
2 department may consult with the climate and rural energy development
3 center to determine eligibility for the incentive. System
4 certifications and the information contained therein are not
5 confidential tax information under RCW 82.32.330 and are subject to
6 disclosure.

7 (3)(a) By August 1st of each year through August 1, 2017, the
8 application for the incentive must be made to the light and power
9 business serving the situs of the system by certification in a form
10 and manner prescribed by the department that includes, but is not
11 limited to, the following information:

12 (i) The name and address of the applicant and location of the
13 renewable energy system.

14 (A) If the applicant is an administrator of a community solar
15 project as defined in RCW 82.16.110(2)(a)(i), the application must
16 also include the name and address of each of the owners of the
17 community solar project.

18 (B) If the applicant is a company that owns a community solar
19 project as defined in RCW 82.16.110(2)(a)(iii), the application must
20 also include the name and address of each member of the company;

21 (ii) The applicant's tax registration number;

22 (iii) The date of the notification from the department of revenue
23 stating that the renewable energy system is eligible for the
24 incentives under this section; and

25 (iv) A statement of the amount of kilowatt-hours generated by the
26 renewable energy system in the prior fiscal year.

27 (b) Within sixty days of receipt of the incentive certification
28 the light and power business serving the situs of the system must
29 notify the applicant in writing whether the incentive payment will be
30 authorized or denied. The business may consult with the climate and
31 rural energy development center to determine eligibility for the
32 incentive payment. Incentive certifications and the information
33 contained therein are not confidential tax information under RCW
34 82.32.330 and are subject to disclosure.

35 (c)(i) Persons, administrators of community solar projects, and
36 companies receiving incentive payments must keep and preserve, for a
37 period of five years, suitable records as may be necessary to
38 determine the amount of incentive applied for and received. Such
39 records must be open for examination at any time upon notice by the
40 light and power business that made the payment or by the department.

1 If upon examination of any records or from other information obtained
2 by the business or department it appears that an incentive has been
3 paid in an amount that exceeds the correct amount of incentive
4 payable, the business may assess against the person for the amount
5 found to have been paid in excess of the correct amount of incentive
6 payable and must add thereto interest on the amount. Interest is
7 assessed in the manner that the department assesses interest upon
8 delinquent tax under RCW 82.32.050.

9 (ii) If it appears that the amount of incentive paid is less than
10 the correct amount of incentive payable the business may authorize
11 additional payment.

12 (4) Except for community solar projects, the investment cost
13 recovery incentive may be paid fifteen cents per economic development
14 kilowatt-hour unless requests exceed the amount authorized for credit
15 to the participating light and power business. For community solar
16 projects, the investment cost recovery incentive may be paid thirty
17 cents per economic development kilowatt-hour unless requests exceed
18 the amount authorized for credit to the participating light and power
19 business. For the purposes of this section, the rate paid for the
20 investment cost recovery incentive may be multiplied by the following
21 factors:

22 (a) For customer-generated electricity produced using solar
23 modules manufactured in Washington state or a solar stirling
24 converter manufactured in Washington state, two and four-tenths;

25 (b) For customer-generated electricity produced using a solar or
26 a wind generator equipped with an inverter manufactured in Washington
27 state, one and two-tenths;

28 (c) For customer-generated electricity produced using an
29 anaerobic digester, or by other solar equipment or using a wind
30 generator equipped with blades manufactured in Washington state, one;
31 and

32 (d) For all other customer-generated electricity produced by
33 wind, eight-tenths.

34 (5)(a) No individual, household, business, or local governmental
35 entity is eligible for incentives provided under subsection (4) of
36 this section for more than five thousand dollars per year.

37 (b) Except as provided in (c) through (e) of this subsection (5),
38 each applicant in a community solar project is eligible for up to
39 five thousand dollars per year.

1 (c) Where the applicant is an administrator of a community solar
2 project as defined in RCW 82.16.110(2)(a)(i), each owner is eligible
3 for an incentive but only in proportion to the ownership share of the
4 project, up to five thousand dollars per year.

