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**SENATE BILL 6223**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Senators Lovelett, McCoy, Das, Frockt, Salomon, Wilson, C., and Llias

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1 AN ACT Relating to expanding equitable access to the benefits of  
2 renewable energy through community solar projects; amending RCW  
3 82.16.130, 82.16.160, 82.16.165, 82.16.170, 80.60.005, and 80.60.030;  
4 reenacting and amending RCW 80.60.010; creating new sections; and  
5 declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature finds and declares  
8 that stimulating local investment in community solar projects  
9 continues to be an important part of a state energy strategy by  
10 helping to increase energy independence from fossil fuels, promote  
11 economic development, hedge against the effects of climate change,  
12 and attain environmental benefits. The legislature finds that while  
13 previous community solar programs were successful in stimulating  
14 these benefits, the programs failed to provide an adequate framework  
15 for low-income participation and long-term market certainty. The  
16 legislature finds that the vast majority of Washingtonians still do  
17 not have access to the benefits of solar energy. The legislature  
18 intends to stimulate the deployment of community solar projects for  
19 the benefit of all Washingtonians by funding the renewable energy  
20 production incentive program for community solar projects and by  
21 creating opportunities for broader participation, especially by low-

1 income households and low-income service providers. As of December  
2 2019, the state is thirteen megawatts short of the one hundred  
3 fifteen megawatts of solar photovoltaic capacity established as a  
4 goal under RCW 82.16.155. The legislature therefore intends to  
5 provide an incentive sufficient to promote installation of community  
6 solar projects through June 30, 2026, at which point the legislature  
7 expects to review the effectiveness of enhancing access to community  
8 solar projects. The legislature finds that expansion of electric  
9 meter aggregation for net metering systems is a path beyond the  
10 renewable energy production incentive program to provide and sustain  
11 access for community solar projects.

12 (2) The legislature also finds that chapter 19.405 RCW, the  
13 Washington clean energy transformation act, requires electric  
14 utilities to make programs and funding available for energy  
15 assistance to low-income households by July 31, 2021. The legislature  
16 intends for any energy assistance provided to, or reduction in energy  
17 burden provided for, low-to-moderate-income households or low-to-  
18 moderate-income service provider subscribers of community solar  
19 projects under RCW 82.16.165 and 80.60.030 to count toward an  
20 electric utility's compliance obligation under RCW 19.405.120.

21 **Sec. 2.** RCW 82.16.130 and 2017 3rd sp.s. c 36 s 4 are each  
22 amended to read as follows:

23 (1) A light and power business is allowed a credit against taxes  
24 due under this chapter in an amount equal to:

25 (a) Incentive payments made in any fiscal year under RCW  
26 82.16.120 and 82.16.165; and

27 (b) Any fees a utility is allowed to recover pursuant to RCW  
28 82.16.165(~~(+5)~~) (6).

29 (2) The credits must be taken in a form and manner as required by  
30 the department.

31 (a) The credit taken under this section for the fiscal year may  
32 not exceed one and one-half percent of the businesses' taxable power  
33 sales generated in calendar year 2014 and due under RCW  
34 82.16.020(1)(b) or two hundred fifty thousand dollars, whichever is  
35 greater, for incentive payments made for the following:

36 (i) Renewable energy systems, other than community solar  
37 projects, that are certified for an incentive payment as of June 30,  
38 2020; and

1 (ii) Community solar projects that are under precertification  
2 status under RCW 82.16.165(8)(b) as of June 30, 2020, and that are  
3 certified for an incentive payment in accordance with the terms of  
4 that precertification by June 30, 2021.

5 (b) In addition to the credit provided under (a) of this  
6 subsection, for incentive payments made for community solar projects  
7 that submit an application for precertification under RCW  
8 82.16.165(9)(b) on or after July 1, 2020, and that are certified for  
9 an incentive payment in accordance with the terms of that  
10 precertification by June 30, 2026, a light and power business may  
11 take for the fiscal year an additional one-quarter of one percent of  
12 the businesses' taxable power sales generated in calendar year 2014  
13 and due under RCW 82.16.020(1)(b) or fifty thousand dollars,  
14 whichever is greater.

15 (3) The credit may not exceed the tax that would otherwise be due  
16 under this chapter. Refunds may not be granted in the place of  
17 credits. Expenditures not used to earn a credit in one fiscal year  
18 may not be used to earn a credit in subsequent years.

19 (4) For any business that has claimed credit for amounts that  
20 exceed the correct amount of the incentive payable under RCW  
21 82.16.120, the amount of tax against which credit was claimed for the  
22 excess payments is immediately due and payable. The department may  
23 deduct amounts due from future credits claimed by the business.

24 (a) Except as provided in (b) of this subsection, the department  
25 must assess interest but not penalties on the taxes against which the  
26 credit was claimed. Interest must be assessed at the rate provided  
27 for delinquent excise taxes under chapter 82.32 RCW, retroactively to  
28 the date the credit was claimed, and accrues until the taxes against  
29 which the credit was claimed are repaid.

30 (b) A business is not liable for excess payments made in reliance  
31 on amounts reported by the Washington State University extension  
32 energy program as due and payable as provided under RCW  
33 82.16.165(~~((+20))~~) (25), if such amounts are later found to be  
34 abnormal or inaccurate due to no fault of the business.

35 (5) The amount of credit taken under this section is not  
36 confidential taxpayer information under RCW 82.32.330 and is subject  
37 to disclosure.

38 (6) The right to earn tax credits for incentive payments made  
39 under RCW 82.16.120 expires June 30, 2020. Credits may not be claimed  
40 after June 30, 2021.

1 (7)(a) The right to earn tax credits for incentive payments made  
2 under RCW 82.16.165 for the following expires June 30, 2029:

3 (i) Renewable energy systems, other than community solar  
4 projects, that are certified for an incentive payment as of June 30,  
5 2020; and

6 (ii) Community solar projects that are under precertification  
7 status under RCW 82.16.165(8)(b) as of June 30, 2020, and that are  
8 certified for an incentive payment in accordance with the terms of  
9 that precertification by June 30, 2021.

10 (b) Credits may not be claimed after June 30, 2030.

11 (8) The right to earn tax credits for incentive payments made  
12 under RCW 82.16.165 for community solar projects that submit an  
13 application for precertification under RCW 82.16.165(9) on or after  
14 July 1, 2020, and that are certified for an incentive payment in  
15 accordance with the terms of that precertification by June 30, 2026,  
16 expires June 30, 2034. Credits may not be claimed after June 30,  
17 2035.

18 **Sec. 3.** RCW 82.16.160 and 2017 3rd sp.s. c 36 s 5 are each  
19 amended to read as follows:

20 The definitions in this section apply throughout this section and  
21 RCW 82.16.165, 82.16.170, and 82.16.175 unless the context clearly  
22 requires otherwise.

23 (1) "Administrator" means the utility, nonprofit, or other local  
24 housing authority that organizes and administers a community solar  
25 project as provided in RCW 82.16.165 and 82.16.170.

