

**ESSB 6658** - H COMM AMD

By Committee on Technology, Energy & Communications

NOT ADOPTED 03/11/2010

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 82.16.110 and 2009 c 469 s 504 are each amended to  
4 read as follows:

5 The definitions in this section apply throughout this chapter  
6 unless the context clearly requires otherwise.

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

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

15 (i) A solar energy system that produces a maximum instantaneous  
16 power output of one megawatt of electricity and is owned by local  
17 individuals, households, nonprofit organizations, or nonutility  
18 businesses that is placed on the property owned by a cooperating local  
19 governmental entity that is not in the light and power business or in  
20 the gas distribution business; ((or))

21 (ii) A utility-owned solar energy system that produces a maximum  
22 instantaneous power output of one megawatt of electricity and that is  
23 voluntarily funded by the utility's ratepayers where, in exchange for  
24 their financial support, the utility gives contributors a payment or  
25 credit on their utility bill for the value of the electricity produced  
26 by the project;

27 (iii) A solar energy system, placed on the property owned by a  
28 cooperating local governmental entity that is not in the light and  
29 power business or in the gas distribution business, that produces a  
30 maximum instantaneous power output of one megawatt of electricity, and

1 that is owned by a limited liability company whose members are each  
2 eligible for an investment cost recovery incentive for the same  
3 customer-generated electricity as provided in RCW 82.16.120; or

4 (iv) A virtual net metering system, as defined in RCW 80.60.010,  
5 that uses solar energy to generate electricity and the customer-  
6 generators participating in virtual net metering are assigned fractions  
7 or shares by a net metering aggregator as determined under RCW  
8 80.60.010 through 80.60.030.

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

11 (i) "Nonprofit organization" means an organization exempt from  
12 taxation under ~~((Title))~~ 26 U.S.C. Sec. 501(c)(3) of the federal  
13 internal revenue code of 1986, as amended, as of January 1, 2009; and

14 (ii) "Utility" means a light and power business, an electric  
15 cooperative, or a mutual corporation that provides electricity service.

16 ~~((+2))~~ (3) "Customer-generated electricity" means a community  
17 solar project or the alternating current electricity that is generated  
18 from a renewable energy system located in Washington and installed on  
19 an individual's, businesses', or local government's real property that  
20 is also provided electricity generated by a light and power business.  
21 Except for community solar projects, a system located on a leasehold  
22 interest does not qualify under this definition. Except for utility-  
23 owned community solar projects, "customer-generated electricity" does  
24 not include electricity generated by a light and power business with  
25 greater than one thousand megawatt hours of annual sales or a gas  
26 distribution business.

27 ~~((+3))~~ (4) "Economic development kilowatt-hour" means the actual  
28 kilowatt-hour measurement of customer-generated electricity multiplied  
29 by the appropriate economic development factor.

30 ~~((+4))~~ (5) "Local governmental entity" means any unit of local  
31 government of this state including, but not limited to, counties,  
32 cities, towns, municipal corporations, quasi-municipal corporations,  
33 special purpose districts, and school districts.

34 ~~((+5))~~ (6) "Photovoltaic cell" means a device that converts light  
35 directly into electricity without moving parts.

36 ~~((+6))~~ (7) "Renewable energy system" means a solar energy system,  
37 an anaerobic digester as defined in RCW 82.08.900, or a wind generator  
38 used for producing electricity.

1 ((+7)) (8) "Solar energy system" means any device or combination  
2 of devices or elements that rely upon direct sunlight as an energy  
3 source for use in the generation of electricity.

4 ((+8)) (9) "Solar inverter" means the device used to convert  
5 direct current to alternating current in a photovoltaic cell system.

6 ((+9)) (10) "Solar module" means the smallest nondivisible self-  
7 contained physical structure housing interconnected photovoltaic cells  
8 and providing a single direct current electrical output.

9 **Sec. 2.** RCW 82.16.120 and 2009 c 469 s 505 are each amended to  
10 read as follows:

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

18 ~~((No incentive may be paid for kilowatt hours generated before July  
19 1, 2005, or after June 30, 2020.))~~

20 (b) In the case of a community solar project as defined in RCW  
21 82.16.110(2)(a)(i), the administrator must apply for the investment  
22 cost recovery incentive on behalf of each of the other owners.

