

---

**SUBSTITUTE HOUSE BILL 1048**

---

**State of Washington**

**65th Legislature**

**2017 Regular Session**

**By** House Technology & Economic Development (originally sponsored by Representatives Morris, Fitzgibbon, Fey, Hudgins, and Tarleton)

1 AN ACT Relating to promoting a sustainable, local renewable  
2 energy industry through modifying renewable energy system tax  
3 incentives and providing guidance for renewable energy system  
4 component recycling; amending RCW 82.16.120, 82.16.130, 82.08.962,  
5 82.08.963, 82.12.962, and 82.12.963; adding new sections to chapter  
6 82.16 RCW; adding new sections to chapter 80.28 RCW; adding a new  
7 section to chapter 43.180 RCW; adding a new chapter to Title 70 RCW;  
8 creating a new section; and declaring an emergency.

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

10 NEW SECTION. **Sec. 1.** The legislature finds and declares that  
11 stimulating local investment in distributed renewable energy  
12 generation is an important part of a state energy strategy, helping  
13 to increase energy independence from fossil fuels, promote economic  
14 development, hedge against the effects of climate change, and attain  
15 environmental benefits. The legislature intends to increase the  
16 effectiveness of the existing renewable energy investment cost  
17 recovery program by reducing the maximum incentive rate provided for  
18 each kilowatt-hour of electricity generated by a renewable energy  
19 system over the period of the program and by creating opportunities  
20 for broader participation by low-income individuals and others who  
21 may not own the premises where a renewable energy system may be

1 installed. The legislature intends to provide an incentive sufficient  
2 to promote installation of systems through 2020, at which point the  
3 legislature expects that the state's renewable energy industry will  
4 be capable of sustained growth and vitality without the cost recovery  
5 incentive.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.16  
7 RCW to read as follows:

8 (1) This section is the tax preference performance statement for  
9 the tax preference and incentives created under RCW 82.16.130 and  
10 section 6 of this act. This performance statement is only intended to  
11 be used for subsequent evaluation of the tax preference and  
12 incentives. It is not intended to create a private right of action by  
13 any party or be used to determine eligibility for preferential tax  
14 treatment.

15 (2) The legislature categorizes the tax preference created under  
16 RCW 82.16.130 and incentive payments authorized in section 6 of this  
17 act as intended to:

18 (a) Induce participating utilities to make incentive payments to  
19 utility customers who invest in renewable energy systems; and

20 (b) By inducing utilities, nonprofit organizations, and utility  
21 customers to acquire and install renewable energy systems, retain  
22 jobs in the clean energy sector and create additional jobs.

23 (3) The legislature's public policy objectives are to:

24 (a) Increase energy independence from fossil fuels; and

25 (b) Promote economic development through increasing and improving  
26 investment in, development of, and use of clean energy technology in  
27 Washington; and

28 (c) Increase the number of jobs in and enhance the sustainability  
29 of the clean energy technology industry in Washington.

30 (4) It is the legislature's intent to provide the incentives in  
31 section 6 of this act and RCW 82.16.130 in order to ensure the  
32 sustainable job growth and vitality of the state's renewable energy  
33 sector. The purpose of the incentive is to reduce the costs  
34 associated with installing and operating solar energy systems by  
35 persons or entities receiving the incentive.

36 (5) As part of its 2021 tax preference reviews conducted under  
37 chapter 43.136 RCW, the joint legislative audit and review committee  
38 must review the tax preferences and incentives in section 6 of this  
39 act and RCW 82.16.130. The legislature intends for the legislative

1 auditor to determine that the incentive has achieved its desired  
2 outcomes if the following objectives are achieved:

3 (a) Installation of one hundred fifteen megawatts of solar  
4 photovoltaic capacity by participants in the incentive program  
5 between July 1, 2017, and June 30, 2020; and

6 (b) Growth of solar-related employment from 2015 levels, as  
7 evidenced by:

8 (i) An increased per capita rate of solar energy-related jobs in  
9 Washington, which may be determined by consulting a relevant trade  
10 association in the state; or

11 (ii) Achievement of an improved national ranking for solar  
12 energy-related employment and per capita solar energy-related  
13 employment, as reported in a nationally recognized report.

14 (6) In order to obtain the data necessary to perform the review,  
15 the joint legislative audit and review committee may refer to data  
16 collected by the Washington State University extension energy program  
17 and may obtain employment data from the employment security  
18 department.

19 (7) The Washington State University extension energy program must  
20 collect, through the application process, data from persons claiming  
21 the tax credit under RCW 82.16.130 and persons receiving the  
22 incentive payments created in section 6 of this act, as necessary,  
23 and may collect data from other interested persons as necessary to  
24 report on the performance of this act.

25 (8) All recipients of tax credits or incentive payments awarded  
26 under this chapter must provide data necessary to evaluate the tax  
27 preference performance objectives in this section as requested by the  
28 Washington State University extension energy program or the joint  
29 legislative audit and review committee. Failure to comply may result  
30 in the loss of a tax credit award or incentive payment in the  
31 following year.

32 **Sec. 3.** RCW 82.16.120 and 2011 c 179 s 3 are each amended to  
33 read as follows:

34 (1)(a) Any individual, business, local governmental entity, not  
35 in the light and power business or in the gas distribution business,  
36 or a participant in a community solar project may apply to the light  
37 and power business serving the situs of the system, each fiscal year  
38 beginning on July 1, 2005, and ending June 30, 2017, for an

1 investment cost recovery incentive for each kilowatt-hour from a  
2 customer-generated electricity renewable energy system.

3 (b) In the case of a community solar project as defined in RCW  
4 82.16.110(2)(a)(i), the administrator must apply for the investment  
5 cost recovery incentive on behalf of each of the other owners.

6 (c) In the case of a community solar project as defined in RCW  
7 82.16.110(2)(a)(iii), the company owning the community solar project  
8 must apply for the investment cost recovery incentive on behalf of  
9 each member of the company.

10 (2)(a) Before submitting for the first time the application for  
11 the incentive allowed under subsection (4) of this section, the  
12 applicant must submit to the department of revenue and to the climate  
13 and rural energy development center at the Washington State  
14 University, established under RCW 28B.30.642, a certification in a  
15 form and manner prescribed by the department that includes, but is  
16 not limited to, the ~~((following))~~ information~~((+))~~ described in (c)  
17 of this subsection.

18 (b) No person may submit a certification to the department under  
19 (a) of this subsection after June 30, 2017.

20 (c) The certification must include:

21 (i) The name and address of the applicant and location of the  
22 renewable energy system.

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

27 (B) If the applicant is a company that owns a community solar  
28 project as defined in RCW 82.16.110(2)(a)(iii), the certification  
29 must also include the name and address of each member of the company;

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

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

34 (A) Any solar inverters and solar modules manufactured in  
35 Washington state;

36 (B) A wind generator powered by blades manufactured in Washington  
37 state;

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

39 (D) A solar module manufactured in Washington state;

40 (E) A stirling converter manufactured in Washington state; or

1 (F) Solar or wind equipment manufactured outside of Washington  
2 state;

3 (iv) That the electricity can be transformed or transmitted for  
4 entry into or operation in parallel with electricity transmission and  
5 distribution systems; and

6 (v) The date that the renewable energy system received its final  
7 electrical ~~((permit))~~ inspection from the applicable local  
8 jurisdiction.

9 ~~((b))~~ (d) Within thirty days of receipt of the certification  
10 the department of revenue must notify the applicant by mail, or  
11 electronically as provided in RCW 82.32.135, whether the renewable  
12 energy system qualifies for an incentive under this section. The  
13 department may consult with the climate and rural energy development  
14 center to determine eligibility for the incentive. System  
15 certifications and the information contained therein are not  
16 confidential tax information under RCW 82.32.330 and are subject to  
17 disclosure ~~((under RCW 82.32.330(3)(1))~~).