26 (2) "Certification" means the authorization issued by the  
27 Washington State University extension energy program establishing a  
28 person's eligibility to receive annual incentive payments from the  
29 person's utility for the program term.

30 (3) "Commercial-scale system" means a renewable energy system or  
31 systems other than a community solar project or a shared commercial  
32 solar project with a combined nameplate capacity greater than twelve  
33 kilowatts that meets the applicable system eligibility requirements  
34 established in RCW 82.16.165.

35 (4) "Community solar project" means a solar energy system that  
36 has a direct current nameplate generating capacity that is no larger  
37 than one thousand kilowatts and meets the applicable eligibility  
38 requirements established in RCW 82.16.165 and 82.16.170.

1 (5) "Consumer-owned utility" has the same meaning as in RCW  
2 19.280.020.

3 (6) "Customer-owner" means the owner of a residential-scale or  
4 commercial-scale renewable energy system, where such owner is not a  
5 utility and such owner is a customer of the utility and either owns  
6 the premises where the renewable energy system is installed or  
7 occupies the premises.

8 (7) "Electric utility" or "utility" means a consumer-owned  
9 utility or investor-owned utility as those terms are defined in RCW  
10 19.280.020.

11 (8) "Governing body" has the same meaning as provided in RCW  
12 19.280.020.

13 (9) "Person" means any individual, firm, partnership,  
14 corporation, company, association, agency, or any other legal entity.

15 (10) "Program term" means: (a) For community solar projects that  
16 are under precertification status under RCW 82.16.165(8)(b) as of  
17 June 30, 2020, and that are certified for an incentive payment in  
18 accordance with the terms of that precertification by June 30, 2021,  
19 eight years or until cumulative incentive payments for electricity  
20 produced by the project reach fifty percent of the total system  
21 price, including applicable sales tax, whichever occurs first;  
22 ~~((and))~~ (b) for community solar projects that submit an application  
23 for precertification under RCW 82.16.165(9)(b) on or after July 1,  
24 2020, and that are certified for an incentive payment in accordance  
25 with the terms of that precertification by June 30, 2026, eight years  
26 or until cumulative incentive payments for electricity produced by  
27 the project reach: (i) One hundred percent of the project cost  
28 prorated in proportion to subscriptions of low-to-moderate-income  
29 households and low-to-moderate-income service providers; and (ii) no  
30 greater than fifty percent of the project cost prorated in proportion  
31 to subscriptions of all other subscribers; and (c) for other  
32 renewable energy systems, including shared commercial solar projects,  
33 eight years or until cumulative incentive payments for electricity  
34 produced by a system reach fifty percent of the total system price,  
35 including applicable sales tax, whichever occurs first.

36 (11) "Renewable energy system" means a solar energy system,  
37 including a community solar project, an anaerobic digester as defined  
38 in RCW 82.08.900, or a wind generator used for producing electricity.

39 (12) "Residential-scale system" means a renewable energy system  
40 or systems located at a single situs with combined nameplate capacity

1 of twelve kilowatts or less that meets the applicable system  
2 eligibility requirements established in RCW 82.16.165.

3 (13) "Shared commercial solar project" means a solar energy  
4 system, owned or administered by an electric utility, with a combined  
5 nameplate capacity of greater than one megawatt and not more than  
6 five megawatts and meets the applicable eligibility requirements  
7 established in RCW 82.16.165 and 82.16.175.

8 (14) "Energy assistance" has the same meaning as provided in RCW  
9 19.405.020.

10 (15) "Energy burden" has the same meaning as provided in RCW  
11 19.405.020.

12 (16) "Low-to-moderate-income household" means a single person,  
13 family, or unrelated persons living together whose income is at or  
14 below one hundred fifteen percent of the median income where the  
15 household is located.

16 (17) "Low-to-moderate-income service provider" means a local  
17 community action agency or local community service agency designated  
18 by the department of commerce under chapter 43.63A RCW, local housing  
19 authority, tribal housing authority, low-income tribal housing  
20 program, affordable housing provider, food bank, or other  
21 organization whose primary purpose is to provide services to low-to-  
22 moderate-income households.

23 (18) "Multifamily residential building" means a building  
24 containing sleeping units or more than two dwelling units where  
25 occupants are primarily permanent in nature.

26 (19) "Subscriber" and "subscription" have the same meanings as  
27 defined in RCW 80.60.010.

28 **Sec. 4.** RCW 82.16.165 and 2017 3rd sp.s. c 36 s 6 are each  
29 amended to read as follows:

30 (1) Beginning July 1, 2017, and through June 30, 2020, the  
31 following persons may submit a one-time application to the Washington  
32 State University extension energy program to receive a certification  
33 authorizing the utility serving the situs of a renewable energy  
34 system in the state of Washington to remit an annual production  
35 incentive for each kilowatt-hour of alternating current electricity  
36 generated by the renewable energy system:

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

1 (b) An administrator of a community solar project meeting the  
2 eligibility requirements outlined in RCW 82.16.170(2) and applies for  
3 certification on behalf of each of the project participants; or

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

8 (2) Beginning July 1, 2020, and through June 30, 2026, an  
9 administrator of a community solar project meeting the eligibility  
10 requirements outlined in this section and RCW 82.16.170(3) may submit  
11 a one-time application to the Washington State University extension  
12 energy program to receive a precertification for a community solar  
13 project. Projects with precertification applications approved by the  
14 Washington State University extension energy program have two years  
15 to complete their projects and apply for certification of their  
16 projects. By certifying qualified projects pursuant to the  
17 requirements of this section and RCW 82.16.170(3), the Washington  
18 State University extension energy program authorizes the utility  
19 serving the situs of a community solar project in the state of  
20 Washington to remit an annual production incentive for each kilowatt-  
21 hour of alternating current electricity generated by the community  
22 solar project.

23 (3) No person, business, or household is eligible to receive  
24 incentive payments provided under subsection (1) or (2) of this  
25 section of more than five thousand dollars per year for residential  
26 systems or community solar projects, twenty-five thousand dollars per  
27 year for commercial-scale systems, or thirty-five thousand dollars  
28 per year for shared commercial solar projects.

29 ~~((+3))~~ (4) (a) No new certification may be issued under this  
30 section to an applicant who submits a request for or receives an  
31 annual incentive payment for a renewable energy system that was  
32 certified under RCW 82.16.120, or for a renewable energy system  
33 served by a utility that has elected not to participate in the  
34 incentive program, as provided in subsection ~~((+4))~~ (5) of this  
35 section.

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

1 (c) The Washington State University extension energy program may  
2 issue a recertification for a residential-scale or commercial-scale  
3 system if a customer makes investments resulting in an expansion of  
4 the system's nameplate capacity. Such recertification expires on the  
5 same day as the original certification for the residential-scale or  
6 commercial-scale system and applies to the entire system the  
7 incentive rates and program rules in effect as of the date of the  
8 recertification.

9 ~~((4))~~ (5) A utility's participation in the incentive program  
10 provided in this section is voluntary.

