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**SENATE BILL 5280**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Senators McCoy, Hasegawa, and Palumbo

Read first time 01/16/19. Referred to Committee on Environment,  
Energy & Technology.

1 AN ACT Relating to community solar gardens; and adding a new  
2 chapter to Title 80 RCW.

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

4 NEW SECTION. **Sec. 1.** It is the intent of the legislature to  
5 establish a framework for community solar gardens to be created and  
6 exist outside of tax-related subsidy programs. The legislature finds  
7 that community solar gardens represent a low-cost point of entry for  
8 Washington consumers who want solar electricity, as well as for  
9 consumers who do not have access to a sun regime that would make a  
10 residential solar energy system viable. It is the intent of the  
11 legislature to allow renters and low-income electric utility  
12 customers to own interests in solar generation facilities.

13 NEW SECTION. **Sec. 2.** The definitions in this section apply  
14 throughout this chapter unless the context clearly requires  
15 otherwise.

16 (1) "Commission" means the utilities and transportation  
17 commission.

18 (2) "Community solar garden" means a facility, including a  
19 community solar project as defined in RCW 82.16.160, that generates  
20 electricity by means of a ground-mounted or roof-mounted solar

1 photovoltaic device whereby subscribers receive a bill credit for the  
2 electricity generated in proportion to the size of their  
3 subscription.

4 (3) "Electric utility" means any electrical company, public  
5 utility district, irrigation district, port district, electric  
6 cooperative, or municipal electric utility that is engaged in the  
7 business of distributing electricity to retail electric customers in  
8 the state.

9 (4) "Electrical company" has the same meaning as defined in RCW  
10 80.04.010.

11 (5) "Subscriber" means a retail electric customer of an electric  
12 utility who owns one or more subscriptions of a community solar  
13 garden facility interconnected with that utility.

14 (6) "Subscriber organization" means any for-profit or nonprofit  
15 entity that owns or operates one or more community solar gardens.

16 (7) "Subscription" means a contract between a subscriber and the  
17 owner of a community solar garden.

18 NEW SECTION. **Sec. 3.** (1) A community solar garden:

19 (a) May not have fewer than five subscribers, with no single  
20 subscriber having more than forty percent interest in the project;

21 (b) Must have subscribers for all electricity generated by a  
22 project;

23 (c) Must be located on the distribution system of an electric  
24 utility filing a plan under section 4 of this act. If the electric  
25 utility's plan identifies preferred locations within the electric  
26 utility's distribution system, the community solar garden must be  
27 located within a preferred location;

28 (d) Must allocate not less than forty percent of project capacity  
29 to residential and small business customers under twenty-five  
30 kilowatts; and

31 (e) Must allocate not less than ten percent of project capacity  
32 to low-income customers eligible under the state's plan for low-  
33 income energy assistance prepared in accordance with 42 U.S.C. Sec.  
34 8624(C)(1).

35 (2)(a) A subscriber must be located in the same electric utility  
36 service territory as the community solar garden facility.

37 (b) A subscription must be sized to represent at least one  
38 kilowatt of the generating capacity of the community solar garden and  
39 may supply, when combined with other distributed generation resources

1 serving the premises, no more than one hundred twenty percent of the  
2 average annual consumption of electricity by each subscriber at the  
3 premises to which the subscription is attributed.

4 (3) (a) A subscriber organization must, on a monthly basis,  
5 provide to the electric utility the total kilowatt-hours of  
6 generation attributable to each of the utility's retail electric  
7 customers participating in a community solar garden project in  
8 accordance with the subscriber's share of the output of the community  
9 solar garden. The subscriber organization shall electronically submit  
10 the information and associated documentation to the utility monthly.

11 (b) An electric utility must provide a monetary credit or other  
12 compensatory mechanism to a subscriber's monthly electric bill for  
13 the proportional output of a community solar garden attributable to  
14 that subscriber. The monetary credit must be equivalent to the  
15 subscriber's applicable retail rate, and be provided for not less  
16 than twenty-five years from the date the community solar garden  
17 becomes interconnected and energized. Subscription credits that  
18 exceed a subscriber's monthly bill must be carried over and applied  
19 to the next month's bill.

20 (4) The number or cumulative generating capacity of community  
21 solar garden facilities is not limited under this section.

22 (5) All environmental attributes associated with a community  
23 solar garden, including but not limited to renewable energy credits  
24 under chapter 19.285 RCW, are considered property of the community  
25 solar garden owner and may be distributed, sold, accumulated, or  
26 retired at the discretion of the community solar garden owner.

27 (6) A subscriber organization that is not subject to the  
28 requirements under RCW 82.16.170 or 80.28.375 must have a process in  
29 place for dispute resolution between the subscriber organization and  
30 its subscribers.

31 NEW SECTION. **Sec. 4.** (1) An electrical company must file a plan  
32 by January 1, 2020, with the commission to operate a community solar  
33 garden program consistent with the requirements of this section. The  
34 commission may approve, disapprove, or modify a community solar  
35 garden program plan as submitted by an electrical company.

36 (2) An electric utility that is not an electrical company must  
37 file a plan by January 1, 2020, with the department of commerce to  
38 operate a community solar garden program consistent with the  
39 requirements of this section.

1 (3) Any community solar garden program plan approved by the  
2 commission or the department of commerce under this section must:

3 (a) Reasonably allow for the creation, financing, and  
4 accessibility of community solar gardens;

5 (b) Provide guidelines for including low-income customers as  
6 subscribers to a community solar garden, including allowing a  
7 preference for community solar gardens that have low-income  
8 subscribers;

9 (c) Establish uniform standards, fees, and processes for the  
10 interconnection of community solar garden facilities that allow the  
11 utility to recover reasonable interconnection costs for each  
12 community solar garden;

13 (d) Be consistent with the public interest;

14 (e) Identify the information that must be provided to potential  
15 subscribers to ensure fair disclosure of future costs and benefits of  
16 subscriptions;

17 (f) Include a program implementation schedule;

18 (g) Identify all proposed rules, fees, and charges;

19 (h) Identify the means by which the program will be promoted;

20 (i) Include a description of the system used to apply credit to  
21 each subscriber's monthly bill; and

22 (j) Identify locations, if any, within the electric utility's  
23 distribution that are preferred locations for community solar gardens  
24 for purposes of section 3(1)(c) of this act. Any designation of  
25 preferred locations must be based on an analysis of the utility's  
26 distribution system and must not unreasonably restrict the  
27 development of community solar gardens.

28 (4) The commission and department of commerce may coordinate in  
29 developing rules as necessary to implement this chapter. To the  
30 extent practicable, the commission and the department of commerce  
31 must apply the same requirements on community solar garden program  
32 plans, regardless of utility type.

33 (5) A subscriber or subscriber organization may not be considered  
34 an electric utility solely as a result of participation in a  
35 community solar garden program.

36 (6) Each electric utility must maintain on a publicly accessible  
37 web site containing the community solar garden program information  
38 required in subsection (3) of this section and information about each  
39 community solar garden within the utility's service area.

1        NEW SECTION.        **Sec. 5.**        Sections 1 through 4 of this act  
2        constitute a new chapter in Title 80 RCW.

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