18 (3)(a) By August 1st of each year through August 1, 2017, the  
19 application for the incentive must be made to the light and power  
20 business serving the situs of the system by certification in a form  
21 and manner prescribed by the department that includes, but is not  
22 limited to, the following information:

23 (i) The name and address of the applicant and location of the  
24 renewable energy system.

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

29 (B) If the applicant is a company that owns a community solar  
30 project as defined in RCW 82.16.110(2)(a)(iii), the application must  
31 also include the name and address of each member of the company;

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

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

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

38 (b) Within sixty days of receipt of the incentive certification  
39 the light and power business serving the situs of the system must  
40 notify the applicant in writing whether the incentive payment will be

1 authorized or denied. The business may consult with the climate and  
2 rural energy development center to determine eligibility for the  
3 incentive payment. Incentive certifications and the information  
4 contained therein are not confidential tax information under RCW  
5 82.32.330 and are subject to disclosure (~~under RCW~~  
6 ~~82.32.330(3)(1)~~)).

7 (c)(i) Persons, administrators of community solar projects, and  
8 companies receiving incentive payments must keep and preserve, for a  
9 period of five years, suitable records as may be necessary to  
10 determine the amount of incentive applied for and received. Such  
11 records must be open for examination at any time upon notice by the  
12 light and power business that made the payment or by the department.  
13 If upon examination of any records or from other information obtained  
14 by the business or department it appears that an incentive has been  
15 paid in an amount that exceeds the correct amount of incentive  
16 payable, the business may assess against the person for the amount  
17 found to have been paid in excess of the correct amount of incentive  
18 payable and must add thereto interest on the amount. Interest is  
19 assessed in the manner that the department assesses interest upon  
20 delinquent tax under RCW 82.32.050.

21 (ii) If it appears that the amount of incentive paid is less than  
22 the correct amount of incentive payable the business may authorize  
23 additional payment.

24 (4) Except for community solar projects, the investment cost  
25 recovery incentive may be paid fifteen cents per economic development  
26 kilowatt-hour unless requests exceed the amount authorized for credit  
27 to the participating light and power business. For community solar  
28 projects, the investment cost recovery incentive may be paid thirty  
29 cents per economic development kilowatt-hour unless requests exceed  
30 the amount authorized for credit to the participating light and power  
31 business. For the purposes of this section, the rate paid for the  
32 investment cost recovery incentive may be multiplied by the following  
33 factors:

34 (a) For customer-generated electricity produced using solar  
35 modules manufactured in Washington state or a solar stirling  
36 converter manufactured in Washington state, two and four-tenths;

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

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

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

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

10 (b) Except as provided in (c) through (e) of this subsection (5),  
11 each applicant in a community solar project is eligible for up to  
12 five thousand dollars per year.

13 (c) Where the applicant is an administrator of a community solar  
14 project as defined in RCW 82.16.110(2)(a)(i), each owner is eligible  
15 for an incentive but only in proportion to the ownership share of the  
16 project, up to five thousand dollars per year.

17 (d) Where the applicant is a company owning a community solar  
18 project that has applied for an investment cost recovery incentive on  
19 behalf of its members, each member of the company is eligible for an  
20 incentive that would otherwise belong to the company but only in  
21 proportion to each ownership share of the company, up to five  
22 thousand dollars per year. The company itself is not eligible for  
23 incentives under this section.

24 (e) In the case of a utility-owned community solar project, each  
25 ratepayer that contributes to the project is eligible for an  
26 incentive in proportion to the contribution, up to five thousand  
27 dollars per year.

28 (6) If requests for the investment cost recovery incentive exceed  
29 the amount of funds available for credit to the participating light  
30 and power business, the incentive payments must be reduced  
31 proportionately, unless and until additional funds for credit become  
32 available.

33 (7) The climate and rural energy development center at Washington  
34 State University energy program may establish guidelines and  
35 standards for technologies that are identified as Washington  
36 manufactured and therefore most beneficial to the state's  
37 environment.

38 (8) The environmental attributes of the renewable energy system  
39 belong to the applicant, and do not transfer to the state or the

1 light and power business upon receipt of the investment cost recovery  
2 incentive.

3 (9) No incentive may be paid under this section for kilowatt-  
4 hours generated before July 1, 2005, or after June 30, (~~2020~~) 2017,  
5 except as provided in subsections (11) through (13) of this section.

6 (10) Beginning July 1, 2017, program management, technical  
7 review, and tracking responsibilities of the department under this  
8 section are transferred to the Washington State University extension  
9 energy program. At the earliest date practicable and no later than  
10 June 30, 2017, the department must transfer all records necessary for  
11 the administration of the remaining incentive payments due under this  
12 section to the Washington State University extension energy program.

13 (11) The legislature intends to allow participants in the  
14 renewable energy investment cost recovery program under this section  
15 to continue to receive payments for electricity produced through June  
16 30, 2020, at the rates they anticipated when they first received  
17 notice of eligibility from the department under this section, unless  
18 and until requests for the incentive under this section and section 6  
19 of this act cumulatively exceed the amount of funds available for  
20 credit under RCW 82.16.130.

21 (12) In order to continue to receive the incentive payment  
22 allowed under subsection (4) of this section, a person or community  
23 solar project administrator who has, by June 30, 2017, submitted a  
24 complete certification to the department under subsection (2) of this  
25 section must apply to the Washington State University extension  
26 energy program by April 30, 2018, for a certification authorizing the  
27 utility serving the situs of the renewable energy system to annually  
28 remit the incentive payment allowed under subsection (4) of this  
29 section for each kilowatt-hour generated by the renewable energy  
30 system through June 30, 2020.

31 (13)(a) The Washington State University extension energy program  
32 must establish an application process and form by which to collect  
33 the system operation data described in section 6(7)(c) of this act  
34 from each person or community solar project administrator applying  
35 for a certification under subsection (12) of this section. The  
36 Washington State University extension energy program must notify any  
37 applicant that providing this data is a condition of certification  
38 and that any certification issued pursuant to this section is void as  
39 of June 30, 2018, if the applicant has failed to provide the data by  
40 that date.



1 (b) The Washington State University extension energy program must  
2 collect a one-time fee of one hundred dollars per applicant for  
3 applications under subsection (12) of this section. The Washington  
4 State University extension energy program must deposit all revenue  
5 generated by this fee into the state general fund.

6 (c) Beginning July 1, 2018, the Washington State University  
7 extension energy program must, in a form and manner that is  
8 consistent with the roles and processes established under section  
9 6(18) and (19) of this act, calculate for the year and provide to the  
10 utility the amount of the incentive payment due to each participant  
11 under subsection (12) of this section.

12 **Sec. 4.** RCW 82.16.130 and 2010 c 202 s 3 are each amended to  
13 read as follows:

14 (1) A light and power business (~~(shall be)~~) is allowed a credit  
15 against taxes due under this chapter in an amount equal to  
16 (~~(investment cost recovery)~~):

17 (a) Incentive payments made in any fiscal year under RCW  
18 82.16.120 and section 6 of this act; and

19 (b) Any fees a utility is allowed to recover pursuant to section  
20 6(5) of this act.

21 (2) The credits (~~(shall)~~) must be taken in a form and manner as  
22 required by the department. The credit under this section for the  
23 fiscal year may not exceed (~~(one-half)~~) two percent of the  
24 businesses' taxable power sales generated in calendar year 2014 and  
25 due under RCW 82.16.020(1)(b) or (~~(one)~~) two hundred fifty thousand  
26 dollars, whichever is greater. Incentive payments to participants in  
27 a (~~(utility-owned)~~) community solar project (~~(as defined in RCW~~  
28 82.16.110(2)(a)(ii)) may only account for up to (~~(twenty-five)~~)  
29 forty-five percent of the total allowable credit. Incentive payments  
30 (~~(to participants in a company-owned community solar project as~~  
31 defined in RCW 82.16.110(2)(a)(iii) may only account for up to five  
32 percent of the total)) for electricity produced by commercial-scale  
33 systems may only account for up to twenty-five percent of the  
34 allowable credit.