5 (d) Where the applicant is a company owning a community solar
6 project that has applied for an investment cost recovery incentive on
7 behalf of its members, each member of the company is eligible for an
8 incentive that would otherwise belong to the company but only in
9 proportion to each ownership share of the company, up to five
10 thousand dollars per year. The company itself is not eligible for
11 incentives under this section.

12 (e) In the case of a utility-owned community solar project, each
13 ratepayer that contributes to the project is eligible for an
14 incentive in proportion to the contribution, up to five thousand
15 dollars per year.

16 (6) The climate and rural energy development center at Washington
17 State University energy program may establish guidelines and
18 standards for technologies that are identified as Washington
19 manufactured and therefore most beneficial to the state's
20 environment.

21 (7) The environmental attributes of the renewable energy system
22 belong to the applicant, and do not transfer to the state or the
23 light and power business upon receipt of the investment cost recovery
24 incentive.

25 (8) No incentive may be paid under this section for kilowatt-
26 hours generated before July 1, 2005, or after June 30, 2017, except
27 as provided in subsections (10) through (12) of this section.

28 (9) Beginning October 1, 2017, program management, technical
29 review, and tracking responsibilities of the department under this
30 section are transferred to the Washington State University extension
31 energy program. At the earliest date practicable and no later than
32 September 30, 2017, the department must transfer all records
33 necessary for the administration of the remaining incentive payments
34 due under this section to the Washington State University extension
35 energy program.

36 (10) Participants in the renewable energy investment cost
37 recovery program under this section will continue to receive payments
38 for electricity produced through June 30, 2020, at the same rates
39 their utility paid to participants for electricity produced between
40 July 1, 2015, and June 30, 2016, except that no participant may

1 continue to receive incentive payments under this section if the
2 cumulative dollar amount of incentive payments made to the
3 participant exceeds one hundred percent of the total system price as
4 certified in accordance with RCW 82.16.165(7)(a)(ii).

5 (11) In order to continue to receive the incentive payment
6 allowed under subsection (4) of this section, a person or community
7 solar project administrator who has, by September 30, 2017, submitted
8 a complete certification to the department under subsection (2) of
9 this section must apply to the Washington State University extension
10 energy program by April 30, 2018, for a certification authorizing the
11 utility serving the situs of the renewable energy system to annually
12 remit the incentive payment allowed under subsection (4) of this
13 section for each kilowatt-hour generated by the renewable energy
14 system through June 30, 2020.

15 (12)(a) The Washington State University extension energy program
16 must establish an application process and form by which to collect
17 ~~((the))~~ applicable system operation ~~((data described in))~~ and system
18 price data described in RCW 82.16.165(7)(a) (ii) and (iii) from each
19 person or community solar project administrator applying for a
20 certification under subsection (11) of this section. The Washington
21 State University extension energy program must notify any applicant
22 that providing this data is a condition of certification and that any
23 certification issued pursuant to this section is void as of June 30,
24 2018, if the applicant has failed to provide the data by that date.
25 The Washington State University extension energy program may waive
26 the requirement to provide this data when extraordinary circumstances
27 exist that result in an unreasonable burden to provide the required
28 data.

29 (b) Beginning July 1, 2018, the Washington State University
30 extension energy program must, in a form and manner that is
31 consistent with the roles and processes established under RCW
32 82.16.165 (19) and (20), calculate for the year and provide to the
33 utility the amount of the incentive payment due to each participant
34 under subsection (11) of this section.

35 **Sec. 2.** RCW 82.16.165 and 2017 3rd sp.s. c 36 s 6 are each
36 amended to read as follows:

37 (1) Beginning July 1, 2017, the following persons may submit a
38 one-time application to the Washington State University extension
39 energy program to receive a certification authorizing the utility

1 serving the situs of a renewable energy system in the state of
2 Washington to remit an annual production incentive for each kilowatt-
3 hour of alternating current electricity generated by the renewable
4 energy system:

5 (a) The utility's customer who is the customer-owner of a
6 residential-scale or commercial-scale renewable energy system;

7 (b) An administrator of a community solar project meeting the
8 eligibility requirements outlined in RCW 82.16.170 and applies for
9 certification on behalf of each of the project participants; or

10 (c) A utility or a business under contract with a utility that
11 administers a shared commercial solar project that meets the
12 eligibility requirements in RCW 82.16.175 and applies for
13 certification on behalf of each of the project participants.

