

E2SSB 5223 - H COMM AMD

By Committee on Environment & Energy

ADOPTED AND ENGROSSED 4/12/19

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 80.60.010 and 2007 c 323 s 1 are each amended to
4 read as follows:

5 The definitions in this section apply throughout this chapter
6 unless the context clearly indicates otherwise.

7 (1) "Commission" means the utilities and transportation
8 commission.

9 (2) "Customer-generator" means a user of a net metering system.

10 (3) "Electrical company" means a company owned by investors that
11 meets the definition of RCW 80.04.010.

12 (4) "Electric cooperative" means a cooperative or association
13 organized under chapter 23.86 or 24.06 RCW.

14 (5) "Electric utility" means any electrical company, public
15 utility district, irrigation district, port district, electric
16 cooperative, or municipal electric utility that is engaged in the
17 business of distributing electricity to retail electric customers in
18 the state.

19 (6) "Irrigation district" means an irrigation district under
20 chapter 87.03 RCW.

21 (7) "Meter aggregation" means the administrative combination of
22 (~~readings from and~~) billing (~~for all meters, regardless of the~~
23 ~~rate class, on premises owned or leased by a customer-generator~~
24 ~~located within the service territory of a single electric utility~~)
25 net energy consumption from a designated net meter and eligible
26 aggregated meter.

27 (8) "Municipal electric utility" means a city or town that owns
28 or operates an electric utility authorized by chapter 35.92 RCW.

29 (9) "Net metering" means measuring the difference between the
30 electricity supplied by an electric utility and the excess
31 electricity generated by a customer-generator's net metering system
32 over the applicable billing period.

1 (10) "Net metering system" means a fuel cell, a facility that
2 produces electricity and used and useful thermal energy from a common
3 fuel source, or a facility for the production of electrical energy
4 that generates renewable energy, and that:

5 (a) Has an electrical generating AC capacity of not more than one
6 hundred kilowatts;

7 (b) Is located on the customer-generator's premises;

8 (c) Operates in parallel with the electric utility's transmission
9 and distribution facilities and is connected to the electric
10 utility's distribution system; and

11 (d) Is intended primarily to offset part or all of the customer-
12 generator's requirements for electricity.

13 (11) "Premises" means any residential property, commercial real
14 estate, or lands, owned or leased by a customer-generator within the
15 service area of a single electric utility.

16 (12) "Port district" means a port district within which an
17 industrial development district has been established as authorized by
18 Title 53 RCW.

19 (13) "Public utility district" means a district authorized by
20 chapter 54.04 RCW.

21 (14) "Renewable energy" means energy generated by a facility that
22 uses water, wind, solar energy, or biogas (~~(from animal waste)~~) as a
23 fuel.

24 (15) "Aggregated meter" means an electric service meter measuring
25 electric energy consumption that is eligible to receive credits under
26 a meter aggregation arrangement as described in RCW 80.60.030.

27 (16) "Consumer-owned utility" means a municipal electric utility
28 formed under Title 35 RCW, a public utility district formed under
29 Title 54 RCW, an irrigation district formed under chapter 87.03 RCW,
30 a cooperative formed under chapter 23.86 RCW, or a mutual corporation
31 or association formed under chapter 24.06 RCW, that is engaged in the
32 business of distributing electricity to more than one retail electric
33 customer in the state.

34 (17) "Designated meter" means an electric service meter at the
35 service of a net metering system that is interconnected to the
36 utility distribution system.

37 (18) "Retail electric customer" includes an individual,
38 organization, group, association, partnership, corporation, agency,
39 unit of state government, or entity that is connected to the electric

1 utility's distribution system and purchases electricity for ultimate
2 consumption and not for resale.

3 **Sec. 2.** RCW 80.60.020 and 2007 c 323 s 2 are each amended to
4 read as follows:

5 (1) An electric utility:

6 (a) Shall offer to make net metering, pursuant to RCW 80.60.030,
7 available to eligible ((customers-generators)) customer-generators on
8 a first-come, first-served basis until the ((cumulative-generating
9 capacity of net metering systems equals 0.25 percent of the utility's
10 peak demand during 1996. On January 1, 2014, the cumulative
11 generating capacity available to net metering systems will equal 0.5
12 percent of the utility's peak demand during 1996)) earlier of either:
13 (i) June 30, 2029; or (ii) the first date upon which the cumulative
14 generating capacity of net metering systems equals four percent of
15 the utility's peak demand during 1996. Not less than one-half of the
16 utility's 1996 peak demand available for net metering systems shall
17 be reserved for the cumulative generating capacity attributable to
18 net metering systems that generate renewable energy;