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

14 (b) The utility may terminate its voluntary participation in the  
15 production incentive program by providing notice in writing to the  
16 Washington State University extension energy program to cease issuing  
17 new certifications for renewable energy systems that would be served  
18 by that utility.

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

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

29 (e) A utility's termination of participation does not affect the  
30 utility's obligation to continue to make annual incentive payments  
31 for electricity generated by systems that were certified prior to the  
32 effective date of the notice. The Washington State University  
33 extension energy program must continue to process and issue  
34 certifications for renewable energy systems that were received by the  
35 Washington State University extension energy program before the  
36 effective date of the notice of termination.

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

1       ~~((5))~~ (6)(a) The Washington State University extension energy  
2 program may certify a renewable energy system that is connected to  
3 equipment capable of measuring the electricity production of the  
4 system and interconnecting with the utility's system in a manner that  
5 allows the utility, or the customer at the utility's option, to  
6 measure and report to the Washington State University extension  
7 energy program the total amount of electricity produced by the  
8 renewable energy system.

9       (b) The Washington State University extension energy program must  
10 establish a reporting and fee-for-service system to accept  
11 electricity production data from the utility or the customer that is  
12 not reported electronically and with the reporting entity selected at  
13 the utility's option as described in subsection ~~((19))~~ (24) of this  
14 section. The fee-for-service agreement must allow for electronic  
15 reporting or reporting by mail, may be specific to individual  
16 utilities, and must recover only the program's costs of obtaining the  
17 electricity production data and incorporating it into an electronic  
18 format. A statement of the amount due for the fee-for-service must be  
19 provided to the utility by the Washington State University extension  
20 energy program with the report provided to the utility pursuant to  
21 subsection ~~((20))~~ (25)(a) of this section. The utility may  
22 determine how to assess and remit the fee, and the utility may be  
23 allowed a credit for fees paid under this subsection ~~((5))~~ (6)  
24 against taxes due, as provided in RCW 82.16.130(1).

25       ~~((6))~~ (7) The Washington State University extension energy  
26 program may issue a certification authorizing annual incentive  
27 payments up to the following annual dollar limits:

28       (a) For community solar projects, five thousand dollars per  
29 project participant;

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

31       (c) For commercial-scale systems, twenty-five thousand dollars;

32 and

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

36       ~~((7))~~ (8)(a) To obtain certification for the incentive payment  
37 provided under subsection (1) of this section by June 30, 2020, for  
38 renewable energy systems other than community solar projects, or by  
39 June 30, 2021, for community solar projects, a person must submit to

1 the Washington State University extension energy program an  
2 application, including:

3 (i) A signed statement that the applicant has not previously  
4 received a notice of eligibility from the department under RCW  
5 82.16.120 entitling the applicant to receive annual incentive  
6 payments for electricity generated by the renewable energy system at  
7 the same meter location;

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

10 (iii) System operation data including global positioning system  
11 coordinates, tilt, estimated shading, and azimuth;

12 (iv) Any other information the Washington State University  
13 extension energy program deems necessary in determining eligibility  
14 and incentive levels, administering the program, tracking progress  
15 toward achieving the limits on program participation established in  
16 RCW 82.16.130, or facilitating the review of the performance of the  
17 tax preferences by the joint legislative audit and review committee,  
18 as described in RCW 82.16.155; and

19 (v) (A) Except as provided in (a) (v) (B) of this subsection (~~((7))~~)  
20 (8), the date that the renewable energy system received its final  
21 electrical inspection from the applicable local jurisdiction, as well  
22 as a copy of the permit or, if the permit is available online, the  
23 permit number;

24 (B) The Washington State University extension energy program may  
25 waive the requirement in (a) (v) (A) of this subsection (~~((7))~~) (8),  
26 accepting an application and granting provisional certification prior  
27 to proof of final electrical inspection. Provisional certification  
28 expires one hundred eighty days after issuance, unless the applicant  
29 submits proof of the final electrical inspection from the applicable  
30 local jurisdiction or the Washington State University extension  
31 energy program extends the certification, for a term or terms of  
32 thirty days, due to extenuating circumstances; and

33 (b) (i) Prior to obtaining certification under this subsection, a  
34 community solar project or shared commercial solar project must apply  
35 for precertification against the remaining funds available for  
36 incentive payments under subsection (~~((13))~~) (17) (d) of this section  
37 in order to be guaranteed an incentive payment under subsection (1)  
38 of this section. Community solar projects that are under  
39 precertification status under this subsection (8) as of June 30,

1 2020, may not apply for precertification for the incentive payment  
2 provided under subsection (2) of this section for that same project;

3 (ii) A project applicant of a community solar project or shared  
4 commercial solar project must complete an application for  
5 certification with the Washington State University extension energy  
6 program within less than one year to retain the precertification  
7 status described in this subsection. If a community solar project  
8 application is in precertification status as of June 30, 2020, the  
9 project applicant must continue in that status until either it is  
10 certified by the Washington State University extension energy program  
11 or its precertification expires; and

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

15 ~~((+8))~~ (9) (a) To obtain certification for the incentive payment  
16 provided under subsection (2) of this section beginning July 1, 2020,  
17 an administrator of a community solar project must submit to the  
18 Washington State University extension energy program an application,  
19 including:

20 (i) A signed statement that the applicant has not previously  
21 received a notice of eligibility from the department under RCW  
22 82.16.120 entitling the applicant to receive annual incentive  
23 payments for electricity generated by the community solar project at  
24 the same meter location;

25 (ii) A signed statement of the total price, including applicable  
26 sales tax, paid by the applicant;

27 (iii) System operation data;

28 (iv) Confirmation of the number of low-to-moderate-income  
29 household subscribers and low-to-moderate-income service providers  
30 required to qualify for the incentive payment;

31 (v) Any other information the Washington State University  
32 extension energy program deems necessary in determining eligibility  
33 and incentive levels, administering the program, tracking progress  
34 toward achieving the limits on program participation established in  
35 RCW 82.16.130, or facilitating the review of the performance of the  
36 tax preferences by the joint legislative audit and review committee,  
37 as described in RCW 82.16.155; and

38 (vi) (A) Except as provided in (a) (vi) (B) of this subsection (9),  
39 the date that the community solar project received its final  
40 electrical inspection from the applicable local jurisdiction, as well

1 as a copy of the permit or, if the permit is available online, the  
2 permit number;

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

12 (b)(i) Prior to obtaining certification under this subsection  
13 (9), the administrator of a community solar project must apply for  
14 precertification against the remaining funds available for incentive  
15 payments under subsection (18) of this section in order to be  
16 guaranteed an incentive payment under this section. The application  
17 for precertification must include:

18 (A) A signed statement that the applicant has not previously  
19 received a notice of eligibility from the department under RCW  
20 82.16.120 entitling the applicant to receive annual incentive  
21 payments for electricity generated by the community solar project at  
22 the same meter location;

23 (B) Potential low-to-moderate-income household subscribers and  
24 low-to-moderate-income service provider subscribers, or a plan to  
25 obtain low-to-moderate-income household subscribers and low-to-  
26 moderate-income service provider subscribers, to meet the forty  
27 percent minimum subscription requirement to qualify for the incentive  
28 payment;

29 (C) Any other information the Washington State University  
30 extension energy program deems necessary in determining eligibility  
31 for precertification; and

32 (ii) The administrator of a community solar project must complete  
33 an application for certification with the Washington State University  
34 extension energy program within less than two years of being approved  
35 for precertification status described in this subsection (9).