14 (2) No person, business, or household is eligible to receive
15 incentive payments provided under subsection (1) of this section of
16 more than five thousand dollars per year for residential systems or
17 community solar projects, twenty-five thousand dollars per year for
18 commercial-scale systems, or thirty-five thousand dollars per year
19 for shared commercial solar projects.

20 (3)(a) No new certification may be issued under this section to
21 an applicant who submits a request for or receives an annual
22 incentive payment for a renewable energy system that was certified
23 under RCW 82.16.120, or for a renewable energy system served by a
24 utility that has elected not to participate in the incentive program,
25 as provided in subsection (4) of this section.

26 (b) The Washington State University extension energy program may
27 issue a new certification for an additional system installed at a
28 situs with a previously certified system so long as the new system
29 meets the requirements of this section and its production can be
30 measured separately from the previously certified system.

31 (c) The Washington State University extension energy program may
32 issue a recertification for a residential-scale or commercial-scale
33 system if a customer makes investments resulting in an expansion of
34 the system's nameplate capacity. Such recertification expires on the
35 same day as the original certification for the residential-scale or
36 commercial-scale system and applies to the entire system the
37 incentive rates and program rules in effect as of the date of the
38 recertification.

39 (4) A utility's participation in the incentive program provided
40 in this section is voluntary.

1 (a) A utility electing to participate in the incentive program
2 must notify the Washington State University extension energy program
3 of such election in writing.

4 (b) The utility may terminate its voluntary participation in the
5 production incentive program by providing notice in writing to the
6 Washington State University extension energy program to cease issuing
7 new certifications for renewable energy systems that would be served
8 by that utility.

9 (c) Such notice of termination of participation is effective
10 after fifteen days, at which point the Washington State University
11 extension energy program may not accept new applications for
12 certification of renewable energy systems that would be served by
13 that utility.

14 (d) Upon receiving a utility's notice of termination of
15 participation in the incentive program, the Washington State
16 University extension energy program must report on its web site that
17 customers of that utility are no longer eligible to receive new
18 certifications under the program.

19 (e) A utility's termination of participation does not affect the
20 utility's obligation to continue to make annual incentive payments
21 for electricity generated by systems that were certified prior to the
22 effective date of the notice. The Washington State University
23 extension energy program must continue to process and issue
24 certifications for renewable energy systems that were received by the
25 Washington State University extension energy program before the
26 effective date of the notice of termination.

27 (f) A utility that has terminated participation in the program
28 may resume participation upon filing notice with the Washington State
29 University extension energy program.

30 (5)(a) The Washington State University extension energy program
31 may certify a renewable energy system that is connected to equipment
32 capable of measuring the electricity production of the system and
33 interconnecting with the utility's system in a manner that allows the
34 utility, or the customer at the utility's option, to measure and
35 report to the Washington State University extension energy program
36 the total amount of electricity produced by the renewable energy
37 system.

38 (b) The Washington State University extension energy program must
39 establish a reporting and fee-for-service system to accept
40 electricity production data from the utility or the customer that is

1 not reported electronically and with the reporting entity selected at
2 the utility's option as described in subsection (19) of this section.
3 The fee-for-service agreement must allow for electronic reporting or
4 reporting by mail, may be specific to individual utilities, and must
5 recover only the program's costs of obtaining the electricity
6 production data and incorporating it into an electronic format. A
7 statement of the amount due for the fee-for-service must be provided
8 to the utility by the Washington State University extension energy
9 program with the report provided to the utility pursuant to
10 subsection (20)(a) of this section. The utility may determine how to
11 assess and remit the fee, and the utility may be allowed a credit for
12 fees paid under this subsection (5) against taxes due, as provided in
13 RCW 82.16.130(1).