19 (b) Shall allow net metering systems to be interconnected using a
20 standard kilowatt-hour meter capable of registering the flow of
21 electricity in two directions, unless the commission, in the case of
22 an electrical company, or the appropriate governing body, in the case
23 of other electric utilities, determines, after appropriate notice and
24 opportunity for comment:

25 (i) That the use of additional metering equipment to monitor the
26 flow of electricity in each direction is necessary and appropriate
27 for the interconnection of net metering systems, after taking into
28 account the benefits and costs of purchasing and installing
29 additional metering equipment; and

30 (ii) How the cost of purchasing and installing an additional
31 meter is to be allocated between the customer-generator and the
32 utility;

33 (c) Shall charge the customer-generator a minimum monthly fee
34 that is the same as other customers of the electric utility in the
35 same rate class, but shall not charge the customer-generator any
36 additional standby, capacity, interconnection, or other fee or charge
37 unless the commission, in the case of an electrical company, or the
38 appropriate governing body, in the case of other electric utilities,

1 determines, after appropriate notice and opportunity for comment
2 that:

3 (i) The electric utility will incur direct costs associated with
4 interconnecting or administering net metering systems that exceed any
5 offsetting benefits associated with these systems; and

6 (ii) Public policy is best served by imposing these costs on the
7 customer-generator rather than allocating these costs among the
8 utility's entire customer base.

9 (2) If a production meter and software is required by the
10 electric utility to provide meter aggregation under RCW 80.60.030(4),
11 the customer-generator is responsible for the purchase of the
12 production meter and software.

13 (3)(a)(i) A consumer-owned utility may develop a standard rate or
14 tariff schedule that deviates from RCW 80.60.030 for eligible
15 customer-generators to take effect at the earlier of either: (A) June
16 30, 2029; or (B) the first date upon which the cumulative generating
17 capacity of net metering systems equals four percent of the utility's
18 peak demand during 1996.

19 (ii) An electrical company may submit a filing with the
20 commission to develop a standard tariff schedule that deviates from
21 RCW 80.60.030 for eligible customer-generators. The commission must
22 approve, reject, or approve with conditions a net metering tariff
23 schedule pursuant to this subsection within one year of an electrical
24 company filing. If the commission approves the filing with
25 conditions, the investor-owned utility may choose to accept the
26 tariff schedule with conditions or file a new tariff schedule with
27 the commission.

28 (b) An approved standard rate or tariff schedule under this
29 subsection applies to any customer-generator subject to an
30 interconnection agreement entered into: (i) After June 30, 2029, or
31 (ii) the first date upon which the cumulative generating capacity of
32 net metering systems pursuant to RCW 80.60.030 equals four percent of
33 the utility's peak demand during 1996, whichever is earlier, unless
34 the commission or governing body determines that a customer-generator
35 is eligible for net metering under a rate or tariff schedule pursuant
36 to RCW 80.60.030.

37 (c)(i) A consumer-owned utility must notify the Washington State
38 University extension energy program sixty days in advance of when a
39 standard rate for an eligible customer-generator is first placed on
40 the agenda of the governing body.

1 (ii) Each electric utility must give notice by July 31, 2020, and
2 semiannually thereafter, to the Washington State University extension
3 energy program of the status of meeting the cumulative generating
4 capacity available to net metering systems pursuant to subsection
5 (1)(a) of this section.

6 (iii) The Washington State University extension energy program
7 must make available on its web site a list of the following:

8 (A) Each electric utility's progress on reaching the cumulative
9 generating capacity available to net metering systems pursuant to
10 subsection (1)(a) of this section;

11 (B) Electric utilities that have provided notice of a rate or
12 tariff schedule under this subsection; and

13 (C) Electric utilities that have adopted a standard rate or
14 tariff schedule under this subsection.

15 (d) If the commission does not approve an electrical company's
16 tariff schedule under (a)(ii) of this subsection, the commission may
17 determine the alternative cumulative generating capacity available to
18 net metering systems pursuant to RCW 80.60.030.

19 (4)(a) An electric utility must continue to credit a customer-
20 generator pursuant to RCW 80.60.030 if:

21 (i) The customer-generator takes service under net metering prior
22 to the earlier of: (A) June 30, 2029; or (B) the first date upon
23 which the cumulative generating capacity of net metering systems
24 reaches four percent of the utility's peak demand in 1996; and

25 (ii) The customer-generator's existing interconnection agreement
26 for the net metering system remains valid.

