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HOUSE BILL 2510

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State of Washington

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By Representatives Morris, Hudgins, and Santos

Read first time 01/10/18. Referred to Committee on Technology & Economic Development.

1 AN ACT Relating to net metering; amending RCW 80.60.010,  
2 80.60.020, and 80.60.030; and adding a new section to chapter 80.60  
3 RCW.

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

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

7 The definitions in this section apply throughout this chapter  
8 unless the context clearly indicates otherwise.

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

11 (2) "Customer-generator" means a user of a net metering system.

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

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

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

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

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

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

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

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

16 (a) Has an electrical generating capacity of not more than one  
17 (~~hundred~~) thousand kilowatts and is sized appropriately for the  
18 customer-generator's specific rate class;

19 (b) Is located on the customer-generator's premises;

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

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

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

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

30 (13) "Public utility district" means a district authorized by  
31 chapter 54.04 RCW.

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

35 (15) "Small utility" has the same meaning as defined in RCW  
36 19.29A.010.

37 **Sec. 2.** RCW 80.60.020 and 2007 c 323 s 2 are each amended to  
38 read as follows:

39 (1) An electric utility:

1 (a) Shall offer to make net metering available to eligible  
2 customers-generators on a first-come, first-served basis until the  
3 cumulative generating capacity of net metering systems equals  
4 ~~((0.25))~~ 0.5 percent of the utility's peak demand during ~~((1996))~~  
5 2006. ~~((On January 1, 2014, the cumulative generating capacity~~  
6 ~~available to net metering systems will equal 0.5 percent of the~~  
7 ~~utility's peak demand during 1996.))~~ Not less than one-half of the  
8 utility's ~~((1996))~~ 2006 peak demand available for net metering  
9 systems shall be reserved for the cumulative generating capacity  
10 attributable to net metering systems that generate renewable energy;

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

17 (i) That the use of additional metering equipment to monitor the  
18 flow of electricity in each direction is necessary and appropriate  
19 for the interconnection of net metering systems, after taking into  
20 account the benefits and costs of purchasing and installing  
21 additional metering equipment; and

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

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

33 (i) The electric utility will incur direct costs associated with  
34 interconnecting or administering net metering systems that exceed any  
35 offsetting benefits associated with these systems; and

36 (ii) Public policy is best served by imposing these costs on the  
37 customer-generator rather than allocating these costs among the  
38 utility's entire customer base.

39 (2) If a production meter and software is required by the  
40 electric utility to provide meter aggregation under RCW 80.60.030(4),

1 the customer-generator is responsible for the purchase of the  
2 production meter and software.

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

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

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

10 (2) If the electricity supplied by the electric utility exceeds  
11 the electricity generated by the customer-generator and fed back to  
12 the electric utility during the billing period, the customer-  
13 generator shall be billed for the net electricity supplied by the  
14 electric utility, in accordance with normal metering practices.

15 (3) If electricity generated by the customer-generator exceeds  
16 the electricity supplied by the electric utility, the customer-  
17 generator:

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

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

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

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

29 (b) Not more than a total of one (~~hundred~~) thousand kilowatts  
30 shall be aggregated among all customer-generators participating in a  
31 generating facility under this subsection.

32 (c) Excess kilowatt-hours credits earned by the net metering  
33 system, during the same billing period, shall be credited equally by  
34 the electric utility to remaining meters located on all premises of a  
35 customer-generator at the designated rate of each meter.

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

38 (5) On April 30th of each calendar year, any remaining unused  
39 kilowatt-hour credit accumulated during the previous year shall be

1 granted to the electric utility, without any compensation to the  
2 customer-generator.

3 NEW SECTION. **Sec. 4.** A new section is added to chapter 80.60  
4 RCW to read as follows:

5 The department of commerce and the Washington State University  
6 extension energy program may coordinate to provide technical  
7 assistance to small utilities for the purpose of implementing this  
8 chapter.

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