35 (3) The credit may not exceed the tax that would otherwise be due  
36 under this chapter. Refunds (~~(shall)~~) may not be granted in the place  
37 of credits. Expenditures not used to earn a credit in one fiscal year  
38 may not be used to earn a credit in subsequent years.

1       ~~((2))~~ (4) For any business that has claimed credit for amounts  
2 that exceed the correct amount of the incentive payable under RCW  
3 82.16.120, the amount of tax against which credit was claimed for the  
4 excess payments ~~((shall be))~~ is immediately due and payable. The  
5 department may deduct amounts due from future credits claimed by the  
6 business.

7       (a) Except as provided in (b) of this subsection, the department  
8 ~~((shall))~~ must assess interest but not penalties on the taxes against  
9 which the credit was claimed. Interest ~~((shall))~~ must be assessed at  
10 the rate provided for delinquent excise taxes under chapter 82.32  
11 RCW, retroactively to the date the credit was claimed, and ~~((shall))~~  
12 accrue until the taxes against which the credit was claimed are  
13 repaid.

14       ~~((3))~~ (b) A business is not liable for excess payments made in  
15 reliance on amounts reported by the Washington State University  
16 extension energy program as due and payable as provided under section  
17 6(19) of this act, if such amounts are later found to be abnormal or  
18 inaccurate due to no fault of the business.

19       (5) The amount of credit taken under this section is not  
20 confidential taxpayer information under RCW 82.32.330 and is subject  
21 to disclosure.

22       (6) The right to earn tax credits ~~((under this section))~~ for  
23 incentive payments made under RCW 82.16.120 expires June 30, 2020.  
24 Credits may not be claimed after June 30, 2021.

25       (7) The right to earn tax credits for incentive payments made  
26 under section 6 of this act expires June 30, ~~((2020))~~ 2028. Credits  
27 may not be claimed after June 30, ~~((2021))~~ 2029.

28       (8) The total amount of credits claimed under this section for  
29 incentive payments made under RCW 82.16.120 or section 6 of this act  
30 after June 30, 2017, may not exceed one hundred fifty million  
31 dollars. Credits claimed under this section are available on a first-  
32 in-time basis. By January 1, 2018, and at least every six months  
33 thereafter, the department must submit a report to the appropriate  
34 committees of the legislature on: The total amount of credits that  
35 have been applied for since June 30, 2017; the amount issued; and the  
36 amount remaining before the statewide limit established under this  
37 subsection is reached. In addition, the department must provide  
38 written notice to any business that has applied to claim tax credits  
39 under this section in excess of the statewide limit.

1        NEW SECTION.    **Sec. 5.**    A new section is added to chapter 82.16  
2    RCW to read as follows:

3        The definitions in this section apply throughout this section and  
4    sections 6 and 7 of this act unless the context clearly requires  
5    otherwise.

6        (1) "Administrator" means the utility or other entity that  
7    organizes and administers a community solar project as provided in  
8    sections 6 and 7 of this act.

9        (2) "Certification" means the authorization issued by the  
10   Washington State University extension energy program establishing a  
11   person's eligibility to receive annual incentive payments from the  
12   person's utility for the program term.

13       (3) "Commercial-scale system" means a renewable energy system or  
14   systems other than a community solar project with a combined  
15   nameplate capacity greater than twelve kilowatts that meets the  
16   applicable system eligibility requirements established in section 6  
17   of this act.

18       (4) "Community solar project" means a solar energy system that  
19   has a direct current nameplate generating capacity that is no larger  
20   than one thousand kilowatts and meets the applicable eligibility  
21   requirements established in sections 6 and 7 of this act.

22       (5) "Consumer-owned utility" has the same meaning as in RCW  
23   19.280.020.

24       (6) "Customer-owner" means the owner of a residential-scale or  
25   commercial-scale renewable energy system, where such owner is not a  
26   utility and such owner is a customer of the utility and either owns  
27   the premises where the renewable energy system is installed or  
28   occupies the premises.

29       (7) "Electric utility" or "utility" means a consumer-owned  
30   utility or investor-owned utility as those terms are defined in RCW  
31   19.280.020.

32       (8) "Governing body" has the same meaning as provided in RCW  
33   19.280.020.

34       (9) "Person" means any individual, firm, partnership,  
35   corporation, company, association, agency, or any other legal entity.

36       (10) "Program term" means: (a) For community solar projects,  
37   eight years or until cumulative incentive payments for electricity  
38   produced by the project reach one hundred percent of the total system  
39   price, including applicable sales tax, whichever occurs first; and  
40   (b) for other renewable energy systems, eight years or until

1 cumulative incentive payments for electricity produced by a system  
2 reach fifty percent of the total system price, including applicable  
3 sales tax, whichever occurs first.

4 (11) "Renewable energy system" means a solar energy system,  
5 including a community solar project, an anaerobic digester as defined  
6 in RCW 82.08.900, or a wind generator used for producing electricity.

7 (12) "Residential-scale system" means a renewable energy system  
8 or systems located at a single situs with combined nameplate capacity  
9 of twelve kilowatts or less that meets the applicable system  
10 eligibility requirements established in section 6 of this act.

11 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.16  
12 RCW to read as follows:

13 (1) Beginning July 1, 2017, the following persons may submit a  
14 one-time application to the Washington State University extension  
15 energy program to receive a certification authorizing the utility  
16 serving the situs of a renewable energy system in the state of  
17 Washington to remit an annual production incentive for each kilowatt-  
18 hour of alternating current electricity generated by the renewable  
19 energy system:

20 (a) The utility's customer who is the customer-owner of a  
21 residential-scale or commercial-scale renewable energy system; or

22 (b) The utility or other entity that administers a community  
23 solar project meeting the eligibility requirements outlined in  
24 section 7 of this act and applies for certification on behalf of each  
25 of the project participants.

26 (2) No person, business, or household is eligible to receive  
27 incentive payments provided under subsection (1) of this section of  
28 more than five thousand dollars per year for residential systems or  
29 community solar projects, or twenty-five thousand dollars per year  
30 for commercial-scale systems.

31 (3)(a) No new certification may be issued under this section to  
32 an applicant who submits a request for or receives an annual  
33 incentive payment for a renewable energy system that was certified  
34 under RCW 82.16.120, or for a renewable energy system served by a  
35 utility that has elected not to participate in the incentive program,  
36 as provided in subsection (4) of this section.

37 (b) The Washington State University extension energy program may  
38 issue a new certification for an additional system installed at a  
39 situs with a previously certified system so long as the new system

1 meets the requirements of this section and its production can be  
2 measured separately from the previously certified system.

3 (c) The Washington State University extension energy program may  
4 issue a recertification for a residential-scale or commercial-scale  
5 system if a customer makes investments resulting in an expansion of  
6 the system's nameplate capacity. Such recertification expires on the  
7 same day as the original certification for the residential-scale or  
8 commercial-scale system and applies to the entire system the  
9 incentive rates and program rules in effect as of the date of the  
10 recertification.

11 (4) A utility's participation in the incentive program provided  
12 in this section is voluntary.

13 (a) A utility electing to participate in the incentive program  
14 must notify the Washington State University extension energy program  
15 of such election in writing.

16 (b) The utility may terminate its voluntary participation in the  
17 production incentive program by providing notice in writing to the  
18 Washington State University extension energy program to cease issuing  
19 new certifications for renewable energy systems that would be served  
20 by that utility.

21 (c) Such notice of termination of participation is effective  
22 after fifteen days, at which point the Washington State University  
23 extension energy program may not accept new applications for  
24 certification of renewable energy systems that would be served by  
25 that utility.

26 (d) Upon receiving a utility's notice of termination of  
27 participation in the incentive program, the Washington State  
28 University extension energy program must report on its web site that  
29 customers of that utility are no longer eligible to receive new  
30 certifications under the program.

31 (e) A utility's termination of participation does not affect the  
32 utility's obligation to continue to make annual incentive payments  
33 for electricity generated by systems that were certified prior to the  
34 effective date of the notice. The Washington State University  
35 extension energy program must continue to process and issue  
36 certifications for renewable energy systems that were received by the  
37 Washington State University extension energy program before the  
38 effective date of the notice of termination.

