
HOUSE BILL 1690

State of Washington

63rd Legislature

2013 Regular Session

By Representative Orcutt

Read first time 02/05/13. Referred to Committee on Finance.

1 AN ACT Relating to permitting entities to qualify for cost recovery
2 incentives from solar energy systems located on real property of the
3 entity's controlling owner; and amending RCW 82.16.110.

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

5 **Sec. 1.** RCW 82.16.110 and 2011 c 179 s 2 are each amended to read
6 as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

9 (1) "Administrator" means an owner and assignee of a community
10 solar project as defined in subsection (2)(a)(i) of this section that
11 is responsible for applying for the investment cost recovery incentive
12 on behalf of the other owners and performing such administrative tasks
13 on behalf of the other owners as may be necessary, such as receiving
14 investment cost recovery incentive payments, and allocating and paying
15 appropriate amounts of such payments to the other owners.

16 (2)(a) "Community solar project" means:

17 (i) A solar energy system that is capable of generating up to
18 seventy-five kilowatts of electricity and is owned by local
19 individuals, households, nonprofit organizations, or nonutility

1 businesses that is placed on the property owned by a cooperating local
2 governmental entity that is not in the light and power business or in
3 the gas distribution business;

4 (ii) A utility-owned solar energy system that is capable of
5 generating up to seventy-five kilowatts of electricity and that is
6 voluntarily funded by the utility's ratepayers where, in exchange for
7 their financial support, the utility gives contributors a payment or
8 credit on their utility bill for the value of the electricity produced
9 by the project; or

10 (iii) A solar energy system, placed on the property owned by a
11 cooperating local governmental entity that is not in the light and
12 power business or in the gas distribution business, that is capable of
13 generating up to seventy-five kilowatts of electricity, and that is
14 owned by a company whose members are each eligible for an investment
15 cost recovery incentive for the same customer-generated electricity as
16 provided in RCW 82.16.120.

17 (b) For the purposes of "community solar project" as defined in (a)
18 of this subsection:

19 (i) "Company" means an entity that is:

20 (A)(I) A limited liability company;

21 (II) A cooperative formed under chapter 23.86 RCW; or

22 (III) A mutual corporation or association formed under chapter
23 24.06 RCW; and

24 (B) Not a "utility" as defined in this subsection (2)(b); and

25 (ii) "Nonprofit organization" means an organization exempt from
26 taxation under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue
27 code of 1986, as amended, as of January 1, 2009; and

28 (iii) "Utility" means a light and power business, an electric
29 cooperative, or a mutual corporation that provides electricity service.

30 (3) "Customer-generated electricity" means a community solar
31 project or the alternating current electricity that is generated from
32 a renewable energy system located in Washington and installed on an
33 individual's, businesses', or local government's real property that is
34 also provided electricity generated by a light and power business.

35 (a) Customer-generated electricity includes alternating current
36 electricity generated from a renewable energy system that is owned by
37 an entity and installed on real property that is also provided
38 electricity generated by a light and power business and owned by an

1 individual, business, or local government in control of that entity.
2 For the purposes of this subsection, "control" has the same meaning as
3 provided in RCW 82.32.655(7).

4 (b) Except for community solar projects, a system located on a
5 leasehold interest does not qualify under this definition.

6 (c) Except for utility-owned community solar projects, "customer-
7 generated electricity" does not include electricity generated by a
8 light and power business with greater than one thousand megawatt hours
9 of annual sales or a gas distribution business.

10 (4) "Economic development kilowatt-hour" means the actual kilowatt-
11 hour measurement of customer-generated electricity multiplied by the
12 appropriate economic development factor.

13 (5) "Local governmental entity" means any unit of local government
14 of this state including, but not limited to, counties, cities, towns,
15 municipal corporations, quasi-municipal corporations, special purpose
16 districts, and school districts.

17 (6) "Photovoltaic cell" means a device that converts light directly
18 into electricity without moving parts.

19 (7) "Renewable energy system" means a solar energy system, an
20 anaerobic digester as defined in RCW 82.08.900, or a wind generator
21 used for producing electricity.

22 (8) "Solar energy system" means any device or combination of
23 devices or elements that rely upon direct sunlight as an energy source
24 for use in the generation of electricity.

25 (9) "Solar inverter" means the device used to convert direct
26 current to alternating current in a solar energy system.

27 (10) "Solar module" means the smallest nondivisible self-contained
28 physical structure housing interconnected photovoltaic cells and
29 providing a single direct current electrical output.

30 (11) "Stirling converter" means a device that produces electricity
31 by converting heat from a solar source utilizing a stirling engine.

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