
SENATE BILL 6580

State of Washington

62nd Legislature

2012 Regular Session

By Senator Zarelli

Read first time 02/02/12. Referred to Committee on Ways & Means.

1 AN ACT Relating to modifying investment cost recovery incentive
2 provisions concerning customer-generated electricity to require certain
3 elements used in the production of such electricity to be manufactured
4 by entities that have a significant employment presence in Washington
5 state; and amending RCW 82.16.120.

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

7 **Sec. 1.** RCW 82.16.120 and 2011 c 179 s 3 are each amended to read
8 as follows:

9 (1)(a) Any individual, business, local governmental entity, not in
10 the light and power business or in the gas distribution business, or a
11 participant in a community solar project may apply to the light and
12 power business serving the situs of the system, each fiscal year
13 beginning on July 1, 2005, for an investment cost recovery incentive
14 for each kilowatt-hour from a customer-generated electricity renewable
15 energy system.

16 (b) In the case of a community solar project as defined in RCW
17 82.16.110(2)(a)(i), the administrator must apply for the investment
18 cost recovery incentive on behalf of each of the other owners.

1 (c) In the case of a community solar project as defined in RCW
2 82.16.110(2)(a)(iii), the company owning the community solar project
3 must apply for the investment cost recovery incentive on behalf of each
4 member of the company.

5 (2)(a) Before submitting for the first time the application for the
6 incentive allowed under subsection (4) of this section, the applicant
7 must submit to the department of revenue and to the climate and rural
8 energy development center at the Washington State University,
9 established under RCW 28B.30.642, a certification in a form and manner
10 prescribed by the department that includes, but is not limited to, the
11 following information:

12 (i) The name and address of the applicant and location of the
13 renewable energy system.

14 (A) If the applicant is an administrator of a community solar
15 project as defined in RCW 82.16.110(2)(a)(i), the certification must
16 also include the name and address of each of the owners of the
17 community solar project.

18 (B) If the applicant is a company that owns a community solar
19 project as defined in RCW 82.16.110(2)(a)(iii), the certification must
20 also include the name and address of each member of the company;

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

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

25 (A) Any solar inverters and solar modules manufactured in
26 Washington state;

27 (B) A wind generator powered by blades manufactured in Washington
28 state, or manufactured by an entity with a significant presence
29 employing over two hundred fifty people in Washington state;

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

31 (D) A solar module manufactured in Washington state, or
32 manufactured by an entity with a significant presence employing over
33 two hundred fifty people in Washington state;

34 (E) A stirling converter manufactured in Washington state; or

35 (F) Solar or wind equipment manufactured outside of Washington
36 state;

37 (iv) That the electricity can be transformed or transmitted for

1 entry into or operation in parallel with electricity transmission and
2 distribution systems; and

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

5 (b) Within thirty days of receipt of the certification the
6 department of revenue must notify the applicant by mail, or
7 electronically as provided in RCW 82.32.135, whether the renewable
8 energy system qualifies for an incentive under this section. The
9 department may consult with the climate and rural energy development
10 center to determine eligibility for the incentive. System
11 certifications and the information contained therein are subject to
12 disclosure under RCW 82.32.330(3)(1).

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

18 (i) The name and address of the applicant and location of the
19 renewable energy system.

20 (A) If the applicant is an administrator of a community solar
21 project as defined in RCW 82.16.110(2)(a)(i), the application must also
22 include the name and address of each of the owners of the community
23 solar project.

24 (B) If the applicant is a company that owns a community solar
25 project as defined in RCW 82.16.110(2)(a)(iii), the application must
26 also include the name and address of each member of the company;

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

28 (iii) The date of the notification from the department of revenue
29 stating that the renewable energy system is eligible for the incentives
30 under this section; and

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

33 (b) Within sixty days of receipt of the incentive certification the
34 light and power business serving the situs of the system must notify
35 the applicant in writing whether the incentive payment will be
36 authorized or denied. The business may consult with the climate and
37 rural energy development center to determine eligibility for the

1 incentive payment. Incentive certifications and the information
2 contained therein are subject to disclosure under RCW 82.32.330(3)(1).

3 (c)(i) Persons, administrators of community solar projects, and
4 companies receiving incentive payments must keep and preserve, for a
5 period of five years, suitable records as may be necessary to determine
6 the amount of incentive applied for and received. Such records must be
7 open for examination at any time upon notice by the light and power
8 business that made the payment or by the department. If upon
9 examination of any records or from other information obtained by the
10 business or department it appears that an incentive has been paid in an
11 amount that exceeds the correct amount of incentive payable, the
12 business may assess against the person for the amount found to have
13 been paid in excess of the correct amount of incentive payable and must
14 add thereto interest on the amount. Interest is assessed in the manner
15 that the department assesses interest upon delinquent tax under RCW
16 82.32.050.

17 (ii) If it appears that the amount of incentive paid is less than
18 the correct amount of incentive payable the business may authorize
19 additional payment.

20 (4) Except for community solar projects, the investment cost
21 recovery incentive may be paid fifteen cents per economic development
22 kilowatt-hour unless requests exceed the amount authorized for credit
23 to the participating light and power business. For community solar
24 projects, the investment cost recovery incentive may be paid thirty
25 cents per economic development kilowatt-hour unless requests exceed the
26 amount authorized for credit to the participating light and power
27 business. For the purposes of this section, the rate paid for the
28 investment cost recovery incentive may be multiplied by the following
29 factors:

30 (a) For customer-generated electricity produced using: (i) Solar
31 modules manufactured in Washington state or manufactured by an entity
32 with a significant presence employing over two hundred fifty people in
33 Washington state, or (ii) a solar stirring converter manufactured in
34 Washington state, two and four-tenths;

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

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

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

6 (5)(a) No individual, household, business, or local governmental
7 entity is eligible for incentives provided under subsection (4) of this
8 section for more than five thousand dollars per year.

9 (b) Except as provided in (c) through (e) of this subsection (5),
10 each applicant in a community solar project is eligible for up to five
11 thousand dollars per year.

12 (c) Where the applicant is an administrator of a community solar
13 project as defined in RCW 82.16.110(2)(a)(i), each owner is eligible
14 for an incentive but only in proportion to the ownership share of the
15 project, up to five thousand dollars per year.

16 (d) Where the applicant is a company owning a community solar
17 project that has applied for an investment cost recovery incentive on
18 behalf of its members, each member of the company is eligible for an
19 incentive that would otherwise belong to the company but only in
20 proportion to each ownership share of the company, up to five thousand
21 dollars per year. The company itself is not eligible for incentives
22 under this section.

23 (e) In the case of a utility-owned community solar project, each
24 ratepayer that contributes to the project is eligible for an incentive
25 in proportion to the contribution, up to five thousand dollars per
26 year.

27 (6) If requests for the investment cost recovery incentive exceed
28 the amount of funds available for credit to the participating light and
29 power business, the incentive payments must be reduced proportionately.

30 (7) The climate and rural energy development center at Washington
31 State University energy program may establish guidelines and standards
32 for technologies that are identified as Washington manufactured and
33 therefore most beneficial to the state's environment.

34 (8) The environmental attributes of the renewable energy system
35 belong to the applicant, and do not transfer to the state or the light
36 and power business upon receipt of the investment cost recovery
37 incentive.

1 (9) No incentive may be paid under this section for kilowatt-hours
2 generated before July 1, 2005, or after June 30, 2020.

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