14 (6) The Washington State University extension energy program may
15 issue a certification authorizing annual incentive payments up to the
16 following annual dollar limits:

17 (a) For community solar projects, five thousand dollars per
18 project participant;

19 (b) For residential-scale systems, five thousand dollars;

20 (c) For commercial-scale systems, twenty-five thousand dollars;
21 and

22 (d) For shared commercial solar projects, up to thirty-five
23 thousand dollars a year per participant, as determined by the terms
24 of subsection (15) of this section.

25 (7)(a) To obtain certification under this section, a person must
26 submit to the Washington State University extension energy program an
27 application, including:

28 (i) A signed statement that the applicant has not previously
29 received a notice of eligibility from the department under RCW
30 82.16.120 entitling the applicant to receive annual incentive
31 payments for electricity generated by the renewable energy system at
32 the same meter location;

33 (ii) A signed ~~((statement of the total price, including~~
34 ~~applicable sales tax, paid by the applicant for the renewable energy~~
35 ~~system))~~ attestation of the total system price, including applicable
36 sales tax, paid by the applicant for the renewable energy system,
37 except that such an attestation is not required for renewable energy
38 systems acquired as part of a real estate transaction and for which
39 the total system price at the time of installation is not known;

1 (iii) (~~System operation data including~~) For systems installed
2 and operational after July 1, 2010, system operation data such as
3 global positioning system coordinates, tilt, estimated shading, and
4 azimuth;

5 (iv) Any other information the Washington State University
6 extension energy program deems necessary in determining eligibility
7 and incentive levels, administering the program, tracking progress
8 toward achieving the limits on program participation established in
9 RCW 82.16.130, or facilitating the review of the performance of the
10 tax preferences by the joint legislative audit and review committee,
11 as described in RCW 82.16.155; and

12 (v)(A) Except as provided in (a)(v)(B) of this subsection (7),
13 the date that the renewable energy system received its final
14 electrical inspection from the applicable local jurisdiction, as well
15 as a copy of the permit or, if the permit is available online, the
16 permit number;

17 (B) The Washington State University extension energy program may
18 waive the requirement in (a)(v)(A) of this subsection (7), accepting
19 an application and granting provisional certification prior to proof
20 of final electrical inspection. Provisional certification expires one
21 hundred eighty days after issuance, unless the applicant submits
22 proof of the final electrical inspection from the applicable local
23 jurisdiction or the Washington State University extension energy
24 program extends the certification, for a term or terms of thirty
25 days, due to extenuating circumstances; and

26 (b)(i) Prior to obtaining certification under this subsection, a
27 community solar project or shared commercial solar project must apply
28 for precertification against the remaining funds available for
29 incentive payments under subsection (13)(d) of this section in order
30 to be guaranteed an incentive payment under this section;

31 (ii) A project applicant of a community solar project or shared
32 commercial solar project must complete an application for
33 certification with the Washington State University extension energy
34 program within less than one year to retain the precertification
35 status described in this subsection; and

36 (iii) The Washington State University extension energy program
37 may design a reservation or precertification system for an applicant
38 of a residential-scale or commercial-scale renewable energy system.

39 (8) No incentive payments may be authorized or accrued until the
40 final electrical inspection and executed interconnection agreement

1 are submitted to the Washington State University extension energy
2 program.

3 (9) Within thirty days of receipt of the application for
4 certification, the Washington State University extension energy
5 program must notify the applicant and, except when a utility is the
6 applicant, the utility serving the situs of the renewable energy
7 system, by mail or electronically, whether certification has been
8 granted. The certification notice must state the rate to be paid per
9 kilowatt-hour of electricity generated by the renewable energy
10 system, as provided in subsection (12) of this section, subject to
11 any applicable cap on total annual payment provided in subsection (6)
12 of this section.

13 (10) Certification is valid for the program term and entitles the
14 applicant or, in the case of a community solar project or shared
15 commercial solar project, the participant, to receive incentive
16 payments for electricity generated from the date the renewable energy
17 system commences operation, or the date the system is certified,
18 whichever date is later. For purposes of this subsection, the
19 Washington State University extension energy program must define when
20 a renewable energy system commences operation and provide notice of
21 such date to the recipient and the utility serving the situs of the
22 system. Certification may not be retroactively changed except to
23 correct later discovered errors that were made during the original
24 application or certification process.