36 (10) No incentive payments may be authorized or accrued until the  
37 final electrical inspection and executed interconnection agreement  
38 are submitted to the Washington State University extension energy  
39 program.

1       ~~((9))~~ (11) Within thirty days of receipt of ~~((the))~~ an  
2 application for certification, the Washington State University  
3 extension energy program must notify the applicant and, except when a  
4 utility is the applicant, the utility serving the situs of the  
5 renewable energy system, by mail or electronically, whether  
6 certification has been granted. The certification notice must state  
7 the rate to be paid per kilowatt-hour of electricity generated by the  
8 renewable energy system, as provided in subsection ~~((12))~~ (14) or  
9 (15) of this section, subject to any applicable cap on total annual  
10 payment provided in subsection ~~((6))~~ (7) of this section.

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

23       ~~((11))~~ (13) (a) System certification follows the system if the  
24 following conditions are met using procedures established by the  
25 Washington State University extension energy program:

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

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

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

38       ~~((12))~~ (14) The Washington State University extension energy  
39 program must determine the total incentive rate for ~~((a new renewable~~  
40 ~~energy system certification by adding to the base rate any applicable~~

1 ~~made-in-Washington bonus rate))~~ renewable energy systems, other than  
 2 a community solar project, certified through June 30, 2020, and for  
 3 community solar projects precertified as of June 30, 2020, and  
 4 certified through June 30, 2021, as provided in this subsection. A  
 5 made-in-Washington bonus rate is provided for a renewable energy  
 6 system or a community solar project certified through June 30, 2019,  
 7 with solar modules made in Washington or with a wind turbine or tower  
 8 that is made in Washington. Both the base rates and bonus rate vary,  
 9 depending on the fiscal year in which the system is certified and the  
 10 type of renewable energy system being certified, as provided in the  
 11 following table:

12 Fiscal year	Base rate -	Base rate -	Base rate -	Base rate - shared	Made in
13 of system	residential-scale	commercial-scale	community solar	commercial solar	Washington
14 certification					bonus
15 2018	\$0.16	\$0.06	\$0.16	\$0.06	\$0.05
16 2019	\$0.14	\$0.04	\$0.14	\$0.04	\$0.04
17 2020	\$0.12	\$0.02	\$0.12	\$0.02	<del>(\$0.03)</del>
18 2021	<del>(\$0.10)</del>	<del>(\$0.02)</del>	\$0.10	<del>(\$0.02)</del>	<del>(\$0.02)</del>

19 ~~((13) The))~~ (15) For community solar projects precertified under  
 20 subsection (9)(b) of this section on or after July 1, 2020, and that  
 21 are subsequently certified for an incentive payment in accordance  
 22 with the terms of that precertification by June 30, 2026, the  
 23 Washington State University extension energy program must determine  
 24 the total incentive rate for individual community solar project  
 25 subscribers as provided in the following table:

26 Fiscal year	Base rate -	Bonus rate -
27 of system	community solar	low-to-
28 certification	subscribers	moderate-
		income
		subscribers
31 <u>2021</u>	<u>\$0.10</u>	<u>\$0.10</u>
32 <u>2022</u>	<u>\$0.10</u>	<u>\$0.10</u>
33 <u>2023</u>	<u>\$0.10</u>	<u>\$0.10</u>
34 <u>2024</u>	<u>\$0.10</u>	<u>\$0.10</u>
35 <u>2025</u>	<u>\$0.10</u>	<u>\$0.10</u>
36 <u>2026</u>	<u>\$0.10</u>	<u>\$0.10</u>

1       (16) For community solar projects precertified under subsection  
2 (9)(b) of this section on or after July 1, 2020, and that are  
3 subsequently certified for an incentive payment in accordance with  
4 the terms of that precertification by June 30, 2026, the  
5 administrator must submit a signed statement with the final list of  
6 subscribers and the allocation of incentive payments to each  
7 individual subscriber according to the subscriber's percentage share  
8 of the project's nameplate capacity and the incentive rates provided  
9 under subsection (15) of this section. The Washington State  
10 University extension energy program must, as a condition of final  
11 certification, certify the allocation of incentives to individual  
12 subscribers. For the duration of a community solar project's  
13 incentive payment eligibility, the administrator must update the  
14 subscriber list at least annually to the utility serving the premises  
15 of the community solar project and to the Washington State University  
16 extension energy program.

17       (17) Through June 30, 2020, the Washington State University  
18 extension energy program must cease to issue new certifications:

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

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

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

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

38       ~~((14))~~ (18) Beginning July 1, 2020, the Washington State  
39 University extension energy program may issue new certifications for  
40 community solar projects that submit an application for

1 precertification under subsection (9) of this section on or after  
2 July 1, 2020, and that meet the requirements of RCW 82.16.170(3).  
3 Total incentive payments made for community solar projects certified  
4 under this subsection may not exceed twenty million dollars.

5 (19) If the Washington State University extension energy program  
6 ceases issuing new certifications during a fiscal year or biennium as  
7 provided in subsection ~~((13))~~ (17) or (18) of this section, in the  
8 following fiscal year or biennium, or when additional funds are  
9 available for credit such that the thresholds described in subsection  
10 ~~((13))~~ (17) or (18) of this section are no longer exceeded, the  
11 Washington State University extension energy program must resume  
12 issuing new certifications using a method of awarding certifications  
13 that results in equitable and orderly allocation of benefits to  
14 applicants.

15 ~~((15))~~ (20) A customer who is a participant in a shared  
16 commercial solar project may not receive incentive payments  
17 associated with the project greater than the difference between the  
18 levelized cost of energy output of the system over its production  
19 life and the retail rate for the rate class to which the customer  
20 belongs. The levelized cost of the output of the energy must be  
21 determined by the utility that administers the shared commercial  
22 solar project and must be disclosed, along with an explanation of the  
23 limitations on incentive payments contained in this subsection  
24 ~~((15))~~ (20), in the contractual agreement with the shared  
25 commercial solar project participants.

26 ~~((16))~~ (21) In order to begin to receive annual incentive  
27 payments, a person who has been issued a certification for the  
28 incentive as provided in subsection ~~((9))~~ (11) of this section must  
29 obtain an executed interconnection agreement with the utility serving  
30 the situs of the renewable energy system.

