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HOUSE BILL 2280

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State of Washington

65th Legislature

2018 Regular Session

By Representatives Morris, Hudgins, Goodman, Santos, Slatter, Lytton, Tharinger, Senn, Frame, Kloba, Ryu, and Doglio

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1 AN ACT Relating to community solar gardens; and adding a new  
2 chapter to Title 80 RCW.

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

4 NEW SECTION. **Sec. 1.** It is the intent of the legislature to  
5 establish a framework for community solar gardens to be created and  
6 exist outside of tax-related subsidy programs. The legislature finds  
7 that community solar gardens represent a low-cost point of entry for  
8 Washington consumers who want solar electricity, as well as for  
9 consumers who do not have access to a sun regime that would make a  
10 residential solar energy system viable.

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

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

16 (2) "Community solar garden" means a facility, including a  
17 community solar project as defined in RCW 82.16.160, that generates  
18 electricity by means of a ground-mounted or roof-mounted solar  
19 photovoltaic device whereby subscribers receive a bill credit for the

1 electricity generated in proportion to the size of their  
2 subscription.

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

8 (4) "Electrical company" has the same meaning as defined in RCW  
9 80.04.010.

10 (5) "Subscriber" means a retail electric customer of an electric  
11 utility who owns one or more subscriptions of a community solar  
12 garden facility interconnected with that utility.

13 (6) "Subscriber organization" means any for-profit or nonprofit  
14 entity that owns or operates one or more community solar gardens.

15 (7) "Subscription" means a contract between a subscriber and the  
16 owner of a community solar garden.

17 NEW SECTION. **Sec. 3.** (1) A community solar garden:

18 (a) May not have fewer than five subscribers, with no single  
19 subscriber having more than forty percent interest in the project;

20 (b) Must be located in the service territory and on the  
21 distribution system of an electric utility filing a plan under  
22 section 4 of this act such that, if the electric utility has a  
23 distributed energy resources plan or other distribution system plan,  
24 the community solar garden is located in an area that provides the  
25 most benefit on the distribution system in accordance with the  
26 distributed energy resources plan or other distribution system plan;  
27 and

28 (c) Must allocate not less than forty percent of project capacity  
29 to residential and small business customers under twenty-five  
30 kilowatts.

31 (2)(a) A subscriber must be located in the same electric utility  
32 service territory as the community solar garden facility.

33 (b) A subscription must be sized to represent at least one  
34 kilowatt of the generating capacity of the community solar garden and  
35 may supply, when combined with other distributed generation resources  
36 serving the premises, no more than one hundred twenty percent of the  
37 average annual consumption of electricity by each subscriber at the  
38 premises to which the subscription is attributed.

1 (3)(a) A subscriber organization must, on a monthly basis,  
2 provide to the electric utility the total kilowatt-hours of  
3 generation attributable to each of the utility's retail electric  
4 customers participating in a community solar garden project in  
5 accordance with the subscriber's share of the output of the community  
6 solar garden. The subscriber organization shall electronically  
7 submit, in a format approved by the commission, the information and  
8 associated documentation to the utility monthly.

9 (b) An electric utility must provide a monetary credit or other  
10 compensatory mechanism to a subscriber's monthly electric bill for  
11 the proportional output of a community solar garden attributable to  
12 that subscriber. The monetary credit must be equivalent to the  
13 subscriber's applicable retail rate, and be provided for not less  
14 than twenty-five years from the date the community solar garden  
15 becomes interconnected and energized. Subscription credits that  
16 exceed a subscriber's monthly bill must be carried over and applied  
17 to the next month's bill.

18 (4) An electric utility must purchase all unsubscribed  
19 electricity generated by a community solar garden in the electric  
20 utility's service territory for a period of not less than twenty-five  
21 years at the electric utility's avoided cost rate.

22 (5) The number or cumulative generating capacity of community  
23 solar garden facilities is not limited under this section.

24 (6) All environmental attributes associated with a community  
25 solar garden, including but not limited to renewable energy credits  
26 under chapter 19.285 RCW, are considered property of the community  
27 solar garden owner and may be distributed, sold, accumulated, or  
28 retired at the discretion of the community solar garden owner.

29 (7) A subscriber organization that is not subject to the  
30 requirements under RCW 82.16.170 or 80.28.375 must have a process in  
31 place for dispute resolution between the subscriber organization and  
32 its subscribers.

33 NEW SECTION. **Sec. 4.** (1) An electrical company must file a plan  
34 by January 1, 2019, with the commission to operate a community solar  
35 garden program. The commission may approve, disapprove, or modify a  
36 community solar garden program plan as submitted by an electrical  
37 company.

38 (2) An electric utility that is not an electrical company must  
39 file a plan by January 1, 2019, with the department of commerce to

1 operate a community solar garden program. The department of commerce  
2 may approve, disapprove, or modify a community solar garden program  
3 plan as submitted under this subsection.

4 (3) Any community solar garden program plan approved by the  
5 commission or the department of commerce under this section must:

6 (a) Reasonably allow for the creation, financing, and  
7 accessibility of community solar gardens;

8 (b) Establish uniform standards, fees, and processes for the  
9 interconnection of community solar garden facilities that allow the  
10 utility to recover reasonable interconnection costs for each  
11 community solar garden;

12 (c) Be consistent with the public interest;

13 (d) Identify the information that must be provided to potential  
14 subscribers to ensure fair disclosure of future costs and benefits of  
15 subscriptions;

16 (e) Include a program implementation schedule;

17 (f) Identify all proposed rules, fees, and charges;

18 (g) Identify the means by which the program will be promoted; and

19 (h) Include a description of the system used to apply credit to  
20 each subscriber's monthly bill.

21 (4) Within one hundred eighty days of approval of a plan under  
22 this section, an electric utility must begin crediting subscriber  
23 accounts of each community solar garden facility in its service  
24 territory.

25 (5) The commission and department of commerce may coordinate in  
26 developing rules as necessary to implement this chapter. To the  
27 extent practicable, the commission and the department of commerce  
28 must apply the same requirements on community solar garden program  
29 plans, regardless of utility type.

30 (6) A subscriber or subscriber organization may not be considered  
31 an electric utility solely as a result of participation in a  
32 community solar garden program.

33 NEW SECTION. **Sec. 5.** Sections 1 through 4 of this act  
34 constitute a new chapter in Title 80 RCW.

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