
SENATE BILL 6658

State of Washington 57th Legislature

2002 Regular Session

By Senators Poulsen, Hale, Regala, Morton, Fraser, Keiser and Rasmussen

Read first time 01/24/2002. Referred to Committee on Environment,
Energy & Water.

1 AN ACT Relating to clarifying the types of energy conservation
2 projects a public utility may assist its customers in financing;
3 amending RCW 35.92.360 and 54.16.280; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that energy
6 conservation can take many useful and cost-effective forms, and that
7 the types of conservation projects available to utilities and customers
8 evolve with time as technologies are developed and market conditions
9 change. In some cases, electricity conservation projects are most
10 cost-effective when they reduce the total amount of electricity
11 consumed by an individual customer, and in other cases they can be
12 cost-effective by reducing the amount of electricity a customer needs
13 to purchase from an electric utility.

14 The legislature intends to encourage and support a broad array of
15 cost-effective energy conservation by electric utilities and customers
16 alike by clarifying that public utilities may assist in the financing
17 of projects that allow customers to generate their own electricity
18 thereby reducing the amount of electricity a public utility needs to
19 generate or acquire on their customers' behalf.

1 **Sec. 2.** RCW 35.92.360 and 1989 c 268 s 1 are each amended to read
2 as follows:

3 Any city or town engaged in the generation, sale, or distribution
4 of energy is hereby authorized, within limits established by the
5 Constitution of the state of Washington, to assist the owners of
6 structures or equipment in financing the acquisition and installation
7 of materials and equipment, for compensation or otherwise, for the
8 conservation or more efficient use of energy in such structures or
9 equipment pursuant to an energy conservation plan adopted by the city
10 or town if the cost per unit of energy saved or produced by the use of
11 such materials and equipment is less than the cost per unit of energy
12 produced by the next least costly new energy resource which the city or
13 town could acquire to meet future demand. Any financing authorized
14 under this chapter shall only be used for conservation purposes in
15 existing structures, and such financing shall not be used for any
16 purpose which results in a conversion from one energy source to
17 another. For the purposes of this section, "conservation purposes in
18 existing structures" may include projects to allow a municipal electric
19 utility's customers to generate all or a portion of their own
20 electricity through the on-site installation of solar, wind,
21 geothermal, or minihydroelectric generating systems that reduce the
22 amount of electricity a customer needs to purchase from the utility.
23 Such projects shall not be considered a conversion from one energy
24 source to another. Except where otherwise authorized, such assistance
25 shall be limited to:

26 (1) Providing an inspection of the structure or equipment, either
27 directly or through one or more inspectors under contract, to determine
28 and inform the owner of the estimated cost of purchasing and installing
29 conservation materials and equipment for which financial assistance
30 will be approved and the estimated life cycle savings in energy costs
31 that are likely to result from the installation of such materials or
32 equipment;

33 (2) Providing a list of businesses who sell and install such
34 materials and equipment within or in close proximity to the service
35 area of the city or town, each of which businesses shall have requested
36 to be included and shall have the ability to provide the products in a
37 workmanlike manner and to utilize such materials in accordance with the
38 prevailing national standards.

1 (3) Arranging to have approved conservation materials and equipment
2 installed by a private contractor whose bid is acceptable to the owner
3 of the residential structure and verifying such installation; and

4 (4) Arranging or providing financing for the purchase and
5 installation of approved conservation materials and equipment. Such
6 materials and equipment shall be purchased from a private business and
7 shall be installed by a private business or the owner.

8 (5) Pay back shall be in the form of incremental additions to the
9 utility bill, billed either together with use charge or separately.
10 Loans shall not exceed one hundred twenty months in length.

11 **Sec. 3.** RCW 54.16.280 and 1989 c 268 s 2 are each amended to read
12 as follows:

13 Any district is hereby authorized, within limits established by the
14 Constitution of the state of Washington, to assist the owners of
15 structures or equipment in financing the acquisition and installation
16 of materials and equipment, for compensation or otherwise, for the
17 conservation or more efficient use of energy in such structures or
18 equipment pursuant to an energy conservation plan adopted by the
19 district if the cost per unit of energy saved or produced by the use of
20 such materials and equipment is less than the cost per unit of energy
21 produced by the next least costly new energy resource which the
22 district could acquire to meet future demand. Any financing authorized
23 under this chapter shall only be used for conservation purposes in
24 existing structures, and such financing shall not be used for any
25 purpose which results in a conversion from one energy source to
26 another. For the purposes of this section, "conservation purposes in
27 existing structures" may include projects to allow a municipal electric
28 utility's customers to generate all or a portion of their own
29 electricity through the on-site installation of solar, wind,
30 geothermal, or minihydroelectric generating systems that reduce the
31 amount of electricity a customer needs to purchase from the utility.
32 Such projects shall not be considered a conversion from one energy
33 source to another. Except where otherwise authorized, such assistance
34 shall be limited to:

35 (1) Providing an inspection of the structure or equipment, either
36 directly or through one or more inspectors under contract, to determine
37 and inform the owner of the estimated cost of purchasing and installing
38 conservation materials and equipment for which financial assistance

1 will be approved and the estimated life cycle savings in energy costs
2 that are likely to result from the installation of such materials or
3 equipment;

4 (2) Providing a list of businesses who sell and install such
5 materials and equipment within or in close proximity to the service
6 area of the district, each of which businesses shall have requested to
7 be included and shall have the ability to provide the products in a
8 workmanlike manner and to utilize such materials in accordance with the
9 prevailing national standards.

10 (3) Arranging to have approved conservation materials and equipment
11 installed by a private contractor whose bid is acceptable to the owner
12 of the residential structure and verifying such installation; and

13 (4) Arranging or providing financing for the purchase and
14 installation of approved conservation materials and equipment. Such
15 materials and equipment shall be purchased from a private business and
16 shall be installed by a private business or the owner.

17 (5) Pay back shall be in the form of incremental additions to the
18 utility bill, billed either together with use charge or separately.
19 Loans shall not exceed one hundred twenty months in length.

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