31 ~~((17))~~ (22) The Washington State University extension energy  
32 program must establish a list of equipment that is eligible for the  
33 bonus rates described in subsection ~~((12))~~ (14) of this section.  
34 The Washington State University extension energy program must, in  
35 consultation with the department of commerce, develop technical  
36 specifications and guidelines to ensure consistent and predictable  
37 determination of eligibility. A solar module is made in Washington  
38 for purposes of receiving the bonus rate only if the lamination of  
39 the module takes place in Washington. A wind turbine is made in

1 Washington only if it is powered by a turbine or built with a tower  
2 manufactured in Washington.

3 ~~((18))~~ (23) The manufacturer of a renewable energy system  
4 component subject to a bonus rate under subsection ~~((12))~~ (14) of  
5 this section may apply to the Washington State University extension  
6 energy program to receive a determination of eligibility for such  
7 bonus rates. The Washington State University extension energy program  
8 must publish a list of components that have been certified as  
9 eligible for such bonus rates. The Washington State University  
10 extension energy program may assess an equipment certification fee to  
11 recover its costs. The Washington State University extension energy  
12 program must deposit all revenue generated by this fee into the state  
13 general fund.

14 ~~((19))~~ (24) Annually, the utility must report electronically to  
15 the Washington State University extension energy program the amount  
16 of gross kilowatt-hours generated by each renewable energy system  
17 since the prior annual report. For the purposes of this section, to  
18 report electronically means to submit statistical or factual  
19 information in alphanumeric form through a web site established by  
20 the Washington State University extension energy program or in a  
21 list, table, spreadsheet, or other nonnarrative format that can be  
22 digitally transmitted or processed. The utility may instead opt to  
23 report by mail or require program participants to report  
24 individually, but if the utility exercises one or more of these  
25 options it must negotiate with the Washington State University  
26 extension energy program the fee-for-service arrangement described in  
27 subsection ~~((5))~~ (6)(b) of this section.

28 ~~((20))~~ (25)(a) The Washington State University extension energy  
29 program must calculate for the year and provide to the utility the  
30 amount of the incentive payment due to each participant and the total  
31 amount of credit against tax due available to the utility under RCW  
32 82.16.130 that has been allocated as annual incentive payments. Upon  
33 notice to the Washington State University extension energy program, a  
34 utility may opt to directly perform this calculation and provide its  
35 results to the Washington State University extension energy program.

36 (b) If the Washington State University extension energy program  
37 identifies an abnormal production claim, it must notify the utility,  
38 the department of revenue, and the applicant, and must recommend  
39 withholding payment until the applicant has demonstrated that the  
40 production claim is accurate and valid. The utility is not liable to

1 the customer for withholding payments pursuant to such recommendation  
2 unless and until the Washington State University extension energy  
3 program notifies the utility to resume incentive payments.

4 ~~((21))~~ (26)(a) The utility must issue the incentive payment  
5 within ninety days of receipt of the information required under  
6 subsection ~~((20))~~ (25)(a) of this section from the Washington State  
7 University extension energy program. The utility must resume the  
8 incentive payments withheld under subsection ~~((20))~~ (25)(b) of this  
9 section within thirty days of receiving notice from the Washington  
10 State University extension energy program that the claim has been  
11 demonstrated accurate and valid and payment should be resumed.

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

16 ~~((22))~~ (27) Beginning January 1, 2018, the Washington State  
17 University extension energy program must post on its web site and  
18 update at least monthly a report, by utility, of:

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

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

25 ~~((23))~~ (28) Persons receiving incentive payments under this  
26 section must keep and preserve, for a period of five years for the  
27 duration of the consumer contract, suitable records as may be  
28 necessary to determine the amount of incentive payments applied for  
29 and received. The Washington State University extension energy  
30 program may direct a utility to cease issuing incentive payments if  
31 the records are not made available for examination upon request. A  
32 utility receiving such a directive is not liable to the applicant for  
33 any incentive payments or other damages for ceasing payments pursuant  
34 to the directive.

35 ~~((24))~~ (29) The nonpower attributes of the renewable energy  
36 system belong to the utility customer who owns or hosts the system  
37 or, in the case of a community solar project or a shared commercial  
38 solar project, the participant, and can be kept, sold, or transferred  
39 at the utility customer's discretion unless, in the case of a  
40 utility-owned community solar or shared commercial solar project, a

1 contract between the customer and the utility clearly specifies that  
2 the attributes will be retained by the utility.

3 ~~((25))~~ (30) All lists, technical specifications,  
4 determinations, and guidelines developed under this section must be  
5 made publicly available online by the Washington State University  
6 extension energy program.

7 ~~((26))~~ (31) No certification may be issued under this section  
8 by the Washington State University extension energy program for any  
9 renewable energy system, other than a community solar project, after  
10 June 30, ~~((2021))~~ 2020. No certification may be issued under this  
11 section for any community solar project after June 30, 2026.

12 ~~((27))~~ (32) The Washington State University extension energy  
13 program must collect a one-time fee for applications submitted under  
14 subsection (1) of this section of one hundred twenty-five dollars per  
15 applicant. The Washington State University extension energy program  
16 must collect a one-time fee for applications submitted under  
17 subsection (2) of this section of five hundred dollars per applicant.

18 The Washington State University extension energy program must deposit  
19 all revenue generated by this fee into the state general fund. ~~((The~~  
20 ~~Washington State University extension energy program must administer~~  
21 ~~and budget for the program established in RCW 82.16.120, this~~  
22 ~~section, and RCW 82.16.170 in a manner that ensures its~~  
23 ~~administrative costs through June 30, 2022, are completely met by the~~  
24 ~~revenues from this fee. If the Washington State University extension~~  
25 ~~energy program determines that the fee authorized in this subsection~~  
26 ~~is insufficient to cover the administrative costs through June 30,~~  
27 ~~2022, the Washington State University extension energy program must~~  
28 ~~report to the legislature on costs incurred and fees collected and~~  
29 ~~demonstrate why a different fee amount or funding mechanism should be~~  
30 ~~authorized.~~

31 ~~(28))~~ (33) The Washington State University extension energy  
32 program may, through a public process, develop any program  
33 requirements, policies, and processes necessary for the  
34 administration or implementation of this section, RCW 82.16.120,  
35 82.16.155, and 82.16.170. The department is authorized, in  
36 consultation with the Washington State University extension energy  
37 program, to adopt any rules necessary for administration or  
38 implementation of the program established under this section and RCW  
39 82.16.170.

1       (~~(29)~~) (34) Applications, certifications, requests for  
2 incentive payments under this section, and the information contained  
3 therein are not deemed tax information under RCW 82.32.330 and are  
4 subject to disclosure.

5       (~~(30)~~) (35)(a) By November 1, 2019, and in compliance with RCW  
6 43.01.036, the Washington State University extension energy program  
7 must submit a report to the legislature that includes the following:

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

11       (ii) The number of utilities that are approaching or have reached  
12 the credit limit established under RCW 82.16.130(2) or the thresholds  
13 established under subsection (~~(13)~~) (17) of this section;

14       (iii) The share of renewable energy systems by type that  
15 contribute to each utility's threshold under subsection (~~(13)~~) (17)  
16 of this section;

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

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

23       (B) A description of the share of community solar projects by  
24 administrator type that contribute to each utility's threshold under  
25 subsection (~~(13)~~) (17)(a) of this section; and

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

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

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

35       (b) By December 31, 2019, the legislature must review the report  
36 submitted under (a) of this subsection and determine whether the  
37 credit limit established under RCW 82.16.130(2) should be increased  
38 to two percent of a light and power business's taxable power sales  
39 generated in calendar year 2014 and due under RCW 82.16.020(1)(b) or  
40 two hundred fifty thousand dollars, whichever is greater, in order to

1 achieve the legislative intent under section 1, chapter 36, Laws of  
2 2017 3rd sp. sess.