23 (c) In the case of a community solar project as defined in RCW  
24 82.16.110(2)(a)(iii), the limited liability company owning the  
25 community solar project must apply for the investment cost recovery  
26 incentive on behalf of each member of the limited liability company.

27 (d) In the case of a community solar project as defined in RCW  
28 82.16.110(2)(a)(iv), the net metering aggregator must apply for the  
29 investment cost recovery incentive on behalf of each customer-  
30 generator.

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

1 (i) The name and address of the applicant and location of the  
2 renewable energy system.

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

7 (B) If the applicant is a limited liability company that owns a  
8 community solar project as defined in RCW 82.16.110(2)(a)(iii), the  
9 certification must also include the name and address of each member of  
10 the limited liability company.

11 (C) If the applicant is a virtual net metering aggregator as  
12 defined RCW 82.16.110(2)(a)(iv), the certification must also include  
13 the name and address of each customer-generator participating in  
14 virtual net metering;

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

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

19 (A) Any solar inverters and solar modules manufactured in  
20 Washington state;

21 (B) A wind generator powered by blades manufactured in Washington  
22 state;

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

24 (D) A solar module manufactured in Washington state; or

25 (E) Solar or wind equipment manufactured outside of Washington  
26 state;

27 (iv) That the electricity can be transformed or transmitted for  
28 entry into or operation in parallel with electricity transmission and  
29 distribution systems; and

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

32 (b) Within thirty days of receipt of the certification the  
33 department of revenue must notify the applicant by mail, or  
34 electronically as provided in RCW 82.32.135, whether the renewable  
35 energy system qualifies for an incentive under this section. The  
36 department may consult with the climate and rural energy development  
37 center to determine eligibility for the incentive. System

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

3 (3)(a) By August 1st of each year application for the incentive  
4 (~~shall~~) must be made to the light and power business serving the  
5 situs of the system by certification in a form and manner prescribed by  
6 the department that includes, but is not limited to, the following  
7 information:

8 (i) The name and address of the applicant and location of the  
9 renewable energy system.

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

14 (B) If the applicant is a limited liability company that owns a  
15 community solar project as defined in RCW 82.16.110(2)(a)(iii), the  
16 application must also include the name and address of each member of  
17 the limited liability company;

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

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

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

24 (b) Within sixty days of receipt of the incentive certification the  
25 light and power business serving the situs of the system (~~shall~~) must  
26 notify the applicant in writing whether the incentive payment will be  
27 authorized or denied. The business may consult with the climate and  
28 rural energy development center to determine eligibility for the  
29 incentive payment. Incentive certifications and the information  
30 contained therein are subject to disclosure under RCW 82.32.330(3)(m).

31 (c)(i) Persons receiving incentive payments (~~shall~~) must keep and  
32 preserve, for a period of five years, suitable records as may be  
33 necessary to determine the amount of incentive applied for and  
34 received. Such records (~~shall~~) must be open for examination at any  
35 time upon notice by the light and power business that made the payment  
36 or by the department. If upon examination of any records or from other  
37 information obtained by the business or department it appears that an  
38 incentive has been paid in an amount that exceeds the correct amount of

1 incentive payable, the business may assess against the person for the  
2 amount found to have been paid in excess of the correct amount of  
3 incentive payable and (~~shall~~) must add thereto interest on the  
4 amount. Interest (~~shall be~~) is assessed in the manner that the  
5 department assesses interest upon delinquent tax under RCW 82.32.050.

6 (ii) If it appears that the amount of incentive paid is less than  
7 the correct amount of incentive payable the business may authorize  
8 additional payment.

9 (4) Except for community solar projects, the investment cost  
10 recovery incentive may be paid fifteen cents per economic development  
11 kilowatt-hour unless requests exceed the amount authorized for credit  
12 to the participating light and power business. For community solar  
13 projects, the investment cost recovery incentive may be paid thirty  
14 cents per economic development kilowatt-hour unless requests exceed the  
15 amount authorized for credit to the participating light and power  
16 business. For the purposes of this section, the rate paid for the  
17 investment cost recovery incentive may be multiplied by the following  
18 factors:

19 (a) For customer-generated electricity produced using solar modules  
20 manufactured in Washington state, two and four-tenths;

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

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

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

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

32 (b) Except as provided in (c) and (d) of this subsection (5), each  
33 applicant in a community solar project is eligible for up to five  
34 thousand dollars per year.