27 (b) The commission, in the case of electrical companies, and a
28 governing body, in the case of consumer-owned utilities, must
29 determine as part of a standard rate or tariff schedule under this
30 subsection when customer-generators become ineligible for credit
31 pursuant to RCW 80.60.030.

32 (c) Upon adoption of a standard rate or tariff schedule by the
33 commission or governing body pursuant to subsection (3)(a) of this
34 section, the electric utility is exempt from requirements under
35 subsection (1)(c) of this section and RCW 80.60.030 for new
36 interconnection agreements.

37 **Sec. 3.** RCW 80.60.030 and 2007 c 323 s 3 are each amended to
38 read as follows:

1 Consistent with the other provisions of this chapter, the net
2 energy measurement, billed charges for kilowatt-hour consumption, and
3 credits for excess kilowatt-hour generation by a net metered system,
4 must be calculated in the following manner:

5 (1) The electric utility shall measure the net electricity
6 produced or consumed during the billing period, in accordance with
7 normal metering practices.

8 (2) If the electricity supplied by the electric utility exceeds
9 the electricity generated by the customer-generator's net metering
10 system and fed back to the electric utility during the billing
11 period, the customer-generator shall be billed for the net
12 electricity supplied by the electric utility, in accordance with
13 normal metering practices.

14 (3) If excess electricity generated by the ~~((customer-generator))~~
15 net metering system during a billing period exceeds the electricity
16 supplied by the electric utility during the same billing period, the
17 customer-generator:

18 (a) Shall be billed for the appropriate customer charges for that
19 billing period, in accordance with RCW 80.60.020; and

20 (b) Shall be credited for the excess kilowatt-hours generated
21 during the billing period, with ~~((this kilowatt-hour credit))~~ the
22 credit for kilowatt-hours appearing on the bill for the following
23 billing period.

24 (4) If a customer-generator requests, an electric utility shall
25 provide such a customer-generator meter aggregation.

26 (a) For a customer-generator~~((s))~~ participating in meter
27 aggregation, credits for kilowatt-hours ~~((credits))~~ earned by ~~((a))~~
28 the customer-generator's net metering system during the billing
29 period first shall be used to offset electricity supplied by the
30 electric utility at the location of the customer-generator's
31 designated meter.

32 ~~((b))~~ ~~((Not more than a total of one hundred kilowatts shall be~~
33 ~~aggregated among all customer-generators participating in a~~
34 ~~generating facility under this subsection.~~

35 ~~((c))~~ A customer-generator may aggregate a designated meter with
36 one additional aggregated meter located on the same parcel as the
37 designated meter or a parcel that is contiguous with the parcel where
38 the designated meter is located.

1 (c) For the purposes of (b) of this subsection, a parcel is
2 considered contiguous if they share a common property boundary, but
3 may be separated only by a road or rail corridor.

4 (d) A retail electric customer who is a customer-generator and
5 receives retail electric service from an electric utility at an
6 aggregated meter must be the same retail electric customer who
7 receives retail electric service from such an electric utility at the
8 designated meter that is located on the premises where such a
9 customer-generator's net metering system is located.

10 (e) Credits for excess kilowatt-hours (~~(credits)~~) earned by the
11 net metering system(~~(r)~~) at the site of a designated meter during
12 (~~(the same)~~) a billing period(~~(r)~~) shall be credited (~~(equally)~~) by
13 the electric utility (~~(to remaining meters located on all premises of~~
14 a ~~customer-generator~~) for kilowatt hour charges due at the
15 aggregated meter at the (~~(designated)~~) applicable rate of (~~(each)~~)
16 the aggregated meter.

17 (~~(d)~~) (f) If credits generated in any billing period exceed
18 total consumption for that billing period at both meters that are
19 part of an aggregated arrangement, credits are retained pursuant to
20 subsections (3) and (5) of this section.

21 (g) Credits carried over from one billing period to the next
22 pursuant to (f) of this subsection must be applied in subsequent
23 billing periods in the same manner described under (a) and (e) of
24 this subsection.

25 (h) Meters so aggregated shall not change rate classes due to
26 meter aggregation under this section.