1 (f) A utility that has terminated participation in the program  
2 may resume participation upon filing notice with the Washington State  
3 University extension energy program.

4 (5)(a) The Washington State University extension energy program  
5 may certify a renewable energy system that is connected to equipment  
6 capable of measuring the electricity production of the system and  
7 interconnecting with the utility's system in a manner that allows the  
8 utility, or the customer at the utility's option, to measure and  
9 report to the Washington State University extension energy program  
10 the total amount of electricity produced by the renewable energy  
11 system.

12 (b) The Washington State University extension energy program must  
13 establish a reporting and fee-for-service system to accept  
14 electricity production data from the utility or the customer that is  
15 not reported electronically and with the reporting entity selected at  
16 the utility's option as described in subsection (18) of this section.  
17 The fee-for-service agreement must allow for electronic reporting or  
18 reporting by mail, may be specific to individual utilities, and must  
19 recover only the program's costs of obtaining the electricity  
20 production data and incorporating it into an electronic format. A  
21 statement of the amount due for the fee-for-service must be provided  
22 to the utility by the Washington State University extension energy  
23 program with the report provided to the utility pursuant to  
24 subsection (19)(a) of this section. The utility may determine how to  
25 assess and remit the fee, and the utility may be allowed a credit for  
26 fees paid under this subsection (5) against taxes due, as provided in  
27 RCW 82.16.130(1).

28 (6) The Washington State University extension energy program may  
29 issue a certification authorizing annual incentive payments up to the  
30 following annual dollar limits:

31 (a) For community solar projects, five thousand dollars per  
32 project participant;

33 (b) For residential-scale systems, five thousand dollars; and

34 (c) For commercial-scale systems, twenty-five thousand dollars.

35 (7) To obtain certification under this section, a person must  
36 submit to the Washington State University extension energy program an  
37 application, including:

38 (a) An affidavit that the applicant has not previously received a  
39 notice of eligibility from the department under RCW 82.16.120  
40 entitling the applicant to receive annual incentive payments for

1 electricity generated by the renewable energy system at the same  
2 meter location;

3 (b) An affidavit of the total price, including applicable sales  
4 tax, paid by the applicant for the renewable energy system;

5 (c) System operation data including global positioning system  
6 coordinates, tilt, estimated shading, and azimuth;

7 (d) Any other information the Washington State University  
8 extension energy program deems necessary in determining eligibility  
9 and incentive levels, administering the program, tracking progress  
10 toward achieving the limits on program participation established in  
11 RCW 82.16.130, or facilitating the review of the performance of the  
12 tax preferences by the joint legislative audit and review committee,  
13 as described in section 2 of this act; and

14 (e)(i) Except as provided in (e)(ii) of this subsection (7), the  
15 date that the renewable energy system received its final electrical  
16 inspection from the applicable local jurisdiction, as well as a copy  
17 of the permit or, if the permit is available online, the permit  
18 number.

19 (ii) The Washington State University extension energy program may  
20 waive the requirement in (e)(i) of this subsection (7), accepting an  
21 application and granting provisional certification prior to proof of  
22 final electrical inspection. Provisional certification expires one  
23 hundred eighty days after issuance, unless the applicant submits  
24 proof of the final electrical inspection from the applicable local  
25 jurisdiction or the Washington State University extension energy  
26 program extends the certification, for a term or terms of thirty  
27 days, due to extenuating circumstances.

28 (8) No incentive payments may be authorized or accrued until the  
29 final electrical inspection and executed interconnection agreement  
30 are submitted to the Washington State University extension energy  
31 program.

32 (9) Within thirty days of receipt of the application for  
33 certification, the Washington State University extension energy  
34 program must notify the applicant and, except when a utility is the  
35 applicant, the utility serving the situs of the renewable energy  
36 system, by mail or electronically, whether certification has been  
37 granted. The certification notice must state the rate to be paid per  
38 kilowatt-hour of electricity generated by the renewable energy  
39 system, as provided in subsection (12) of this section, subject to

1 any applicable cap on total annual payment provided in subsection (6)  
2 of this section.

3 (10) Certification is valid for the program term and entitles the  
4 applicant or, in the case of a community solar project, the  
5 participant, to receive incentive payments for electricity generated  
6 from the date the renewable energy system commences operation, or the  
7 date the system is certified, whichever date is later. For purposes  
8 of this subsection, the Washington State University extension energy  
9 program must define when a renewable energy system commences  
10 operation and provide notice of such date to the recipient and the  
11 utility serving the situs of the system. Certification may not be  
12 retroactively changed except to correct later discovered errors that  
13 were made during the original application or certification process.

14 (11)(a) System certification follows the system if the following  
15 conditions are met using procedures established by the Washington  
16 State University extension energy program:

17 (i) The renewable energy system is transferred to a new owner who  
18 notifies the Washington State University extension energy program of  
19 the transfer; and

20 (ii) The new owner provides an executed interconnection agreement  
21 with the utility serving the premises.

22 (b) In the event that a community solar project participant  
23 terminates their participation in a community solar project, the  
24 system certification follows the system and participation may be  
25 transferred to a new participant. The administrator of a community  
26 solar project must provide notice to the Washington State University  
27 extension energy program of any changes or transfers in project  
28 participation.

29 (12) The Washington State University extension energy program  
30 must determine the total incentive rate for a new renewable energy  
31 system certification by adding to the base rate any applicable made-  
32 in-Washington bonus rate. A made-in-Washington bonus rate is provided  
33 for a renewable energy system or a community solar project with solar  
34 modules made in Washington or with a wind turbine or tower that is  
35 made in Washington. Both the base rates and bonus rate vary,  
36 depending on the fiscal year in which the system is certified and the  
37 type of renewable energy system being certified, as provided in the  
38 following table:



1	Fiscal year	Base rate -	Base rate -	Base rate -	Made in
2	of system	residential-scale	commercial-scale	community	Washington
3	certification			solar	bonus
4	2018	\$0.16	\$0.06	\$0.16	\$0.05
5	2019	\$0.14	\$0.04	\$0.14	\$0.05
6	2020	\$0.12	\$0.02	\$0.12	\$0.05
7	2021	\$0.10	\$0.02	\$0.10	\$0.05

8 (13) The Washington State University extension energy program  
9 must cease to issue new certifications:

10 (a) For community solar projects in any fiscal year for which the  
11 Washington State University extension energy program estimates that  
12 forty-five percent of funds for credit available to a utility have  
13 been allocated to community solar projects;

14 (b) For commercial-scale systems in any fiscal year for which the  
15 Washington State University extension energy program estimates that  
16 twenty-five percent of funds for credit available to a utility have  
17 been allocated to commercial-scale systems; and

18 (c) For any renewable energy system served by a utility, if  
19 certification is likely to result in incentive payments by that  
20 utility exceeding the utility's available funds for credit under RCW  
21 82.16.130.

22 (14) If the Washington State University extension energy program  
23 ceases issuing new certifications during a fiscal year or biennium as  
24 provided in subsection (13) of this section, in the following fiscal  
25 year or biennium, or when additional funds are available for credit  
26 such that the thresholds described in subsection (13) of this section  
27 are no longer exceeded, the Washington State University extension  
28 energy program must resume issuing new certifications using a method  
29 of awarding certifications that results in equitable and orderly  
30 allocation of benefits to applicants.

31 (15) In order to begin to receive annual incentive payments, a  
32 person who has been issued a certification for the incentive as  
33 provided in subsection (9) of this section must obtain an executed  
34 interconnection agreement with the utility serving the situs of the  
35 renewable energy system.

36 (16) The Washington State University extension energy program  
37 must establish a list of equipment that is eligible for the bonus  
38 rates described in subsection (12) of this section. The Washington

1 State University extension energy program must, in consultation with  
2 the department of commerce, develop technical specifications and  
3 guidelines to ensure consistent and predictable determination of  
4 eligibility. A solar module is made in Washington for purposes of  
5 receiving the bonus rate only if the lamination of the module takes  
6 place in Washington. A wind turbine is made in Washington only if it  
7 is powered by a turbine or built with a tower manufactured in  
8 Washington.