35 (c) Where the applicant is an administrator of a community solar  
36 project as defined in RCW 82.16.110(2)(a)(i), each owner is eligible  
37 for an incentive up to five thousand dollars per year.

1 (d) Where the applicant is a limited liability company owning a  
2 community solar project that has applied for an investment cost  
3 recovery incentive on behalf of its members, the limited liability  
4 company is eligible for an incentive up to five thousand dollars per  
5 year.

6 (6) Owners in a community solar project are eligible to receive an  
7 investment cost recovery incentive based on the total customer-  
8 generated electricity produced by the project but only in proportion to  
9 each ownership share or, in the case of a utility-owned community solar  
10 project, in proportion to each ratepayer's contribution. No owner in  
11 a community solar project is eligible for incentives under this section  
12 for more than five thousand dollars.

13 (7) If requests for the investment cost recovery incentive exceed  
14 the amount of funds available for credit to the participating light and  
15 power business, the incentive payments (~~shall~~) must be reduced  
16 proportionately.

17 ~~((+7))~~ (8) The climate and rural energy development center at  
18 Washington State University energy program may establish guidelines and  
19 standards for technologies that are identified as Washington  
20 manufactured and therefore most beneficial to the state's environment.

21 ~~((+8))~~ (9) The environmental attributes of the renewable energy  
22 system belong to the applicant, and do not transfer to the state or the  
23 light and power business upon receipt of the investment cost recovery  
24 incentive.

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

27 NEW SECTION. Sec. 3. A new section is added to chapter 82.16 RCW  
28 to read as follows:

29 Owners of a community solar project as defined in RCW  
30 82.16.110(2)(a) (i) and (iii) must agree to hold harmless the light and  
31 power business serving the situs of the system, including any employee,  
32 for the good faith reliance on the information contained in an  
33 application or certification submitted by an administrator or limited  
34 liability company. In addition, the light and power business and any  
35 employee is immune from civil liability for the good faith reliance on  
36 any misstatement that may be made in such application or certification.

1 Should a light and power business or employee prevail upon the defense  
2 provided in this section, it is entitled to recover expenses and  
3 reasonable attorneys' fees incurred in establishing the defense.

4 **Sec. 4.** RCW 80.60.010 and 2007 c 323 s 1 are each amended to read  
5 as follows:

6 The definitions in this section apply throughout this chapter  
7 unless the context clearly (~~indicates~~) requires otherwise.

8 (1) "Commission" means the utilities and transportation commission.

9 (2) "Customer-generator" means either: (a) A user of a net  
10 metering system located on the premises of a customer-generator; or (b)  
11 a customer of an electric utility participating in virtual net  
12 metering.

13 (3) "Electrical company" means a company owned by investors that  
14 meets the definition of RCW 80.04.010.

15 (4) "Electric cooperative" means a cooperative or association  
16 organized under chapter 23.86 or 24.06 RCW.

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

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

23 (7) "Meter aggregation" means the administrative combination of  
24 readings from and billing for all meters, regardless of the rate class,  
25 on premises owned or leased by a customer-generator located within the  
26 service territory of a single electric utility.

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

29 (9) "Net metering" means measuring the difference between the  
30 electricity supplied by an electric utility and the electricity  
31 generated by a customer-generator over the applicable billing period.

32 (10) "Net metering system" means a fuel cell, a facility that  
33 produces electricity and used and useful thermal energy from a common  
34 fuel source, or a facility for the production of electrical energy that  
35 generates renewable energy, and that:

36 (a)(i) For electric utilities that are not full requirements



1 customers, has an electrical generating capacity of not more than one  
2 ((hundred kilowatts)) megawatt; or

3 (ii) For electric utilities that are full requirements customers,  
4 either: (A) Has an electrical generating capacity of no more than one  
5 hundred ninety-nine kilowatts and is metered by one meter; or (B) has  
6 an electrical generating capacity of up to one megawatt and is metered  
7 by multiple meters with no one meter measuring more than one hundred  
8 ninety-nine kilowatts in electrical generating capacity;

9 (b) Is located on the customer-generator's premises or, for virtual  
10 net metering, is located within the same electric distribution system  
11 of the customer-generator;

12 (c) Operates in parallel with the electric utility's transmission  
13 and distribution facilities; and

14 (d) Is intended primarily to offset part or all of the customer-  
15 generator's requirements for electricity.

