(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Finds that: (1) Washington's growing population and economy will put a strain on energy supplies and threaten the ability of the state to meet its climate policy goals unless specific steps are taken to reduce demand and utilize energy more efficiently; and

(2) Solar water heaters can provide at least one-half of the hot water needs in the average home and reduce electric or natural gas consumption with free renewable energy from the sun.

Declares an intent to facilitate the installation of solar water heating systems in homes and businesses by providing: (1) A rebate to customers who install solar water heating systems; and

(2) A tax credit to the light and power business based on the amount of solar water heating systems installed by their customers.

Finds that the rebate and tax credit has broad application for the installation of solar water heating systems in urban, rural, business, and residential locations, as well as in any climate throughout the state.

Expires December 31, 2012.