3 **Sec. 5.** RCW 82.16.170 and 2017 3rd sp.s. c 36 s 7 are each  
4 amended to read as follows:

5 (1) The purpose of community solar programs is to facilitate  
6 broad, equitable community investment in and access to solar power.  
7 Beginning July 1, 2017, a community solar administrator may organize  
8 and administer a community solar project as provided in this section.

9 (2) ~~((A))~~ In order to receive certification for the incentive  
10 payment provided under RCW 82.16.165(1) by June 30, 2021, a community  
11 solar project must have a direct current nameplate capacity that is  
12 no more than one thousand kilowatts and must have at least ten  
13 participants or one participant for every ten kilowatts of direct  
14 current nameplate capacity, whichever is greater. A community solar  
15 project that has a direct current nameplate capacity greater than  
16 five hundred kilowatts must be subject to a standard interconnection  
17 agreement with the utility serving the situs of the community solar  
18 project. Except for community solar projects authorized under  
19 subsection ~~((9))~~ (10) of this section, each participant must be a  
20 customer of the utility providing service at the situs of the  
21 community solar project.

22 (3) In order to receive certification for the incentive payment  
23 provided under RCW 82.16.165(2) beginning July 1, 2020, a community  
24 solar project must meet the following requirements:

25 (a) The administrator of the community solar project must apply  
26 for precertification under RCW 82.16.165(9)(b) on or after July 1,  
27 2020;

28 (b) The community solar project must have a direct current  
29 nameplate capacity that is no greater than one thousand kilowatts;

30 (c) No single subscriber may subscribe to more than forty percent  
31 of the nameplate capacity of the project;

32 (d) At least forty percent of the project's nameplate capacity  
33 must be subscribed to by any combination of low-to-moderate-income  
34 household subscribers and low-to-moderate-income service providers. A  
35 low-to-moderate-income service provider cannot be both a subscriber  
36 to and the administrator of that same project;

37 (e) The income status of the low-to-moderate-income household  
38 subscribers must be verified to the administrator by a low-to-  
39 moderate-income service provider;

1 (f) At least forty percent of the nameplate capacity of the  
2 project must be subscribed to by subscribers with a subscription that  
3 is twenty kilowatts or less; and

4 (g) Except for community solar projects authorized under  
5 subsection (10) of this section, each participant must be a customer  
6 of the utility providing service at the situs of the community solar  
7 project.

8 (4) The administrator of a community solar project must  
9 administer the project in a transparent manner that allows for fair  
10 and nondiscriminatory opportunity for participation by utility  
11 customers.

12 ~~((4))~~ (5) The administrator of a community solar project may  
13 establish a reasonable fee to cover costs incurred in organizing and  
14 administering the community solar project. Project participants,  
15 prior to making the commitment to participate in the project, must be  
16 given clear and conspicuous notice of the portion of the incentive  
17 payment that will be used for this purpose.

18 ~~((5))~~ (6) The administrator of a community solar project must  
19 maintain and update annually through June 30, 2030, the following  
20 information for each project it operates or administers:

21 (a) Ownership information;

22 (b) Contact information for technical management questions;

23 (c) Business address;

24 (d) Project design details, including project location, output  
25 capacity, equipment list, and interconnection information; and

26 (e) Subscription information, including rates, fees, terms, and  
27 conditions.

28 ~~((6))~~ (7) The administrator of a community solar project must  
29 provide the information required in subsection ~~((5))~~ (6) of this  
30 section to the Washington State University extension energy program  
31 at the time it submits the application allowed under RCW  
32 82.16.165(1).

33 ~~((7))~~ (8) The administrator of a community solar project must  
34 provide each project participant with a disclosure form containing  
35 all material terms and conditions of participation in the project,  
36 including but not limited to the following:

37 (a) Plain language disclosure of the terms under which the  
38 project participant's share of any incentive payment will be  
39 calculated by the Washington State University extension energy  
40 program over the life of the contract;

1 (b) Contract provisions regulating the disposition or transfer of  
2 the project participant's interest in the project, including any  
3 potential costs associated with such a transfer;

4 (c) All recurring and nonrecurring charges;

5 (d) A description of the billing and payment procedures;

6 (e) A description of any compensation to be paid in the event of  
7 project underperformance;

8 (f) Current production projections and a description of the  
9 methodology used to develop the projections;

10 (g) Contact information for questions and complaints; and

11 (h) Any other terms and conditions of the services provided by  
12 the administrator.

13 ~~((8))~~ (9) A utility may not adopt rates, terms, conditions, or  
14 standards that unduly or unreasonably discriminate between utility-  
15 administered community solar projects and those administered by  
16 another entity.

17 ~~((9))~~ (10) A public utility district that is engaged in  
18 distributing electricity to more than one retail electric customer in  
19 the state and a joint operating agency organized under chapter 43.52  
20 RCW on or before January 1, 2017, may enter into an agreement with  
21 each other to construct and own a community solar project that is  
22 located on property owned by a joint operating agency or on property  
23 that receives electric service from a participating public utility  
24 district. Each participant of a community solar project under this  
25 subsection must be a customer of at least one of the public utility  
26 districts that is a party to the agreement with a joint operating  
27 agency to construct and own a community solar project.

28 ~~((10))~~ (11) The Washington utilities and transportation  
29 commission must publish, without disclosing proprietary information,  
30 a list of the following:

31 (a) Entities other than utilities, including affiliates or  
32 subsidiaries of utilities, that organize and administer community  
33 solar projects; and

34 (b) Community solar projects and related programs and services  
35 offered by investor-owned utilities.

36 ~~((11))~~ (12) If a consumer-owned utility opts to provide a  
37 community solar program or contracts with a nonutility administrator  
38 to offer a community solar program, the governing body of the  
39 consumer-owned utility must publish, without disclosing proprietary

1 information, a list of the nonutility administrators contracted by  
2 the utility as part of its community solar program.

3 ~~((12))~~ (13) A utility administrator of a community solar  
4 project applying for and receiving precertification and certification  
5 on or after July 1, 2020, that meets the requirements of RCW  
6 82.16.165(9) and subsection (3) of this section may provide energy  
7 assistance and investments to reduce the energy burden for low-to-  
8 moderate-income households and low-to-moderate-income service  
9 providers by offsetting the proportional administration and  
10 subscription costs for those entities, and may separately account for  
11 those costs.