9 (17) The manufacturer of a renewable energy system component  
10 subject to a bonus rate under subsection (12) of this section may  
11 apply to the Washington State University extension energy program to  
12 receive a determination of eligibility for such bonus rates. The  
13 Washington State University extension energy program must publish a  
14 list of components that have been certified as eligible for such  
15 bonus rates. The Washington State University extension energy program  
16 may assess an equipment certification fee to recover its costs. The  
17 Washington State University extension energy program must deposit all  
18 revenue generated by this fee into the state general fund.

19 (18) Annually, the utility must report electronically to the  
20 Washington State University extension energy program the amount of  
21 gross kilowatt-hours generated by each renewable energy system since  
22 the prior annual report. For the purposes of this section, to report  
23 electronically means to submit statistical or factual information in  
24 alphanumeric form through a web site established by the Washington  
25 State University extension energy program or in a list, table,  
26 spreadsheet, or other nonnarrative format that can be digitally  
27 transmitted or processed. The utility may instead opt to report by  
28 mail or require program participants to report individually, but if  
29 the utility exercises one or more of these options it must negotiate  
30 with the Washington State University extension energy program the  
31 fee-for-service arrangement described in subsection (5)(b) of this  
32 section.

33 (19)(a) The Washington State University extension energy program  
34 must calculate for the year and provide to the utility the amount of  
35 the incentive payment due to each participant and the total amount of  
36 credit against tax due available to the utility under RCW 82.16.130  
37 that has been allocated as annual incentive payments. Upon notice to  
38 the Washington State University extension energy program, a utility  
39 may opt to directly perform this calculation and provide its results  
40 to the Washington State University extension energy program.

1 (b) If the Washington State University extension energy program  
2 identifies an abnormal production claim, it must notify the utility,  
3 the department of revenue, and the applicant, and must recommend  
4 withholding payment until the applicant has demonstrated that the  
5 production claim is accurate and valid. The utility is not liable to  
6 the customer for withholding payments pursuant to such recommendation  
7 unless and until the Washington State University extension energy  
8 program notifies the utility to resume incentive payments.

9 (20)(a) The utility must issue the incentive payment within sixty  
10 days of receipt of the information required under subsection (19)(a)  
11 of this section from the Washington State University extension energy  
12 program. The utility must resume the incentive payments withheld  
13 under subsection (19)(b) of this section within thirty days of  
14 receiving notice from the Washington State University extension  
15 energy program that the claim has been demonstrated accurate and  
16 valid and payment should be resumed.

17 (b) A utility is not liable for incentive payments to a customer-  
18 owner if the utility has disconnected the customer due to a violation  
19 of a customer service agreement, such as nonpayment of the customer's  
20 bill, or a violation of an interconnection agreement.

21 (21) Beginning January 1, 2018, the Washington State University  
22 extension energy program must post on its web site and update at  
23 least monthly a report, by utility, of:

24 (a) The number of certifications issued for renewable energy  
25 systems, including estimated system sizes, costs, and annual energy  
26 production and incentive yields for various system types; and

27 (b) An estimate of the amount of credit that has not yet been  
28 allocated for incentive payments under each utility's credit limit  
29 and remains available for new renewable energy system certifications.

30 (22) Persons receiving incentive payments under this section must  
31 keep and preserve, for a period of five years for the duration of the  
32 consumer contract, suitable records as may be necessary to determine  
33 the amount of incentive payments applied for and received. The  
34 Washington State University extension energy program may direct a  
35 utility to cease issuing incentive payments if the records are not  
36 made available for examination upon request. A utility receiving such  
37 a directive is not liable to the applicant for any incentive payments  
38 or other damages for ceasing payments pursuant to the directive.

39 (23) The nonpower attributes of the renewable energy system  
40 belong to the utility customer who owns or hosts the system or, in

1 the case of a community solar project, the participant, and can be  
2 kept, sold, or transferred at the utility customer's discretion  
3 unless, in the case of a utility-owned system, a contract between the  
4 customer and the utility clearly specifies that the attributes will  
5 be retained by the utility.

6 (24) All lists, technical specifications, determinations, and  
7 guidelines developed under this section must be made publicly  
8 available online by the Washington State University extension energy  
9 program.

10 (25) No certification may be issued under this section after June  
11 30, 2020.

12 (26) The Washington State University extension energy program  
13 must collect a one-time fee for applications submitted under  
14 subsection (1) of this section of one hundred dollars per applicant.  
15 The Washington State University extension energy program must deposit  
16 all revenue generated by this fee into the state general fund. The  
17 Washington State University extension energy program must administer  
18 and budget for the program established in RCW 82.16.120, this  
19 section, and section 7 of this act in a manner that ensures its  
20 administrative costs through June 30, 2022, are completely met by the  
21 revenues from this fee. If the Washington State University extension  
22 energy program determines that the fee authorized in this subsection  
23 is insufficient to cover the administrative costs through June 30,  
24 2022, the Washington State University extension energy program must  
25 report to the legislature on costs incurred and fees collected and  
26 demonstrate why a different fee amount or funding mechanism should be  
27 authorized.

28 (27) The Washington State University extension energy program  
29 may, through a public process, develop any program requirements,  
30 policies, and processes necessary for the administration or  
31 implementation of this section, RCW 82.16.120, and sections 2 and 7  
32 of this act. The department is authorized, in consultation with the  
33 Washington State University extension energy program, to adopt any  
34 rules necessary for administration or implementation of the program  
35 established under this section and section 7 of this act.

36 (28) Applications, certifications, requests for incentive  
37 payments under this section, and the information contained therein  
38 are not deemed tax information under RCW 82.32.330 and are subject to  
39 disclosure.

1        NEW SECTION.    **Sec. 7.**    A new section is added to chapter 82.16  
2    RCW to read as follows:

3        (1)    The purpose of community solar programs is to facilitate  
4    broad, equitable community investment in and access to solar power.  
5    Beginning July 1, 2017, a utility or other entity may organize and  
6    administer a community solar project as provided in this section.

7        (2)    A community solar project must have a direct current  
8    nameplate capacity that is no more than one thousand kilowatts and  
9    must have at least ten participants. A community solar project that  
10   has a direct current nameplate capacity greater than five hundred  
11   kilowatts must be subject to a standard interconnection agreement  
12   with the utility serving the situs of the community solar project.  
13   Except for community solar projects authorized under subsection (9)  
14   of this section, each participant must be a customer of the utility  
15   providing service at the situs of the community solar project.

16       (3)    The administrator of a community solar project must  
17   administer the project in a transparent manner that allows for fair  
18   and nondiscriminatory opportunity for participation by utility  
19   customers.

20       (4)    The administrator of a community solar project may establish  
21   a reasonable fee to cover costs incurred in organizing and  
22   administering the community solar project. Project participants,  
23   prior to making the commitment to participate in the project, must be  
24   given clear and conspicuous notice of the portion of the incentive  
25   payment that will be used for this purpose.

26       (5)    The administrator of a community solar project must maintain  
27   and update annually through June 30, 2031, the following information  
28   for each project it operates or administers:

29        (a)    Ownership information;

30        (b)    Contact information for technical management questions;

31        (c)    Business address;

32        (d)    Project design details, including project location, output  
33   capacity, equipment list, and interconnection information; and

34        (e)    Subscription information, including rates, fees, terms, and  
35   conditions.

36       (6)    The administrator of a community solar project must provide  
37   the information required in subsection (5) of this section to the  
38   Washington State University extension energy program at the time it  
39   submits the application allowed under section 6(1) of this act.

