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HOUSE BILL 2281

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By Representatives Morris, Hudgins, Tarleton, Slatter, Lytton, and Kloba

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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 RCW  
18 82.16.165(7)(a)(iii) from each person or community solar project  
19 administrator applying for a certification under subsection (11) of  
20 this section. ~~((The Washington State University extension energy  
21 program must notify any applicant that providing this data is a  
22 condition of certification and that any certification issued pursuant  
23 to this section is void as of June 30, 2018, if the applicant has  
24 failed to provide the data by that date.))~~

25 (b) Beginning July 1, 2018, the Washington State University  
26 extension energy program must, in a form and manner that is  
27 consistent with the roles and processes established under RCW  
28 82.16.165 (19) and (20), calculate for the year and provide to the  
29 utility the amount of the incentive payment due to each participant  
30 under subsection (11) of this section.

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

33 (1) Beginning July 1, 2017, the following persons may submit a  
34 one-time application to the Washington State University extension  
35 energy program to receive a certification authorizing the utility  
36 serving the situs of a renewable energy system in the state of  
37 Washington to remit an annual production incentive for each kilowatt-  
38 hour of alternating current electricity generated by the renewable  
39 energy system:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (b) The Washington State University extension energy program must  
36 establish a reporting and fee-for-service system to accept  
37 electricity production data from the utility or the customer that is  
38 not reported electronically and with the reporting entity selected at  
39 the utility's option as described in subsection (19) of this section.  
40 The fee-for-service agreement must allow for electronic reporting or



1 reporting by mail, may be specific to individual utilities, and must  
2 recover only the program's costs of obtaining the electricity  
3 production data and incorporating it into an electronic format. A  
4 statement of the amount due for the fee-for-service must be provided  
5 to the utility by the Washington State University extension energy  
6 program with the report provided to the utility pursuant to  
7 subsection (20)(a) of this section. The utility may determine how to  
8 assess and remit the fee, and the utility may be allowed a credit for  
9 fees paid under this subsection (5) against taxes due, as provided in  
10 RCW 82.16.130(1).

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

14 (a) For community solar projects, five thousand dollars per  
15 project participant;

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

17 (c) For commercial-scale systems, twenty-five thousand dollars;  
18 and

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

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

25 (i) A signed statement that the applicant has not previously  
26 received a notice of eligibility from the department under RCW  
27 82.16.120 entitling the applicant to receive annual incentive  
28 payments for electricity generated by the renewable energy system at  
29 the same meter location;

30 (ii) A signed statement of the total price, including applicable  
31 sales tax, paid by the applicant for the renewable energy system;

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

36 (iv) Any other information the Washington State University  
37 extension energy program deems necessary in determining eligibility  
38 and incentive levels, administering the program, tracking progress  
39 toward achieving the limits on program participation established in  
40 RCW 82.16.130, or facilitating the review of the performance of the

1 tax preferences by the joint legislative audit and review committee,  
2 as described in RCW 82.16.155; and

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

8 (B) The Washington State University extension energy program may  
9 waive the requirement in (a)(v)(A) of this subsection (7), accepting  
10 an application and granting provisional certification prior to proof  
11 of final electrical inspection. Provisional certification expires one  
12 hundred eighty days after issuance, unless the applicant submits  
13 proof of the final electrical inspection from the applicable local  
14 jurisdiction or the Washington State University extension energy  
15 program extends the certification, for a term or terms of thirty  
16 days, due to extenuating circumstances; and

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

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

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

30 (8) No incentive payments may be authorized or accrued until the  
31 final electrical inspection and executed interconnection agreement  
32 are submitted to the Washington State University extension energy  
33 program.

34 (9) Within thirty days of receipt of the application for  
35 certification, the Washington State University extension energy  
36 program must notify the applicant and, except when a utility is the  
37 applicant, the utility serving the situs of the renewable energy  
38 system, by mail or electronically, whether certification has been  
39 granted. The certification notice must state the rate to be paid per  
40 kilowatt-hour of electricity generated by the renewable energy

1 system, as provided in subsection (12) of this section, subject to  
2 any applicable cap on total annual payment provided in subsection (6)  
3 of this section.

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

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

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

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

24 (b) In the event that a community solar project participant  
25 terminates their participation in a community solar project, the  
26 system certification follows the system and participation may be  
27 transferred to a new participant. The administrator of a community  
28 solar project must provide notice to the Washington State University  
29 extension energy program of any changes or transfers in project  
30 participation.