12 (14) Except for parties engaged in actions and transactions  
13 regulated under laws administered by other authorities and exempted  
14 under RCW 19.86.170, a violation of this section constitutes an  
15 unfair or deceptive act in trade or commerce in violation of chapter  
16 19.86 RCW, the consumer protection act. Acts in violation of chapter  
17 36, Laws of 2017 3rd sp. sess. are not reasonable in relation to the  
18 development and preservation of business, and constitute matters  
19 vitally affecting the public interest for the purpose of applying the  
20 consumer protection act, chapter 19.86 RCW.

21 ~~((13))~~ (15) Nothing in this section may be construed as  
22 intending to preclude persons from investing in or possessing an  
23 ownership interest in a community solar project, or from applying for  
24 and receiving federal investment tax credits.

25 **Sec. 6.** RCW 80.60.005 and 1998 c 318 s 1 are each amended to  
26 read as follows:

27 The legislature finds that it is in the public interest to:

- 28 (1) Encourage private investment in renewable energy resources;  
29 (2) Stimulate the economic growth of this state; ~~((and))~~  
30 (3) Enhance the continued diversification of the energy resources  
31 used in this state; and  
32 (4) Expand access to solar energy through enhanced opportunities  
33 to participate in community solar projects.

34 **Sec. 7.** RCW 80.60.010 and 2019 c 235 s 1 are each reenacted and  
35 amended to read as follows:

36 The definitions in this section apply throughout this chapter  
37 unless the context clearly indicates otherwise.

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

4 (2) "Commission" means the utilities and transportation  
5 commission.

6 (3) "Consumer-owned utility" means a municipal electric utility  
7 formed under Title 35 RCW, a public utility district formed under  
8 Title 54 RCW, an irrigation district formed under chapter 87.03 RCW,  
9 a cooperative formed under chapter 23.86 RCW, or a mutual corporation  
10 or association formed under chapter 24.06 RCW, that is engaged in the  
11 business of distributing electricity to more than one retail electric  
12 customer in the state.

13 (4) "Customer-generator" means a user of a net metering system.

14 (5) "Designated meter" means an electric service meter at the  
15 service of a net metering system that is interconnected to the  
16 utility distribution system.

17 (6) "Electric cooperative" means a cooperative or association  
18 organized under chapter 23.86 or 24.06 RCW.

19 (7) "Electric utility" means any electrical company, public  
20 utility district, irrigation district, port district, electric  
21 cooperative, or municipal electric utility that is engaged in the  
22 business of distributing electricity to retail electric customers in  
23 the state.

24 (8) "Electrical company" means a company owned by investors that  
25 meets the definition of RCW 80.04.010.

26 (9) "Irrigation district" means an irrigation district under  
27 chapter 87.03 RCW.

28 (10) "Meter aggregation" means the administrative combination of  
29 billing net energy consumption from a designated net meter and  
30 eligible aggregated meter, or, in the case of a community solar  
31 project, the administrative combination of billing net energy  
32 consumption, calculated as the net difference between generation from  
33 a subscriber's proportional subscription in a community solar project  
34 and the subscriber's electrical usage at their designated community  
35 solar subscriber meter.

36 (11) "Municipal electric utility" means a city or town that owns  
37 or operates an electric utility authorized by chapter 35.92 RCW.

38 (12) "Net metering" means measuring the difference between the  
39 electricity supplied by an electric utility and the excess  
40 electricity generated by a customer-generator's net metering system

1 over the applicable billing period. For a designated community solar  
2 subscriber meter, "net metering" means measuring the difference  
3 between the electricity supplied by an electric utility at a  
4 designated community solar subscriber meter at a subscriber's  
5 premises and the proportional generation output subscribed to by the  
6 subscriber, plus the generation output of any other net metering  
7 system for which the subscriber receives credit over the applicable  
8 billing period.

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

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

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

16 (c) Operates in parallel with the electric utility's transmission  
17 and distribution facilities and is connected to the electric  
18 utility's distribution system; and

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

21 (14) "Port district" means a port district within which an  
22 industrial development district has been established as authorized by  
23 Title 53 RCW.

24 (15) "Premises" means any residential property, commercial real  
25 estate, or lands, owned or leased by a customer-generator, a  
26 subscriber, or a community solar project, within the service area of  
27 a single electric utility.

28 (16) "Public utility district" means a district authorized by  
29 chapter 54.04 RCW.

30 (17) "Renewable energy" means energy generated by a facility that  
31 uses water, wind, solar energy, or biogas as a fuel.

32 (18) "Retail electric customer" includes an individual,  
33 organization, group, association, partnership, corporation, agency,  
34 unit of state government, or entity that is connected to the electric  
35 utility's distribution system and purchases electricity for ultimate  
36 consumption and not for resale.

37 (19) "Administrator" means any person, including an electric  
38 utility, that is responsible for maintaining and providing a list of  
39 designated community solar subscriber meters to the electric utility

1 and for performing other services required to qualify a community  
2 solar project for meter aggregation under RCW 80.60.030.

3 (20) "Community solar project" means a solar energy system that  
4 has an alternating current nameplate generating capacity that is no  
5 larger than one thousand kilowatts, where all subscribers participate  
6 in meter aggregation pursuant to RCW 80.60.030 and are retail  
7 electric customers of the electric utility with which the community  
8 solar project is directly interconnected, and where the electricity  
9 generated is measured against a subscriber's designated community  
10 solar subscriber meter in the form of a bill credit proportional to  
11 the size of their subscription.

12 (21) "Designated community solar subscriber meter" means an  
13 electric service meter that measures electrical service to the  
14 premises of a subscriber in a community solar project, and that is  
15 identified by the administrator of a community solar project to the  
16 electric utility as participating in meter aggregation at a community  
17 solar project.

18 (22) "Energy assistance" has the same meaning as provided in RCW  
19 19.405.020.

20 (23) "Energy burden" has the same meaning as provided in RCW  
21 19.405.020.

22 (24) "Low-income" has the same meaning as provided in RCW  
23 19.405.020.

24 (25) "Low-to-moderate-income household" and "low-to-moderate-  
25 income service provider" have the same meanings as defined in RCW  
26 82.16.160.

27 (26) "Subscriber" means a retail electric customer of an electric  
28 utility who owns one or more subscriptions or ownership shares of a  
29 community solar project directly interconnected with that same  
30 utility and who takes electrical service from a designated community  
31 solar subscriber meter.

32 (27) "Subscription" means an agreement between a subscriber and  
33 the administrator of a community solar project. A subscription must  
34 be sized by the administrator, in coordination with the subscriber  
35 and the utility, such that: (a) The estimated annual generation from  
36 all community solar projects in which a subscriber is a participant,  
37 plus generation from any other net metering system at the  
38 subscriber's designated community solar subscriber meter, does not  
39 exceed the subscriber's average annual electrical usage at the  
40 premises of the designated community solar subscriber meter; and (b)

1 the total generating capacity of the subscriber's subscriptions to  
2 community solar projects, plus the generating capacity of any net  
3 metering system at that subscriber's designated community solar  
4 subscriber meter, does not exceed an alternating current capacity of  
5 one hundred kilowatts.