1 (7) The administrator of a community solar project must provide  
2 each project participant with a disclosure form containing all  
3 material terms and conditions of participation in the project,  
4 including but not limited to the following:

5 (a) Plain language disclosure of the terms under which the  
6 project participant's share of any incentive payment will be  
7 calculated by the Washington State University extension energy  
8 program over the life of the contract;

9 (b) Contract provisions regulating the disposition or transfer of  
10 the project participant's interest in the project, including any  
11 potential costs associated with such a transfer;

12 (c) All recurring and nonrecurring charges;

13 (d) A description of the billing and payment procedures;

14 (e) A description of any compensation to be paid in the event of  
15 project underperformance;

16 (f) Current production projections and a description of the  
17 methodology used to develop the projections;

18 (g) Contact information for questions and complaints; and

19 (h) Any other terms and conditions of the services provided by  
20 the administrator.

21 (8) A utility may not adopt rates, terms, conditions, or  
22 standards that unduly or unreasonably discriminate between utility-  
23 administered community solar projects and those administered by  
24 another entity.

25 (9) A public utility district that is engaged in distributing  
26 electricity to more than one retail electric customer in the state  
27 and a joint operating agency organized under chapter 43.52 RCW on or  
28 before January 1, 2017, may enter into an agreement with each other  
29 to construct and own a community solar project that is located on  
30 property owned by a joint operating agency or on property that  
31 receives electric service from a participating public utility  
32 district. Each participant of a community solar project under this  
33 subsection must be a customer of at least one of the public utility  
34 districts that is a party to the agreement with a joint operating  
35 agency to construct and own a community solar project.

36 (10) The Washington utilities and transportation commission must  
37 publish, without disclosing proprietary information, a list of the  
38 following:

1 (a) Entities other than utilities, including affiliates or  
2 subsidiaries of utilities, that organize and administer community  
3 solar projects; and

4 (b) Community solar projects and related programs and services  
5 offered by investor-owned utilities.

6 (11) If a consumer-owned utility opts to provide a community  
7 solar program or contracts with a nonutility administrator to offer a  
8 community solar program, the governing body of the consumer-owned  
9 utility must publish, without disclosing proprietary information, a  
10 list of the nonutility administrators contracted by the utility as  
11 part of its community solar program.

12 (12) A violation of this section constitutes an unfair or  
13 deceptive act in trade or commerce in violation of chapter 19.86 RCW,  
14 the consumer protection act. Acts in violation of this act are not  
15 reasonable in relation to the development and preservation of  
16 business, and constitute matters vitally affecting the public  
17 interest for the purpose of applying the consumer protection act,  
18 chapter 19.86 RCW.

19 (13) Nothing in this section may be construed as intending to  
20 preclude persons from investing in or possessing an ownership  
21 interest in a community solar project, or from applying for and  
22 receiving federal investment tax credits.

23 NEW SECTION. **Sec. 8.** A new section is added to chapter 82.16  
24 RCW to read as follows:

25 (1) Any person who sells a solar module to a customer-owner, or  
26 who receives compensation from a customer-owner in exchange for  
27 installing a solar module for use in a residential-scale system or  
28 commercial-scale system in Washington must provide to the customer-  
29 owner current information regarding the tax incentives available to  
30 the customer-owner under Washington law, including the scheduled  
31 expiration date of any tax incentives and the maximum period of time  
32 during which the customer-owner may benefit from any tax incentives,  
33 based on the law as it existed on the date of sale or installation of  
34 the solar module.

35 (2) The definitions in section 5 of this act apply to this  
36 section.

37 (3) For the purposes of this section, "solar module" has the same  
38 meaning as provided in RCW 82.16.110.

1 (4) The legislature finds that the practices covered by this  
2 section are matters vitally affecting the public interest for the  
3 purpose of applying the consumer protection act, chapter 19.86 RCW. A  
4 violation of this section is not reasonable in relation to the  
5 development and preservation of business and is an unfair or  
6 deceptive act or practice in the conduct of trade or commerce and an  
7 unfair method of competition. Violations of this section may be  
8 enforced by the attorney general under the consumer protection act,  
9 chapter 19.86 RCW.

10 NEW SECTION. **Sec. 9.** A new section is added to chapter 80.28  
11 RCW to read as follows:

12 The definitions in this section apply throughout this section and  
13 section 10 of this act unless the context clearly requires otherwise.

14 (1) "Community solar company" means a person, firm, or  
15 corporation, other than an electric utility or a community solar  
16 cooperative, that owns a community solar project and provides  
17 community solar project services to project participants.

18 (2) "Community solar cooperative" means a cooperative formed  
19 under chapter 23.86 RCW by multiple customers of the utility  
20 providing electrical service to the situs of a community solar  
21 project for the purpose of shared, direct ownership of the community  
22 solar project.

23 (3) "Community solar project" means a solar energy system that  
24 has a direct current nameplate generating capacity that is no larger  
25 than one thousand kilowatts.

26 (4) "Community solar project services" means the provision of  
27 electricity generated by a community solar project, or the provision  
28 of the financial benefits associated with electricity generated by a  
29 community solar project, to multiple project participants, and may  
30 include other services associated with the use of the community solar  
31 project such as system monitoring and maintenance, warranty  
32 provisions, performance guarantees, and customer service.

33 (5) "Electric utility" means a consumer-owned utility or  
34 investor-owned utility as those terms are defined in RCW 19.280.020.

35 (6) "Project participant" means a customer who enters into a  
36 lease, power purchase agreement, loan, or other financial agreement  
37 with a community solar company in order to obtain a beneficial  
38 interest in, other than direct ownership of, a community solar  
39 project.



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

4 NEW SECTION. **Sec. 10.** A new section is added to chapter 80.28  
5 RCW to read as follows:

6 (1) No community solar company may engage in business in this  
7 state except in accordance with the provisions of this chapter.  
8 Engaging in business as a community solar company includes  
9 advertising, soliciting, offering, or entering into an agreement to  
10 own a community solar project and provide community solar project  
11 services to electric utility customers.

12 (2) A community solar company must register with the commission  
13 before engaging in business in this state or applying for  
14 certification from the Washington State University extension energy  
15 program under section 6(1) of this act. Registration with the  
16 commission as a community solar company must occur on an annual  
17 basis. The registration must be on a form prescribed by the  
18 commission and contain that information as the commission may by rule  
19 require, but must include at a minimum:

- 20 (a) The name and address of the community solar company;
- 21 (b) The name and address of the community solar company's  
22 registered agent, if any;
- 23 (c) The name, address, and title of each officer or director;
- 24 (d) The community solar company's most current balance sheet;
- 25 (e) The community solar company's latest annual report, if any;
- 26 (f) A description of the services the community solar company  
27 offers or intends to offer, including financing models; and
- 28 (g) Disclosure of any pending litigation against it.

29 (3) As a precondition to registration, the commission may require  
30 the procurement of a performance bond or other mechanism sufficient  
31 to cover any advances or deposits the community solar company may  
32 collect from project participants or order that the advances or  
33 deposits be held in escrow or trust.

34 (4) The commission may deny registration to any community solar  
35 company that:

- 36 (a) Does not provide the information required by this section;
- 37 (b) Fails to provide a performance bond or other mechanism, if  
38 required;

1 (c) Does not possess adequate financial resources to provide the  
2 proposed service; or

3 (d) Does not possess adequate technical competency to provide the  
4 proposed service.

5 (5) The commission must take action to approve or issue a notice  
6 of hearing concerning any application for registration within thirty  
7 days after receiving the application. The commission may approve an  
8 application with or without a hearing. The commission may deny an  
9 application after a hearing.

10 (6) The commission may charge a community solar company an annual  
11 application fee to recover the cost of processing applications for  
12 registration under this section.

13 (7) The commission may adopt rules that describe the manner by  
14 which it will register a community solar company, ensure that the  
15 terms and conditions of community solar projects or community solar  
16 project services comply with the requirements of this act, establish  
17 the community solar company's responsibilities for responding to  
18 customer complaints and disputes, and adopt annual reporting  
19 requirements. In addition to the application fee authorized under  
20 subsection (6) of this section, the commission may adopt regulatory  
21 fees applicable to community solar companies pursuant to RCW  
22 80.04.080, 80.24.010, and 80.24.020. Such fees may not exceed the  
23 cost of ensuring compliance with this chapter.