25 (11)(a) System certification follows the system if the following
26 conditions are met using procedures established by the Washington
27 State University extension energy program:

28 (i) The renewable energy system is transferred to a new owner who
29 notifies the Washington State University extension energy program of
30 the transfer; and

31 (ii) The new owner provides an executed interconnection agreement
32 with the utility serving the premises.

33 (b) In the event that a community solar project participant
34 terminates their participation in a community solar project, the
35 system certification follows the system and participation may be
36 transferred to a new participant. The administrator of a community
37 solar project must provide notice to the Washington State University
38 extension energy program of any changes or transfers in project
39 participation.

1 (12) The Washington State University extension energy program
 2 must determine the total incentive rate for a new renewable energy
 3 system certification by adding to the base rate any applicable made-
 4 in-Washington bonus rate. A made-in-Washington bonus rate is provided
 5 for a renewable energy system or a community solar project with solar
 6 modules made in Washington or with a wind turbine or tower that is
 7 made in Washington. Both the base rates and bonus rate vary,
 8 depending on the fiscal year in which the system is certified and the
 9 type of renewable energy system being certified, as provided in the
 10 following table:

11 Fiscal year	Base rate -	Base rate -	Base rate -	Base rate - shared	Made in
12 of system	residential-scale	commercial-scale	community solar	commercial solar	Washington
13 certification					bonus
14 2018	\$0.16	\$0.06	\$0.16	\$0.06	\$0.05
15 2019	\$0.14	\$0.04	\$0.14	\$0.04	\$0.04
16 2020	\$0.12	\$0.02	\$0.12	\$0.02	\$0.03
17 2021	\$0.10	\$0.02	\$0.10	\$0.02	\$0.02

18 (13) The Washington State University extension energy program
 19 must cease to issue new certifications:

20 (a) For community solar projects and shared commercial solar
 21 projects in any fiscal year for which the Washington State University
 22 extension energy program estimates that fifty percent of the
 23 remaining funds for credit available to a utility for renewable
 24 energy systems certified under this section as of July 1, 2017, have
 25 been allocated to community solar projects and shared commercial
 26 solar projects combined;

27 (b) For commercial-scale systems in any fiscal year for which the
 28 Washington State University extension energy program estimates that
 29 twenty-five percent of the remaining funds for credit available to a
 30 utility for renewable energy systems certified under this section as
 31 of July 1, 2017, have been allocated to commercial-scale systems;

32 (c) For any renewable energy system served by a utility, if
 33 certification is likely to result in incentive payments by that
 34 utility, including payments made under RCW 82.16.120, exceeding the
 35 utility's available funds for credit under RCW 82.16.130; and

36 (d) For any renewable energy system, if certification is likely
 37 to result in total incentive payments under this section exceeding
 38 one hundred ten million dollars.

1 (14) If the Washington State University extension energy program
2 ceases issuing new certifications during a fiscal year or biennium as
3 provided in subsection (13) of this section, in the following fiscal
4 year or biennium, or when additional funds are available for credit
5 such that the thresholds described in subsection (13) of this section
6 are no longer exceeded, the Washington State University extension
7 energy program must resume issuing new certifications using a method
8 of awarding certifications that results in equitable and orderly
9 allocation of benefits to applicants.

10 (15) A customer who is a participant in a shared commercial solar
11 project may not receive incentive payments associated with the
12 project greater than the difference between the levelized cost of
13 energy output of the system over its production life and the retail
14 rate for the rate class to which the customer belongs. The levelized
15 cost of the output of the energy must be determined by the utility
16 that administers the shared commercial solar project and must be
17 disclosed, along with an explanation of the limitations on incentive
18 payments contained in this subsection (15), in the contractual
19 agreement with the shared commercial solar project participants.