6 **Sec. 8.** RCW 80.60.030 and 2019 c 235 s 3 are each amended to  
7 read as follows:

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

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

15 (2) If the electricity supplied by the electric utility exceeds  
16 the electricity generated by the customer-generator's net metering  
17 system and fed back to the electric utility during the billing  
18 period, the customer-generator shall be billed for the net  
19 electricity supplied by the electric utility, in accordance with  
20 normal metering practices.

21 (3) If excess electricity generated by the net metering system  
22 during a billing period exceeds the electricity supplied by the  
23 electric utility during the same billing period, the customer-  
24 generator:

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

27 (b) Shall be credited for the excess kilowatt-hours generated  
28 during the billing period, with the credit for kilowatt-hours  
29 appearing on the bill for the following billing period.

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

32 (a) For a customer-generator participating in meter aggregation,  
33 credits for kilowatt-hours earned by the customer-generator's net  
34 metering system during the billing period first shall be used to  
35 offset electricity supplied by the electric utility at the location  
36 of the customer-generator's designated meter.

37 (b) A customer-generator may aggregate a designated meter with  
38 one additional aggregated meter located on the same parcel as the

1 designated meter or a parcel that is contiguous with the parcel where  
2 the designated meter is located.

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

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

12 (e) Credits for excess kilowatt-hours earned by the net metering  
13 system at the site of a designated meter during a billing period  
14 shall be credited by the electric utility for kilowatt hour charges  
15 due at the aggregated meter at the applicable rate of the aggregated  
16 meter.

17 (f) If credits generated in any billing period exceed total  
18 consumption for that billing period at both meters that are part of  
19 an aggregated arrangement, credits are retained pursuant to  
20 subsections (3) and (~~(5)~~) (6) 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)(a) An electric utility must provide meter aggregation for  
28 subscribers of a community solar project if requested by an  
29 administrator.

30 (b) If a production meter, software, or billing system  
31 enhancement is required by the electric utility to provide meter  
32 aggregation under this subsection (5), the electric utility may  
33 require the administrator to purchase the production meter and  
34 software or pay for the cost of any required billing system  
35 enhancement. An electric utility may choose to pay the costs of any  
36 production meter, software, or billing system enhancements, and may  
37 separately account for any expenditures that provide energy  
38 assistance to, or reduce the energy burden of, low-income households  
39 or low-income service providers. Nothing in this subsection is  
40 intended to prohibit a utility from applying the expenditures of

1 funds under this section that provide energy assistance to, or reduce  
2 the energy burden of, low-to-moderate-income households or low-to-  
3 moderate-income service providers towards compliance with RCW  
4 19.405.120.

5 (c) In order to participate in community solar project meter  
6 aggregation, the proportional subscription of a single subscriber,  
7 plus the nameplate capacity of any other net metering system owned by  
8 or subscribed to by that subscriber, must not exceed the lesser of  
9 either: (i) The net metering system size limitation in RCW  
10 80.60.010(13)(a); or (ii) the average annual electric usage of the  
11 premises of the subscriber's designated community solar subscriber  
12 meter.

13 (d) An administrator must maintain and provide to the electric  
14 utility a list of designated community solar subscriber meters for  
15 meter aggregation.

16 (e) Credits for kilowatt-hours generated by a community solar  
17 project during the applicable billing period must be used to  
18 proportionally offset electricity supplied by the electric utility at  
19 the location of the subscriber's designated community solar  
20 subscriber meter.

21 (f) Credits for excess kilowatt-hours generated by a community  
22 solar project during the applicable billing period must be credited  
23 by the electric utility for kilowatt-hour charges due at the  
24 subscriber's designated community solar subscriber meter at the  
25 applicable rate of that meter.

26 (g) If credits generated in any billing period exceed total  
27 consumption for that billing period at a designated community solar  
28 subscriber meter, then credits must be retained pursuant to  
29 subsections (3) and (6) of this section.

30 (h) Credits carried over from one billing period to the next must  
31 be applied in subsequent billing periods in the same manner as  
32 described under (e) and (f) of this subsection and subsection (6) of  
33 this section.

34 (i) Meters that are aggregated under this subsection must not be  
35 considered a different rate class as a result of participation in  
36 meter aggregation.

37 (j) To provide energy assistance or reduce the energy burden of  
38 low-income households, an electric utility may: (i) Offset or  
39 discount the subscription costs of a low-income household  
40 subscriber's participation in a community solar project through meter

1 aggregation; and (ii) retain ownership of any renewable energy credit  
2 or other environmental attributes that may accrue from the  
3 proportional generation of a low-income household subscriber's  
4 community solar project subscription, provided that the proportional  
5 electricity associated with that renewable energy credit or  
6 environmental attribute is credited against the electrical usage at  
7 the low-income household subscriber's designated community solar  
8 subscriber meter.

9 (6) On March 31st of each calendar year, any remaining unused  
10 credits for kilowatt-hours accumulated during the previous year shall  
11 be granted to the electric utility, without any compensation to the  
12 customer-generator or community solar project administrator or  
13 subscribers.

14 ~~((6))~~ (7) Nothing in this section prohibits a utility from  
15 allowing aggregation under terms different than the requirements of  
16 subsection (4) of this section if a customer-generator has an  
17 existing arrangement for meter aggregation in effect or a customer  
18 submits a written request for aggregation on or before July 1, 2019,  
19 for individual meter aggregation, or July 1, 2020, for meters  
20 aggregated under subsection (5) of this section.

21 ~~((7))~~ (8) Nothing in this section prohibits the owner of  
22 multifamily residential facility from installing a net metering  
23 system as defined in RCW 80.60.010 assigned to a single designated  
24 meter located on the premises of the multifamily residential facility  
25 where the tenants are not individually metered customers of the  
26 utility and distributing any benefits of the net metering to tenants  
27 of the facility where the net metering system is located. The utility  
28 must measure the net energy produced and provide credit to the single  
29 designated meter to which the net metering system is assigned in  
30 accordance with subsections (1) through (3) of this section or under  
31 the terms of a standard rate or tariff schedule established under RCW  
32 80.60.020(3). The distribution of benefits to tenants of such a  
33 system, if any, is the responsibility of the owner of the net  
34 metering system and not the responsibility of the utility.

35 (9) Nothing in this section prohibits an electric utility from  
36 allowing meter aggregation for designated community solar subscriber  
37 meters under terms different from the requirements under subsection  
38 (5) of this section, provided that the electric utility and  
39 administrator mutually agree on the terms and conditions of the meter

1 aggregation and that those terms and conditions do not violate any  
2 other state or federal law.

3 (10) Nothing in this section prohibits meter aggregation of  
4 designated community solar subscriber meters for residents of a  
5 multifamily residential facility.

6 NEW SECTION. Sec. 9. The provisions of RCW 82.32.805 and  
7 82.32.808 do not apply to this act.

8 NEW SECTION. Sec. 10. This act is necessary for the immediate  
9 preservation of the public peace, health, or safety, or support of  
10 the state government and its existing public institutions, and takes  
11 effect immediately.

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