24 (8) The commission may suspend or revoke a registration upon  
25 complaint by any interested party, or upon the commission's own  
26 motion after notice and opportunity for hearing, when it finds that a  
27 registered community solar company or its agent has violated this  
28 chapter or the rules of the commission, or that the community solar  
29 company or its agent has been found by a court or governmental agency  
30 to have violated the laws of a state or the United States.

31 (9) For the purpose of ensuring compliance with this chapter, the  
32 commission may issue penalties against community solar companies for  
33 violations of this chapter as provided for public service companies  
34 pursuant to chapter 80.04 RCW.

35 (10) Upon request of the commission, a community solar company  
36 registered under this section must provide information about its  
37 community solar projects or community solar project services.

38 (11) A violation of this section constitutes an unfair or  
39 deceptive act in trade or commerce in violation of chapter 19.86 RCW,  
40 the consumer protection act. Acts in violation of this act are not

1 reasonable in relation to the development and preservation of  
2 business, and constitute matters vitally affecting the public  
3 interest for the purpose of applying the consumer protection act,  
4 chapter 19.86 RCW.

5 (12) For the purposes of RCW 19.86.170, actions or transactions  
6 of a community solar company may not be deemed otherwise permitted,  
7 prohibited, or regulated by the commission.

8 NEW SECTION. **Sec. 11.** (1) **Findings.** The legislature finds that  
9 a convenient, safe, and environmentally sound system for the  
10 recycling of photovoltaic modules, minimization of hazardous waste,  
11 and recovery of commercially valuable materials must be established.  
12 The legislature further finds that the responsibility for this system  
13 must be shared among all stakeholders, with manufacturers financing  
14 the takeback and recycling system.

15 (2) **Definitions.** For purposes of this section the following  
16 definitions apply:

17 (a) "Consumer electronic device" means any device containing an  
18 electronic circuit board that is intended for everyday use by  
19 individuals, such as a watch or calculator.

20 (b) "Department" means the department of ecology.

21 (c) "Manufacturer" means any person in business or no longer in  
22 business but having a successor in interest who, irrespective of the  
23 selling technique used, including by means of distance or remote  
24 sale:

25 (i) Manufactures or has manufactured a photovoltaic module under  
26 its own brand names for sale in or into this state;

27 (ii) Assembles or has assembled a photovoltaic module that uses  
28 parts manufactured by others for sale in or into this state under the  
29 assembler's brand names;

30 (iii) Resells or has resold in or into this state under its own  
31 brand names a photovoltaic module produced by other suppliers,  
32 including retail establishments that sell photovoltaic modules under  
33 their own brand names;

34 (iv) Manufactures or has manufactured a cobranded photovoltaic  
35 module product for sale in or into this state that carries the name  
36 of both the manufacturer and a retailer;

37 (v) Imports or has imported a photovoltaic module into the United  
38 States that is sold in or into this state. However, if the imported  
39 photovoltaic module is manufactured by any person with a presence in

1 the United States meeting the criteria of manufacturer under (a)  
2 through (d) of this subsection, that person is the manufacturer;

3 (vi) Sells at retail a photovoltaic module acquired from an  
4 importer that is the manufacturer and elects to register as the  
5 manufacturer for those products; or

6 (vii) Elects to assume the responsibility and register in lieu of  
7 a manufacturer as defined under (b)(i) through (vi) of this  
8 subsection.

9 (d) "Photovoltaic module" means the smallest nondivisible,  
10 environmentally protected assembly of photovoltaic cells or other  
11 photovoltaic collector technology and ancillary parts intended to  
12 generate electrical power under sunlight, except that "photovoltaic  
13 module" does not include a photovoltaic cell that is part of a  
14 consumer electronic device for which it provides electricity needed  
15 to make the consumer electronic device function. "Photovoltaic  
16 module" includes but is not limited to interconnections, terminals,  
17 and protective devices such as diodes that:

18 (i) Are installed on, connected to, or integral with buildings;  
19 or

20 (ii) Are used as components of freestanding, off-grid, power  
21 generation systems, such as for powering water pumping stations,  
22 electric vehicle charging stations, fencing, street and signage  
23 lights, and other commercial or agricultural purposes.

24 (e) "Rare earth element" means lanthanum, cerium, praseodymium,  
25 neodymium, promethium, samarium, europium, gadolinium, terbium,  
26 dysprosium, holmium, erbium, thulium, ytterbium, lutetium, yttrium,  
27 or scandium.

28 (f) "Reuse" means any operation by which a photovoltaic module or  
29 a component of a photovoltaic module changes ownership and is used  
30 for the same purpose for which it was originally purchased.

31 (g) "Stewardship plan" means the plan developed by a manufacturer  
32 or its designated stewardship organization for a self-directed  
33 stewardship program.

34 (h) "Stewardship program" means the activities conducted by a  
35 manufacturer or a stewardship organization to fulfill the  
36 requirements of this chapter and implement the activities described  
37 in its stewardship plan.

38 (3) **Program guidance, review, and approval.** The department must  
39 develop guidance for a photovoltaic module stewardship and takeback  
40 program to guide manufacturers in preparing and implementing a self-

1 directed program to ensure the convenient, safe, and environmentally  
2 sound takeback and recycling of photovoltaic modules and their  
3 components and materials. By January 1, 2018, the department must  
4 establish a process to develop guidance for photovoltaic module  
5 stewardship plans by working with manufacturers, stewardship  
6 organizations, and other stakeholders on the content, review, and  
7 approval of stewardship plans. The department's process must be fully  
8 implemented and stewardship plan guidance completed by July 1, 2019.

9 (4) **Stewardship organization as agent of manufacturer.** A  
10 stewardship organization may be designated to act as an agent on  
11 behalf of a manufacturer or manufacturers in operating and  
12 implementing the stewardship program required under this chapter. Any  
13 stewardship organization that has obtained such designation must  
14 provide to the department a list of the manufacturers and brand names  
15 that the stewardship organization represents within sixty days of its  
16 designation by a manufacturer as its agent, or within sixty days of  
17 removal of such designation.

18 (5) **Stewardship plans.** Each manufacturer must prepare and submit  
19 a stewardship plan to the department by the later of January 1, 2020,  
20 or within thirty days of its first sale of a photovoltaic module in  
21 or into the state.

22 (a) A stewardship plan must, at a minimum:

23 (i) Describe how manufacturers will finance the takeback and  
24 recycling system, and include an adequate funding mechanism to  
25 finance the costs of collection, management, and recycling of  
26 photovoltaic modules and residuals sold in or into the state by the  
27 manufacturer with a mechanism that ensures that photovoltaic modules  
28 can be delivered to takeback locations without cost to the last owner  
29 or holder;

30 (ii) Accept all photovoltaic modules sold in or into the state  
31 after July 1, 2017;

32 (iii) Describe how the program will minimize the release of  
33 hazardous substances into the environment and maximize the recovery  
34 of other components, including rare earth elements and commercially  
35 valuable materials;

36 (iv) Provide for takeback of photovoltaic modules at locations  
37 that are within the region of the state in which the photovoltaic  
38 modules were used and are as convenient as reasonably practicable,  
39 and if no such location within the region of the state exists,  
40 include an explanation for the lack of such location;

1 (v) Identify how relevant stakeholders, including consumers,  
2 installers, building demolition firms, and recycling and treatment  
3 facilities, will receive information required in order for them to  
4 properly dismantle, transport, and treat the end-of-life photovoltaic  
5 modules in a manner consistent with the objectives described in  
6 (a)(iii) of this subsection;

7 (vi) Establish performance goals, including a goal for the rate  
8 of combined reuse and recycling of collected photovoltaic modules as  
9 a percentage of the total weight of photovoltaic modules collected,  
10 which rate must be no less than eighty-five percent.

11 (b) A manufacturer must implement the stewardship plan.