16 (11) "Premises" means any residential property, commercial real  
17 estate, or lands, owned or leased by a customer-generator within the  
18 service area of a single electric utility.

19 (12) "Port district" means a port district within which an  
20 industrial development district has been established as authorized by  
21 Title 53 RCW.

22 (13) "Public utility district" means a district authorized by  
23 chapter 54.04 RCW.

24 (14) "Renewable energy" means energy generated by a facility that  
25 uses water, wind, solar energy, or biogas from animal waste as a fuel.

26 (15) "Virtual net metering" means the administrative combination of  
27 readings from the production meter, or meters when the net metering  
28 system is connected to the distribution system of an electric utility  
29 that is a full requirements customer, of a single net metering system  
30 and billing for multiple meters, regardless of class, from a group of  
31 customer-generators according to either an assigned fraction, share, or  
32 net meter reading of that net metering system for each customer-  
33 generator as contracted with a virtual net metering aggregator. The  
34 net metering system and the group of customer-generators must all be  
35 within the same electric distribution system.

36 (16) "Virtual net metering aggregator" means an entity that:

37 (a) Is responsible for professionally managing the net metering  
38 system for the life of the project;

1       (b) Acts as the sole point of contact with the electric utility,  
2 responsible for calibrating, maintaining, and communicating to the  
3 electric utility a list of assigned fractions, shares, or net meter  
4 readings of the electrical output of a net metering system depending on  
5 if utility or aggregator is providing software for meter aggregation;

6       (c) Registers the net metering system with the western renewable  
7 energy generation information system and accounts for all renewable  
8 energy credit transactions on that system; and

9       (d) Registers with the secretary of state as required by statute as  
10 either: A limited liability company; a profit corporation; a nonprofit  
11 corporation; a limited partnership; or a limited liability partnership.

12       (17) "Assigned fraction" means the percentage of kilowatt-hours  
13 generated by a net metering system deducted from the electrical  
14 consumption of a customer-generator. Unless there is a voluntary  
15 agreement for smaller fractions, an assigned fraction may not be  
16 smaller than:

17       (a) One-tenth of a percent (1/1000) and on average produce no less  
18 than one thousand kilowatt-hours annually for utilities with more than  
19 twenty-five thousand ratepayers; or

20       (b) One percent (1/100) and on average produce no less than two  
21 thousand kilowatt-hours annually for utilities with less than twenty-  
22 five thousand ratepayers.

23       (18) "Operating fraction" means the percentage of kilowatt-hours  
24 generated by a net metering system that is:

25       (a) Specified by the net metering aggregator;

26       (b) Not assigned to a customer-generator for virtual net metering;  
27 and

28       (c) Sold by the virtual net metering aggregator to the utility at  
29 the rates, terms, and conditions that would otherwise apply to a  
30 renewable energy generation system of the same size as the net metering  
31 system.

32       (19) "Distribution system" means all of the distribution lines,  
33 substations, switches, and other distribution hardware contiguously  
34 connected at voltages below ninety kilovolts that are:

35       (a) Owned and operated by a single utility; or

36       (b) Owned and operated by two or more utilities with adjoining  
37 distribution systems agreeing to combine their distribution systems for  
38 the purpose of virtual net metering.

1        (20) "Full requirements customer" has the same meaning as defined  
2 in RCW 19.280.020.

