

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2773

Chapter 318, Laws of 1998

55th Legislature
1998 Regular Session

NET METERING FOR CERTAIN RENEWABLE ENERGY SYSTEMS

EFFECTIVE DATE: 6/11/98

Passed by the House March 7, 1998
Yeas 96 Nays 0

CLYDE BALLARD
**Speaker of the
House of Representatives**

Passed by the Senate March 3, 1998
Yeas 49 Nays 0

BRAD OWEN
President of the Senate

Approved April 3, 1998

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2773** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

FILED

April 3, 1998 - 2:21 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2773

Passed Legislature - 1998 Regular Session

AS AMENDED BY THE SENATE

Passed Legislature - 1998 Regular Session

State of Washington 55th Legislature 1998 Regular Session

By House Committee on Energy & Utilities (originally sponsored by Representatives Poulsen, Crouse, Morris, Cooper and Constantine)

Read first time 02/03/98. Referred to Committee on .

1 AN ACT Relating to net metering for certain renewable energy
2 systems; and adding a new chapter to Title 80 RCW.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that it is in the
5 public interest to:

- 6 (1) Encourage private investment in renewable energy resources;
7 (2) Stimulate the economic growth of this state; and
8 (3) Enhance the continued diversification of the energy resources
9 used in this state.

10 NEW SECTION. **Sec. 2.** The definitions in this section apply
11 throughout this chapter unless the context clearly indicates otherwise.

- 12 (1) "Commission" means the utilities and transportation commission.
13 (2) "Customer-generator" means a user of a net metering system.
14 (3) "Electrical company" means a company owned by investors that
15 meets the definition of RCW 80.04.010.
16 (4) "Electric cooperative" means a cooperative or association
17 organized under chapter 23.86 or 24.06 RCW.

1 (5) "Electric utility" means any electrical company, public utility
2 district, irrigation district, port district, electric cooperative, or
3 municipal electric utility that is engaged in the business of
4 distributing electricity to retail electric customers in the state.

5 (6) "Irrigation district" means an irrigation district under
6 chapter 87.03 RCW.

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

9 (8) "Net metering" means measuring the difference between the
10 electricity supplied by an electric utility and the electricity
11 generated by a customer-generator that is fed back to the electric
12 utility over the applicable billing period.

13 (9) "Net metering system" means a facility for the production of
14 electrical energy that:

15 (a) Uses as its fuel either solar, wind, or hydropower;

16 (b) Has a generating capacity of not more than twenty-five
17 kilowatts;

18 (c) Is located on the customer-generator's premises;

19 (d) Operates in parallel with the electric utility's transmission
20 and distribution facilities; and

21 (e) Is intended primarily to offset part or all of the customer-
22 generator's requirements for electricity.

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

26 (11) "Public utility district" means a district authorized by
27 chapter 54.04 RCW.

28 NEW SECTION. **Sec. 3.** An electric utility:

29 (1) Shall offer to make net metering available to eligible
30 customers-generators on a first-come, first-served basis until the
31 cumulative generating capacity of net metering systems equals 0.1
32 percent of the utility's peak demand during 1996;

33 (2) Shall allow net metering systems to be interconnected using a
34 standard kilowatt-hour meter capable of registering the flow of
35 electricity in two directions, unless the commission, in the case of an
36 electrical company, or the appropriate governing body, in the case of
37 other electric utilities, determines, after appropriate notice and
38 opportunity for comment:

1 (a) That the use of additional metering equipment to monitor the
2 flow of electricity in each direction is necessary and appropriate for
3 the interconnection of net metering systems, after taking into account
4 the benefits and costs of purchasing and installing additional metering
5 equipment; and

6 (b) How the cost of purchasing and installing an additional meter
7 is to be allocated between the customer-generator and the utility;

8 (3) Shall charge the customer-generator a minimum monthly fee that
9 is the same as other customers of the electric utility in the same rate
10 class, but shall not charge the customer-generator any additional
11 standby, capacity, interconnection, or other fee or charge unless the
12 commission, in the case of an electrical company, or the appropriate
13 governing body, in the case of other electric utilities, determines,
14 after appropriate notice and opportunity for comment that:

15 (a) The electric utility will incur direct costs associated with
16 interconnecting or administering net metering systems that exceed any
17 offsetting benefits associated with these systems; and

18 (b) Public policy is best served by imposing these costs on the
19 customer-generator rather than allocating these costs among the
20 utility's entire customer base.

21 NEW SECTION. **Sec. 4.** Consistent with the other provisions of this
22 chapter, the net energy measurement must be calculated in the following
23 manner:

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

27 (2) If the electricity supplied by the electric utility exceeds the
28 electricity generated by the customer-generator and fed back to the
29 electric utility during the billing period, the customer-generator
30 shall be billed for the net electricity supplied by the electric
31 utility, in accordance with normal metering practices.

32 (3) If electricity generated by the customer-generator exceeds the
33 electricity supplied by the electric utility, the customer-generator:

34 (a) Shall be billed for the appropriate customer charges for that
35 billing period, in accordance with section 3 of this act; and

36 (b) Shall be credited for the excess kilowatt-hours generated
37 during the billing period, with this kilowatt-hour credit appearing on
38 the bill for the following billing period.

1 At the beginning of each calendar year, any remaining unused
2 kilowatt-hour credit accumulated during the previous year shall be
3 granted to the electric utility, without any compensation to the
4 customer-generator.

5 NEW SECTION. **Sec. 5.** (1) A net metering system used by a
6 customer-generator shall include, at the customer-generator's own
7 expense, all equipment necessary to meet applicable safety, power
8 quality, and interconnection requirements established by the national
9 electrical code, national electrical safety code, the institute of
10 electrical and electronics engineers, and underwriters laboratories.

11 (2) The commission, in the case of an electrical company, or the
12 appropriate governing body, in the case of other electric utilities,
13 after appropriate notice and opportunity for comment, may adopt by
14 regulation additional safety, power quality, and interconnection
15 requirements for customer-generators that the commission determines are
16 necessary to protect public safety and system reliability.

17 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act constitute
18 a new chapter in Title 80 RCW.

Passed the House March 7, 1998.

Passed the Senate March 3, 1998.

Approved by the Governor April 3, 1998.

Filed in Office of Secretary of State April 3, 1998.