31 (12) The Washington State University extension energy program  
32 must determine the total incentive rate for a new renewable energy  
33 system certification by adding to the base rate any applicable made-  
34 in-Washington bonus rate. A made-in-Washington bonus rate is provided  
35 for a renewable energy system or a community solar project with solar  
36 modules made in Washington or with a wind turbine or tower that is  
37 made in Washington. Both the base rates and bonus rate vary,  
38 depending on the fiscal year in which the system is certified and the  
39 type of renewable energy system being certified, as provided in the  
40 following table:

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

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

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

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

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

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

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

1 (15) A customer who is a participant in a shared commercial solar  
2 project may not receive incentive payments associated with the  
3 project greater than the difference between the levelized cost of  
4 energy output of the system over its production life and the retail  
5 rate for the rate class to which the customer belongs. The levelized  
6 cost of the output of the energy must be determined by the utility  
7 that administers the shared commercial solar project and must be  
8 disclosed, along with an explanation of the limitations on incentive  
9 payments contained in this subsection (15), in the contractual  
10 agreement with the shared commercial solar project participants.

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

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

27 (18) The manufacturer of a renewable energy system component  
28 subject to a bonus rate under subsection (12) of this section may  
29 apply to the Washington State University extension energy program to  
30 receive a determination of eligibility for such bonus rates. The  
31 Washington State University extension energy program must publish a  
32 list of components that have been certified as eligible for such  
33 bonus rates. The Washington State University extension energy program  
34 may assess an equipment certification fee to recover its costs. The  
35 Washington State University extension energy program must deposit all  
36 revenue generated by this fee into the state general fund.

37 (19) Annually, the utility must report electronically to the  
38 Washington State University extension energy program the amount of  
39 gross kilowatt-hours generated by each renewable energy system since  
40 the prior annual report. For the purposes of this section, to report

1 electronically means to submit statistical or factual information in  
2 alphanumeric form through a web site established by the Washington  
3 State University extension energy program or in a list, table,  
4 spreadsheet, or other nonnarrative format that can be digitally  
5 transmitted or processed. The utility may instead opt to report by  
6 mail or require program participants to report individually, but if  
7 the utility exercises one or more of these options it must negotiate  
8 with the Washington State University extension energy program the  
9 fee-for-service arrangement described in subsection (5)(b) of this  
10 section.

11 (20)(a) The Washington State University extension energy program  
12 must calculate for the year and provide to the utility the amount of  
13 the incentive payment due to each participant and the total amount of  
14 credit against tax due available to the utility under RCW 82.16.130  
15 that has been allocated as annual incentive payments. Upon notice to  
16 the Washington State University extension energy program, a utility  
17 may opt to directly perform this calculation and provide its results  
18 to the Washington State University extension energy program.

19 (b) If the Washington State University extension energy program  
20 identifies an abnormal production claim, it must notify the utility,  
21 the department of revenue, and the applicant, and must recommend  
22 withholding payment until the applicant has demonstrated that the  
23 production claim is accurate and valid. The utility is not liable to  
24 the customer for withholding payments pursuant to such recommendation  
25 unless and until the Washington State University extension energy  
26 program notifies the utility to resume incentive payments.

27 (21)(a) The utility must issue the incentive payment within  
28 ninety days of receipt of the information required under subsection  
29 (20)(a) of this section from the Washington State University  
30 extension energy program. The utility must resume the incentive  
31 payments withheld under subsection (20)(b) of this section within  
32 thirty days of receiving notice from the Washington State University  
33 extension energy program that the claim has been demonstrated  
34 accurate and valid and payment should be resumed.

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

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

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

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

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

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

27 (25) All lists, technical specifications, determinations, and  
28 guidelines developed under this section must be made publicly  
29 available online by the Washington State University extension energy  
30 program.

31 (26) No certification may be issued under this section after June  
32 30, 2021.

33 (27) The Washington State University extension energy program  
34 must collect a one-time fee for applications submitted under  
35 subsection (1) of this section of one hundred twenty-five dollars per  
36 applicant. The Washington State University extension energy program  
37 must deposit all revenue generated by this fee into the state general  
38 fund. The Washington State University extension energy program must  
39 administer and budget for the program established in RCW 82.16.120,  
40 this section, and RCW 82.16.170 in a manner that ensures its

1 administrative costs through June 30, 2022, are completely met by the  
2 revenues from this fee. If the Washington State University extension  
3 energy program determines that the fee authorized in this subsection  
4 is insufficient to cover the administrative costs through June 30,  
5 2022, the Washington State University extension energy program must  
6 report to the legislature on costs incurred and fees collected and  
7 demonstrate why a different fee amount or funding mechanism should be  
8 authorized.

9 (28) The Washington State University extension energy program  
10 may, through a public process, develop any program requirements,  
11 policies, and processes necessary for the administration or  
12 implementation of this section, RCW 82.16.120, 82.16.155, and  
13 82.16.170. The department is authorized, in consultation with the  
14 Washington State University extension energy program, to adopt any  
15 rules necessary for administration or implementation of the program  
16 established under this section and RCW 82.16.170.

17 (29) Applications, certifications, requests for incentive  
18 payments under this section, and the information contained therein  
19 are not deemed tax information under RCW 82.32.330 and are subject to  
20 disclosure.

21 (30)(a) By November 1, 2019, and in compliance with RCW  
22 43.01.036, the Washington State University extension energy program  
23 must submit a report to the legislature that includes the following:

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

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

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

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

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



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

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

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

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

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

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