
SUBSTITUTE SENATE BILL 5614

State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Water, Energy & Telecommunications (originally sponsored by Senators Rockefeller, Poulsen, Tom and Kline)

READ FIRST TIME 02/26/07.

1 AN ACT Relating to investment cost recovery incentives for
2 voluntarily funded projects of local citizens cooperating with a local
3 governmental entity for the installation of photovoltaic systems of
4 less than one hundred thirty kilowatts on property owned by the
5 participating local governmental entity; and amending RCW 82.16.110 and
6 82.16.120.

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

8 **Sec. 1.** RCW 82.16.110 and 2005 c 300 s 2 are each amended to read
9 as follows:

10 The definitions in this section apply throughout this chapter
11 unless the context clearly requires otherwise.

12 (1) "Community-based solar energy project" means a project of local
13 citizens cooperating with a local governmental entity, which is
14 voluntarily funded, for the installation of photovoltaic systems of
15 less than one hundred thirty kilowatts on property owned by the
16 participating governmental entity.

17 (2) "Customer-generated electricity" means the alternating current
18 electricity that is generated from a renewable energy system located on
19 an individual's, businesses', or local government's real property that

1 is also provided electricity generated by a light and power business.
2 Except for a community-based solar energy project, a system located on
3 a leasehold interest does not qualify under this definition.
4 "Customer-generated electricity" does not include electricity generated
5 by a light and power business with greater than one thousand megawatt
6 hours of annual sales or a gas distribution business.

7 ((+2)) (3) "Economic development kilowatt-hour" means the actual
8 kilowatt-hour measurement of customer-generated electricity multiplied
9 by the appropriate economic development factor.

10 ((+3)) (4) "Local governmental entity" means any unit of local
11 government of this state including, but not limited to, counties,
12 cities, towns, municipal corporations, quasi-municipal corporations,
13 special purpose districts, and school districts.

14 (5) "Photovoltaic cell" means a device that converts light directly
15 into electricity without moving parts.

16 ((+4)) (6) "Renewable energy system" means a solar energy system,
17 an anaerobic digester as defined in RCW 82.08.900, or a wind generator
18 used for producing electricity.

19 ((+5)) (7) "Solar energy system" means any device or combination
20 of devices or elements that rely upon direct sunlight as an energy
21 source for use in the generation of electricity.

22 ((+6)) (8) "Solar inverter" means the device used to convert
23 direct current to alternating current in a photovoltaic cell system.

24 ((+7)) (9) "Solar module" means the smallest nondivisible self-
25 contained physical structure housing interconnected photovoltaic cells
26 and providing a single direct current electrical output.

27 ~~((+8)) "Standards for interconnection to the electric distribution~~
28 ~~system" means technical, engineering, operational, safety, and~~
29 ~~procedural requirements for interconnection to the electric~~
30 ~~distribution system of a light and power business.))~~

31 **Sec. 2.** RCW 82.16.120 and 2005 c 300 s 3 are each amended to read
32 as follows:

33 (1) Any individual, business, or local governmental entity, not in
34 the light and power business or in the gas distribution business, may
35 apply to the light and power business serving the situs of the system,
36 each fiscal year beginning on July 1, 2005, for an investment cost
37 recovery incentive for each kilowatt-hour from a customer-generated

1 electricity renewable energy system installed on its property that is
2 (~~not~~) interconnected to the electric distribution system. No
3 incentive may be paid for kilowatt-hours generated before July 1, 2005,
4 or after June 30, 2014.

5 ~~(2) ((When light and power businesses serving eighty percent of the
6 total customer load in the state adopt uniform standards for
7 interconnection to the electric distribution system, any individual,
8 business, or local governmental entity, not in the light and power
9 business or in the gas distribution business, may apply to the light
10 and power business serving the situs of the system, each fiscal year,
11 for an investment cost recovery incentive for each kilowatt hour from
12 a customer-generated electricity renewable energy system installed on
13 its property that is not interconnected to the electric distribution
14 system and from a customer-generated electricity renewable energy
15 system installed on its property that is interconnected to the electric
16 distribution system. Uniform standards for interconnection to the
17 electric distribution system means those standards established by light
18 and power businesses that have ninety percent of total requirements the
19 same. No incentive may be paid for kilowatt hours generated before
20 July 1, 2005, or after June 30, 2014.~~

