

# SENATE BILL REPORT

## EHB 2334

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As Reported By Senate Committee On:  
Energy, Technology & Telecommunications, February 24, 2000

**Title:** An act relating to the definition of net metering system.

**Brief Description:** Modifying electric utility net-metering systems.

**Sponsors:** Representatives Gombosky, DeBolt and Poulsen.

**Brief History:**

**Committee Activity:** Energy, Technology & Telecommunications: 2/17/2000, 2/24/2000 [DP].

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### SENATE COMMITTEE ON ENERGY, TECHNOLOGY & TELECOMMUNICATIONS

**Majority Report:** Do pass.

Signed by Senators Brown, Chair; Goings, Vice Chair; Fraser, Hochstatter and Roach.

**Staff:** Andrea McNamara (786-7483)

**Background:** In 1998, the Legislature enacted a net metering law that requires utilities to offer net metering to eligible customer-generators on a first-come, first-served basis until the cumulative generating capacity of all net metering systems equals 0.1 percent of the utility's peak demand (measured against its 1996 peak demand).

"Net metering" allows electricity customers to offset their consumption of purchased electricity with electricity generated by their own small-scale renewable system, such as solar, wind, or hydropower systems.

Under net metering, the customer's small renewable energy system is connected to the utility grid, and electricity produced by the customer's system flows into the utility grid, spinning a bi-directional electricity meter backwards.

At the end of the billing period, the customer may owe the utility for the excess electricity consumed, or may receive a credit for the excess electricity generated.

Fuel cells are an emerging generation technology. They are electrochemical devices in which hydrogen and oxygen combine in a controlled manner (in contrast to combustion or explosion) to directly produce an electric current, with bi-products of heat and water.

**Summary of Bill:** The definition of net metering systems is expanded to include systems generated by fuel cells, in addition to small-scale solar, wind, or hydropower generators.

At least half of the cumulative generating capacity available for net metering systems is set aside as a minimum amount attributable to solar, wind, or hydropower.

If a customer-generator complies with all applicable national safety and interconnection requirements contained in current law, a utility may not require them to purchase additional liability insurance or pay for additional tests of their equipment. Electric utilities are not held liable for allowing the attachment of a net metering system, or for the omission of a customer-generator that causes loss or injury to any third party.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The idea for this bill was a result of a bill introduced by members of the Washington congressional delegation to create incentives for distributed generation technologies. That bill included fuel cells in addition to traditional small-scale renewables such as solar and wind projects. The costs of fuel cells are currently still prohibitive for residential customers, but as costs come down, this bill will offer incentives to consumers to adopt the new technologies that are environmentally preferable. The potential for fuel cells is great, although differential treatment from other renewables is warranted because they rely on fossil fuel and they have the ability to generate more consistently. The liability clarifications have been worked out between the net metering proponents and the utilities and represent a good balance.

**Testimony Against:** None.

**Testified:** PRO: Collins Sprague, AVISTA Corp.; Tom Staris, Renewable NW Project; Danielle Dixon, NW Energy Coalition.