20 (16) In order to begin to receive annual incentive payments, a
21 person who has been issued a certification for the incentive as
22 provided in subsection (9) of this section must obtain an executed
23 interconnection agreement with the utility serving the situs of the
24 renewable energy system.

25 (17) The Washington State University extension energy program
26 must establish a list of equipment that is eligible for the bonus
27 rates described in subsection (12) of this section. The Washington
28 State University extension energy program must, in consultation with
29 the department of commerce, develop technical specifications and
30 guidelines to ensure consistent and predictable determination of
31 eligibility. A solar module is made in Washington for purposes of
32 receiving the bonus rate only if the lamination of the module takes
33 place in Washington. A wind turbine is made in Washington only if it
34 is powered by a turbine or built with a tower manufactured in
35 Washington.

36 (18) The manufacturer of a renewable energy system component
37 subject to a bonus rate under subsection (12) of this section may
38 apply to the Washington State University extension energy program to
39 receive a determination of eligibility for such bonus rates. The
40 Washington State University extension energy program must publish a

1 list of components that have been certified as eligible for such
2 bonus rates. The Washington State University extension energy program
3 may assess an equipment certification fee to recover its costs. The
4 Washington State University extension energy program must deposit all
5 revenue generated by this fee into the state general fund.

6 (19) Annually, the utility must report electronically to the
7 Washington State University extension energy program the amount of
8 gross kilowatt-hours generated by each renewable energy system since
9 the prior annual report. For the purposes of this section, to report
10 electronically means to submit statistical or factual information in
11 alphanumeric form through a web site established by the Washington
12 State University extension energy program or in a list, table,
13 spreadsheet, or other nonnarrative format that can be digitally
14 transmitted or processed. The utility may instead opt to report by
15 mail or require program participants to report individually, but if
16 the utility exercises one or more of these options it must negotiate
17 with the Washington State University extension energy program the
18 fee-for-service arrangement described in subsection (5)(b) of this
19 section.

20 (20)(a) The Washington State University extension energy program
21 must calculate for the year and provide to the utility the amount of
22 the incentive payment due to each participant and the total amount of
23 credit against tax due available to the utility under RCW 82.16.130
24 that has been allocated as annual incentive payments. Upon notice to
25 the Washington State University extension energy program, a utility
26 may opt to directly perform this calculation and provide its results
27 to the Washington State University extension energy program.

28 (b) If the Washington State University extension energy program
29 identifies an abnormal production claim, it must notify the utility,
30 the department of revenue, and the applicant, and must recommend
31 withholding payment until the applicant has demonstrated that the
32 production claim is accurate and valid. The utility is not liable to
33 the customer for withholding payments pursuant to such recommendation
34 unless and until the Washington State University extension energy
35 program notifies the utility to resume incentive payments.

36 (21)(a) The utility must issue the incentive payment within
37 ninety days of receipt of the information required under subsection
38 (20)(a) of this section from the Washington State University
39 extension energy program. The utility must resume the incentive
40 payments withheld under subsection (20)(b) of this section within

1 thirty days of receiving notice from the Washington State University
2 extension energy program that the claim has been demonstrated
3 accurate and valid and payment should be resumed.

4 (b) A utility is not liable for incentive payments to a customer-
5 owner if the utility has disconnected the customer due to a violation
6 of a customer service agreement, such as nonpayment of the customer's
7 bill, or a violation of an interconnection agreement.

8 (22) Beginning January 1, 2018, the Washington State University
9 extension energy program must post on its web site and update at
10 least monthly a report, by utility, of:

11 (a) The number of certifications issued for renewable energy
12 systems, including estimated system sizes, costs, and annual energy
13 production and incentive yields for various system types; and

14 (b) An estimate of the amount of credit that has not yet been
15 allocated for incentive payments under each utility's credit limit
16 and remains available for new renewable energy system certifications.

17 (23) Persons receiving incentive payments under this section must
18 keep and preserve, for a period of five years for the duration of the
19 consumer contract, suitable records as may be necessary to determine
20 the amount of incentive payments applied for and received. The
21 Washington State University extension energy program may direct a
22 utility to cease issuing incentive payments if the records are not
23 made available for examination upon request. A utility receiving such
24 a directive is not liable to the applicant for any incentive payments
25 or other damages for ceasing payments pursuant to the directive.