3        **Sec. 5.** RCW 80.60.020 and 2007 c 323 s 2 are each amended to read  
4 as follows:

5        (1) An electric utility:

6        (a) Shall offer to make net metering available to eligible  
7 customers-generators on a first-come, first-served basis until the  
8 cumulative generating capacity of net metering systems equals 0.25  
9 percent of the utility's peak demand during 1996. On January 1, 2014,  
10 the cumulative generating capacity available to net metering systems  
11 will equal 0.5 percent of the utility's peak demand during 1996. Not  
12 less than one-half of the utility's 1996 peak demand available for net  
13 metering systems shall be reserved for the cumulative generating  
14 capacity attributable to net metering systems that generate renewable  
15 energy;

16        (b) Shall allow net metering systems to be interconnected using a  
17 standard kilowatt-hour meter capable of registering the flow of  
18 electricity in two directions, unless the commission, in the case of an  
19 electrical company, or the appropriate governing body, in the case of  
20 other electric utilities, determines, after appropriate notice and  
21 opportunity for comment:

22        (i) That the use of additional metering equipment to monitor the  
23 flow of electricity in each direction is necessary and appropriate for  
24 the interconnection of net metering systems, after taking into account  
25 the benefits and costs of purchasing and installing additional metering  
26 equipment; and

27        (ii) How the cost of purchasing and installing an additional meter  
28 is to be allocated between the customer-generator and the utility;

29        (c) Shall charge the customer-generator a minimum monthly fee that  
30 is the same as other customers of the electric utility in the same rate  
31 class, but shall not charge the customer-generator any additional  
32 standby, capacity, interconnection, or other fee or charge unless the  
33 commission, in the case of an electrical company, or the appropriate  
34 governing body, in the case of other electric utilities, determines,  
35 after appropriate notice and opportunity for comment that:

36        (i) The electric utility will incur direct costs associated with

1 interconnecting or administering net metering systems that exceed any  
2 offsetting benefits associated with these systems; and

3 (ii) Public policy is best served by imposing these costs on the  
4 customer-generator rather than allocating these costs among the  
5 utility's entire customer base;

6 (d) Shall buy an operating fraction of the net metering aggregator  
7 of the net metering system using rates, tariffs, contracts, and  
8 conditions as would otherwise apply to the utility buying power from a  
9 comparable renewable energy generator.

10 (2)(a) If a production meter ((and)), software, and associated  
11 interconnection equipment is required by the electric utility to  
12 provide meter aggregation under RCW 80.60.030(4), ((the))  
13 customer-generators ((is)) or aggregators are responsible for the  
14 purchase of the production meter ((and)), software, and associated  
15 interconnection equipment. If an electric utility chooses to update  
16 its billing software to accommodate meter aggregation, the customer-  
17 generator may not be required to purchase software.

18 (b) If the electric utility decides to update its billing software  
19 to accommodate meter aggregation, the aggregator must assign fractions  
20 to customer-generators and operating fractions in a manner consistent  
21 with this chapter.

22 (c) If the net metering aggregator is required by the electric  
23 utility to provide software to accommodate meter aggregation, the  
24 aggregator must provide net meter readings to the electric utility in  
25 the form the electric utility uses to read meters.

26 (3) A net metering aggregator, who must assign fractions to  
27 customer-generators and operating fractions as required under  
28 subsection (2)(b) of this section, shall submit an updated list of  
29 assigned fractions and operating fractions to the electric utility no  
30 more than once per quarter on a date determined by the electric  
31 utility. A net metering aggregator must provide information to the  
32 electric utility demonstrating that the assigned fractions and  
33 operating fractions equal one hundred percent.

34 **Sec. 6.** RCW 80.60.030 and 2007 c 323 s 3 are each amended to read  
35 as follows:

36 Consistent with the other provisions of this chapter, the net  
37 energy measurement must be calculated in the following manner:

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

4 (2) If the electricity supplied by the electric utility exceeds the  
5 electricity generated by the customer-generator and fed back to the  
6 electric utility during the billing period, the customer-generator  
7 shall be billed for the net electricity supplied by the electric  
8 utility, in accordance with normal metering practices.

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

11 (a) Shall be billed for the appropriate customer charges for that  
12 billing period, in accordance with RCW 80.60.020; and

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

16 (4) If a customer-generator requests, an electric utility shall  
17 provide meter aggregation.

18 (a) For customer-generators participating in meter aggregation,  
19 kilowatt-hours credits earned by a net metering system during the  
20 billing period first shall be used to offset electricity supplied by  
21 the electric utility.