27 (5) On (~~(April 30th)~~) March 31st of each calendar year, any
28 remaining unused (~~(kilowatt-hour credit)~~) credits for kilowatt-hours
29 accumulated during the previous year shall be granted to the electric
30 utility, without any compensation to the customer-generator.

31 (6) Nothing in this section prohibits a utility from allowing
32 aggregation under terms different than the requirements of subsection
33 (4) of this section if a customer-generator has an existing
34 arrangement for meter aggregation in effect or a customer submits a
35 written request for aggregation on or before July 1, 2019.

36 (7) Nothing in this section prohibits the owner of multifamily
37 residential facility from installing a net metering system as defined
38 in RCW 80.60.010 assigned to a single designated meter located on the
39 premises of the multifamily residential facility where the tenants
40 are not individually metered customers of the utility and

1 distributing any benefits of the net metering to tenants of the
2 facility where the net metering system is located. The utility must
3 measure the net energy produced and provide credit to the single
4 designated meter to which the net metering system is assigned in
5 accordance with subsections (1) through (3) of this section or under
6 the terms of a standard rate or tariff schedule established under RCW
7 80.60.020(3). The distribution of benefits to tenants of such a
8 system, if any, is the responsibility of the owner of the net
9 metering system and not the responsibility of the utility.

10 **Sec. 4.** RCW 80.60.040 and 2006 c 201 s 4 are each amended to
11 read as follows:

12 (1) A net metering system used by a customer-generator shall
13 include, at the customer-generator's own expense, all equipment
14 necessary to meet applicable safety, power quality, and
15 interconnection requirements established by the national electrical
16 code, national electrical safety code, the institute of electrical
17 and electronics engineers, and underwriters laboratories.

18 (2) The commission, in the case of an electrical company, or the
19 appropriate governing body, in the case of other electric utilities,
20 after appropriate notice and opportunity for comment, may adopt by
21 regulation additional safety, power quality, and interconnection
22 requirements for customer-generators, including limitations on the
23 number of customer-generators and total capacity of net metering
24 systems that may be interconnected to any distribution feeder line,
25 circuit, or network that the commission or governing body determines
26 are necessary to protect public safety and system reliability.

27 (3) An electric utility may not require a customer-generator
28 whose net metering system meets the standards in subsections (1) and
29 (2) of this section to comply with additional safety or performance
30 standards, perform or pay for additional tests, or purchase
31 additional liability insurance. However, an electric utility shall
32 not be liable directly or indirectly for permitting or continuing to
33 allow an attachment of a net metering system, or for the acts or
34 omissions of the customer-generator that cause loss or injury,
35 including death, to any third party.

36 (4) Except when required under the federal public utility
37 regulatory policies act, an electric utility may not establish
38 compensation arrangements or interconnection requirements, other than
39 those permitted in this chapter, for a customer-generator that would

1 have the effect of prohibiting or restricting the ability of a
2 customer-generator to generate or store electricity for consumption
3 on its premises.

4 **Sec. 5.** RCW 82.16.090 and 1988 c 228 s 1 are each amended to
5 read as follows:

6 (1) Any customer billing issued by a light or power business or
7 gas distribution business that serves a total of more than twenty
8 thousand customers and operates within the state shall include the
9 following information:

10 ~~((1))~~ (a) The rates and amounts of taxes paid directly by the
11 customer upon products or services rendered by the light and power
12 business or gas distribution business; ~~((and~~

13 ~~(2))~~ (b) The rate, origin and approximate amount of each tax
14 levied upon the revenue of the light and power business or gas
15 distribution business and added as a component of the amount charged
16 to the customer. Taxes based upon revenue of the light and power
17 business or gas distribution business to be listed on the customer
18 billing need not include taxes levied by the federal government or
19 taxes levied under chapters 54.28, 80.24, or 82.04 RCW; and

20 (c) The total amount of kilowatt-hours of electricity consumed
21 for the most recent twelve-month period or other information that
22 provides the customer with information regarding their energy usage
23 over a twelve-month period.

24 (2) A light or power business or gas distribution business that
25 serves a total of more than twenty thousand customers and operates
26 within the state may include information regarding rates over the
27 most recent twelve-month period on any customer billing.

28 NEW SECTION. **Sec. 6.** A new section is added to chapter 19.27
29 RCW to read as follows:

30 The state building code council, in consultation with the
31 department of commerce and local governments, shall conduct a study
32 of the state building code and adopt changes necessary to encourage
33 greater use of renewable energy systems as defined in RCW 82.16.110."

34 Correct the title.

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