26 (24) The nonpower attributes of the renewable energy system
27 belong to the utility customer who owns or hosts the system or, in
28 the case of a community solar project or a shared commercial solar
29 project, the participant, and can be kept, sold, or transferred at
30 the utility customer's discretion unless, in the case of a utility-
31 owned community solar or shared commercial solar project, a contract
32 between the customer and the utility clearly specifies that the
33 attributes will be retained by the utility.

34 (25) All lists, technical specifications, determinations, and
35 guidelines developed under this section must be made publicly
36 available online by the Washington State University extension energy
37 program.

38 (26) No certification may be issued under this section after June
39 30, 2021.

1 (27) The Washington State University extension energy program
2 must collect a one-time fee for applications submitted under
3 subsection (1) of this section of one hundred twenty-five dollars per
4 applicant. The Washington State University extension energy program
5 must deposit all revenue generated by this fee into the state general
6 fund. The Washington State University extension energy program must
7 administer and budget for the program established in RCW 82.16.120,
8 this section, and RCW 82.16.170 in a manner that ensures its
9 administrative costs through June 30, 2022, are completely met by the
10 revenues from this fee. If the Washington State University extension
11 energy program determines that the fee authorized in this subsection
12 is insufficient to cover the administrative costs through June 30,
13 2022, the Washington State University extension energy program must
14 report to the legislature on costs incurred and fees collected and
15 demonstrate why a different fee amount or funding mechanism should be
16 authorized.

17 (28) The Washington State University extension energy program
18 may, through a public process, develop any program requirements,
19 policies, and processes necessary for the administration or
20 implementation of this section, RCW 82.16.120, 82.16.155, and
21 82.16.170. The department is authorized, in consultation with the
22 Washington State University extension energy program, to adopt any
23 rules necessary for administration or implementation of the program
24 established under this section and RCW 82.16.170.

25 (29) Applications, certifications, requests for incentive
26 payments under this section, and the information contained therein
27 are not deemed tax information under RCW 82.32.330 and are subject to
28 disclosure.

29 (30)(a) By November 1, 2019, and in compliance with RCW
30 43.01.036, the Washington State University extension energy program
31 must submit a report to the legislature that includes the following:

32 (i) The number and types of renewable energy systems that have
33 been certified under this section as of July 1, 2019, both statewide
34 and per participating utility;

35 (ii) The number of utilities that are approaching or have reached
36 the credit limit established under RCW 82.16.130(2) or the thresholds
37 established under subsection (13) of this section;

38 (iii) The share of renewable energy systems by type that
39 contribute to each utility's threshold under subsection (13) of this
40 section;

1 (iv) An assessment of the deployment of community solar projects
2 in the state, including but not limited to the following:

3 (A) An evaluation of whether or not community solar projects are
4 being deployed in low-income and moderate-income communities, as
5 those terms are defined in RCW 43.63A.510, including a description of
6 any barriers to project deployment in these communities;

7 (B) A description of the share of community solar projects by
8 administrator type that contribute to each utility's threshold under
9 subsection (13)(a) of this section; and

10 (C) A description of any barriers to participation by nonprofits
11 and local housing authorities in the incentive program established
12 under this section and under RCW 82.16.170;

13 (v) The total dollar amount of incentive payments that have been
14 made to participants in the incentive program established under this
15 section to date; and

16 (vi) The total number of megawatts of solar photovoltaic capacity
17 installed to date by participants in the incentive program
18 established under this section.

19 (b) By December 31, 2019, the legislature must review the report
20 submitted under (a) of this subsection and determine whether the
21 credit limit established under RCW 82.16.130(2) should be increased
22 to two percent of a light and power business' taxable power sales
23 generated in calendar year 2014 and due under RCW 82.16.020(1)(b) or
24 two hundred fifty thousand dollars, whichever is greater, in order to
25 achieve the legislative intent under section 1, chapter 36, Laws of
26 2017 3rd sp. sess.

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