22 (b) Not more than a total of one (~~(hundred kilowatts)~~) megawatt  
23 shall be aggregated among all customer-generators participating in a  
24 (~~(generating facility)~~) net metering system under this subsection.

25 (c) Excess kilowatt-hours credits earned by the net metering  
26 system, during the same billing period, shall be either: (i) Credited  
27 equally by the electric utility to remaining meters located on all  
28 premises of a customer-generator at the designated rate of each meter;  
29 or (ii) in the case of virtual net metering, credited by the virtual  
30 net metering aggregator to remaining meters in proportion to the  
31 contracted specified fraction, share, or net meter reading for each  
32 customer-generator. An assigned fraction, share, or net metering  
33 reading shall be directly proportional to each meter's share of the net  
34 consumption or generation at its rate class as related to the total of  
35 all aggregated meters of a virtual net metering aggregator.

36 (d) Meters so aggregated shall not change rate classes due to meter  
37 aggregation under this section.

1 (5) On April 30th 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 (6)(a) All renewable energy credits produced as a result of the  
6 generation of electricity from a net metering system shall be the  
7 property of the customer-generator.

8 (b) For renewable energy credits generated through virtual net  
9 metering, an assigned fraction or share of the renewable energy credit  
10 shall be assigned to the customer-generator by the virtual net metering  
11 aggregator."

12 Correct the title.

EFFECT: Community Solar Projects:

Increases the maximum instantaneous power output allowed by a community solar project from one hundred kilowatts to one megawatt. Allows virtual net metering system to qualify as community solar projects. Specifies that the net metering aggregator must apply for the investment cost recovery incentive on behalf of customer-generators participating in virtual net metering. Provides, among other application reporting requirements, that when applying to participate in the cost-recovery incentive program a virtual net metering aggregator must include the name and address of each customer-generator participating in virtual net metering. Removes provision that allows each member of a limited liability company to receive cost-recovery incentive payments up to five thousand dollars. Specifies that the limited liability company that owns a community solar project is eligible to receive one payment of up to five thousand dollars.

Net Metering:

Increases the electricity generating cap on net metering systems from one hundred kilowatts to one megawatt. Specifies that for electric utilities that are full requirements customers of the Bonneville power administration, a net metering system must either: (1) Have an electrical generating capacity of no more than one hundred ninety-nine kilowatts and be metered by one meter; or (2) have an electrical generating capacity of up to one megawatt and be metered by multiple meters with no meter measuring more than one hundred ninety-nine kilowatts.

Requires electric utilities to provide virtual net metering to their customer-generators. Provides definitions for "virtual net metering," "assigned fraction," "operating fraction," "distribution systems," and "full requirements customers."

Specifies that a virtual net metering aggregator is the entity that: (1) Is responsible for professionally managing the net metering system for the life of the project; (2) acts as the sole point of contact with

the electric utility, responsible for calibrating, maintaining, and communicating to the electric utility a list of assigned fractions, shares, or net meter readings of the electrical output of a net metering system depending on if utility or aggregator is providing software for meter aggregation; (3) registers the net metering system with the western renewable energy generation information system; and (4) registers with the secretary of state as required by statute. Requires, under certain circumstances, electric utilities to purchase an operating fraction from the net metering aggregator of the virtual net metering system using rates that would otherwise apply to renewable energy systems.

Specifies that if interconnection equipment is required by the electric utility to provide meter aggregation the customer-generator or the virtual net metering aggregator must purchase this equipment. Provides that if an electric utility chooses to update its billing software to accommodate meter aggregation, the customer-generator may not be required to purchase software. Specifies further that if the electric utility decides to update its billing software to accommodate meter aggregation, the aggregator must assign fractions to customer-generators and operating fractions in a manner consistent with provisions in this act. Requires the aggregator to provide net meter readings to the electric utility in the form the electric utility normally uses to read meters, if the net metering aggregator is required by the electric utility to purchase and use software to perform meter aggregation.

Requires net metering aggregator, who must assign fractions to customer-generators and operating fractions, to submit an updated list of assigned fractions and operating fractions to the electric utility no more than once per quarter on a date determined by the electric utility.

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