21 ~~(3))~~(a) Before submitting for the first time the application for
22 the incentive allowed under this section, the applicant shall submit to
23 the department of revenue and to the climate and rural energy
24 development center at the Washington State University, established
25 under RCW 28B.30.642, a certification in a form and manner prescribed
26 by the department that includes, but is not limited to, the following
27 information:

28 (i) The name and address of the applicant and location of the
29 renewable energy system;

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

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

34 (A) Any solar inverters and solar modules manufactured in
35 Washington state;

36 (B) A wind generator powered by blades manufactured in Washington
37 state;

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

1 (D) A solar module manufactured in Washington state; or

2 (E) Solar or wind equipment manufactured outside of Washington
3 state;

4 (iv) That the electricity can be transformed or transmitted for
5 entry into or operation in parallel with electricity transmission and
6 distribution systems;

7 (v) The date that the renewable energy system received its final
8 electrical permit from the applicable local jurisdiction.

9 (b) Within thirty days of receipt of the certification the
10 department of revenue shall advise the applicant in writing whether the
11 renewable energy system qualifies for an incentive under this section.
12 The department may consult with the climate and rural energy
13 development center to determine eligibility for the incentive. System
14 certifications and the information contained therein are subject to
15 disclosure under RCW 82.32.330(3)(m).

16 (~~(4)~~) (3)(a) By August 1st of each year application for the
17 incentive shall be made to the light and power business serving the
18 situs of the system by certification in a form and manner prescribed by
19 the department that includes, but is not limited to, the following
20 information:

21 (i) The name and address of the applicant and location of the
22 renewable energy system;

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

24 (iii) The date of the letter from the department of revenue stating
25 that the renewable energy system is eligible for the incentives under
26 this section;

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

29 (b) Within sixty days of receipt of the incentive certification the
30 light and power business serving the situs of the system shall notify
31 the applicant in writing whether the incentive payment will be
32 authorized or denied. The business may consult with the climate and
33 rural energy development center to determine eligibility for the
34 incentive payment. Incentive certifications and the information
35 contained therein are subject to disclosure under RCW 82.32.330(3)(m).

36 (c)(i) Persons receiving incentive payments shall keep and
37 preserve, for a period of five years, suitable records as may be
38 necessary to determine the amount of incentive applied for and

1 received. Such records shall be open for examination at any time upon
2 notice by the light and power business that made the payment or by the
3 department. If upon examination of any records or from other
4 information obtained by the business or department it appears that an
5 incentive has been paid in an amount that exceeds the correct amount of
6 incentive payable, the business may assess against the person for the
7 amount found to have been paid in excess of the correct amount of
8 incentive payable and shall add thereto interest on the amount.
9 Interest shall be assessed in the manner that the department assesses
10 interest upon delinquent tax under RCW 82.32.050.

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

14 (~~(+5)~~) (4) The investment cost recovery incentive may be paid
15 fifteen cents per economic development kilowatt-hour unless requests
16 exceed the amount authorized for credit to the participating light and
17 power business. For the purposes of this section, the rate paid for
18 the investment cost recovery incentive may be multiplied by the
19 following factors:

20 (a) For customer-generated electricity produced using solar modules
21 manufactured in Washington state, two and four-tenths;

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

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

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

30 (~~(+6)~~) (5) No individual, household, business, or local
31 governmental entity is eligible for incentives for more than two
32 thousand dollars per year. For the purpose of calculating the annual
33 incentive limit under this subsection, community-based solar projects
34 that are located on separate parcels of property, are not to be
35 combined, as each project is individually eligible for incentives of up
36 to two thousand dollars per year per project.

37 (~~(+7)~~) (6) If requests for the investment cost recovery incentive

1 exceed the amount of funds available for credit to the participating
2 light and power business, the incentive payments shall be reduced
3 proportionately.

4 ~~((+8))~~ (7) The climate and rural energy development center at
5 Washington State University energy program may establish guidelines and
6 standards for technologies that are identified as Washington
7 manufactured and therefore most beneficial to the state's environment.

8 ~~((+9))~~ (8) The environmental attributes of the renewable energy
9 system belong to the applicant, and do not transfer to the state or the
10 light and power business upon receipt of the investment cost recovery
11 incentive.

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