12 (c) A manufacturer may periodically amend its stewardship plan.  
13 The department must approve the amendment if it meets the  
14 requirements for plan approval outlined in the department's guidance.  
15 When submitting proposed amendments, the manufacturer must include an  
16 explanation of why such amendments are necessary.

17 (6) **Plan approval.** The department must approve a stewardship plan  
18 if it determines the plan addresses each element outlined in the  
19 department's guidance.

20 (7) **Annual report.** (a) Beginning April 1, 2022, and by April 1st  
21 in each subsequent year, a manufacturer, or its designated  
22 stewardship organization, must provide to the department a report for  
23 the previous calendar year that documents implementation of the plan  
24 and assesses achievement of the performance goals established in  
25 subsection (5)(a)(vi) of this section.

26 (b) The report may include any recommendations to the department  
27 or the legislature on modifications to the program that would enhance  
28 the effectiveness of the program, including management of program  
29 costs and mitigation of environmental impacts of photovoltaic  
30 modules.

31 (c) The manufacturer or stewardship organization must post this  
32 report on a publicly accessible web site.

33 (8) **Enforcement.** Beginning January 1, 2021, no manufacturer may  
34 sell or offer for sale a photovoltaic module in or into the state  
35 unless the manufacturer has submitted to the department a stewardship  
36 plan and received plan approval. The department must send a written  
37 warning to a manufacturer that is not participating in a plan. The  
38 written warning must inform the manufacturer that it must submit a  
39 plan or participate in a plan within thirty days of the notice. The  
40 department may assess a penalty of up to ten thousand dollars for

1 each sale of a photovoltaic module in or into the state that occurs  
2 after the initial written warning. A manufacturer may appeal a  
3 penalty issued under this section to the superior court of Thurston  
4 county within one hundred eighty days of receipt of the notice.

5 (9) **Fee.** The department may collect a flat fee from participating  
6 manufacturers to recover costs associated with the plan guidance,  
7 review, and approval process described in subsection (3) of this  
8 section. Other administrative costs incurred by the department for  
9 program implementation activities, including stewardship plan review  
10 and approval, enforcement, and any rule making, may be recovered by  
11 charging every manufacturer an annual fee calculated by dividing  
12 department administrative costs by the manufacturer's pro rata share  
13 of the Washington state photovoltaic module sales in the most recent  
14 preceding calendar year, based on best available information. The  
15 sole purpose of assessing the fees authorized in this subsection is  
16 to predictably and adequately fund the department's costs of  
17 administering the photovoltaic module recycling program.

18 (10) **Account.** The photovoltaic module recycling account is  
19 created in the custody of the state treasurer. All fees collected  
20 from manufacturers under this chapter must be deposited in the  
21 account. Expenditures from the account may be used only for  
22 administering this chapter. Only the director of the department or  
23 the director's designee may authorize expenditures from the account.  
24 The account is subject to the allotment procedures under chapter  
25 43.88 RCW, but an appropriation is not required for expenditures.  
26 Funds in the account may not be diverted for any purpose or activity  
27 other than those specified in this section.

28 (11) **Rule making.** The department may adopt rules as necessary for  
29 the purpose of implementing, administering, and enforcing this  
30 chapter.

31 (12) **National program.** In lieu of preparing a stewardship plan  
32 and as provided by subsection (5) of this section, a manufacturer may  
33 participate in a national program for the convenient, safe, and  
34 environmentally sound takeback and recycling of photovoltaic modules  
35 and their components and materials, if substantially equivalent to  
36 the intent of the state program. The department may determine  
37 substantial equivalence if it determines that the national program  
38 adequately addresses and fulfills each of the elements of a  
39 stewardship plan outlined in subsection (5)(a) of this section and  
40 includes an enforcement mechanism reasonably calculated to ensure a

1 manufacturer's compliance with the national program. Upon issuing a  
2 determination of substantial equivalence, the department must notify  
3 affected stakeholders including the manufacturer. If the national  
4 program is discontinued or the department determines the national  
5 program is no longer substantially equivalent to the state program in  
6 Washington, the department must notify the manufacturer and the  
7 manufacturer must provide a stewardship plan as described in  
8 subsection (5)(a) of this section to the department for approval  
9 within thirty days of notification.

10 NEW SECTION. **Sec. 12.** A new section is added to chapter 43.180  
11 RCW to read as follows:

12 (1) It is the intent of the legislature to investigate methods by  
13 which the state may establish or facilitate financing models that  
14 allow electric utilities in the state to maximize federal tax  
15 incentives and monetize the depreciation of renewable energy systems  
16 and other distributed energy assets, with the goal of providing  
17 improved access to the benefits of these assets to low and moderate  
18 income households as well as broad system benefits to utility  
19 ratepayers and state taxpayers.

20 (2) By December 31, 2017, the commission must prepare and submit  
21 to the appropriate committees of the legislature a report that  
22 assesses financing tools or models for the aggregation, by public or  
23 private entities, of federal tax incentives and other financial  
24 benefits accruing from the installation, ownership, and operation of  
25 renewable energy systems and other distributed energy resources. The  
26 report must:

27 (a) Assess the legal, financial, and economic feasibility of one  
28 or more financing tools or models for the aggregation of federal tax  
29 incentives and other financial benefits accruing from the  
30 installation, ownership, and operation of renewable energy systems  
31 and other distributed energy resources;

32 (b) Consider the state and federal legal aspects of such a  
33 financing tool or model, including considerations of how to structure  
34 the role of the state or any subdivision of the state in a manner  
35 that is consistent with the Constitution of the state of Washington;  
36 and

37 (c) Describe any legislation that may be necessary to facilitate,  
38 implement, or create incentives for the private sector to implement  
39 such a financing tool or model within the state.



1 (3) Beginning July 1, 2018, the commission may implement a  
2 financing tool or model for the aggregation, by public or private  
3 entities, of federal tax incentives and other financial benefits  
4 accruing from the installation, ownership, and operation of renewable  
5 energy systems and other distributed energy resources if the  
6 commission determines that it is legally, financially, and  
7 economically feasible and that it would further the public policy  
8 goals set forth in subsection (1) of this section.

9 **Sec. 13.** RCW 82.08.962 and 2013 2nd sp.s. c 13 s 1502 are each  
10 amended to read as follows:

11 (1)(a) Except as provided in RCW 82.08.963, purchasers who have  
12 paid the tax imposed by RCW 82.08.020 on machinery and equipment used  
13 directly in generating electricity using fuel cells, wind, sun,  
14 biomass energy, tidal or wave energy, geothermal resources, anaerobic  
15 digestion, technology that converts otherwise lost energy from  
16 exhaust, or landfill gas as the principal source of power, or to  
17 sales of or charges made for labor and services rendered in respect  
18 to installing such machinery and equipment, are eligible for an  
19 exemption as provided in this section, but only if the purchaser  
20 develops with such machinery, equipment, and labor a facility capable  
21 of generating not less than one thousand watts of electricity.

22 (b) Beginning on July 1, 2009, through June 30, 2011, the tax  
23 levied by RCW 82.08.020 does not apply to the sale of machinery and  
24 equipment described in (a) of this subsection that are used directly  
25 in generating electricity or to sales of or charges made for labor  
26 and services rendered in respect to installing such machinery and  
27 equipment.

28 (c) Beginning on July 1, 2011, through January 1, 2020, the  
29 amount of the exemption under this subsection (1) is equal to  
30 seventy-five percent of the state and local sales tax paid. The  
31 purchaser is eligible for an exemption under this subsection (1)(c)  
32 in the form of a remittance.

33 (2) For purposes of this section and RCW 82.12.962, the following  
34 definitions apply:

35 (a) "Biomass energy" includes: (i) By-products of pulping and  
36 wood manufacturing process; (ii) animal waste; (iii) solid organic  
37 fuels from wood; (iv) forest or field residues; (v) wooden demolition  
38 or construction debris; (vi) food waste; (vii) liquors derived from  
39 algae and other sources; (viii) dedicated energy crops; (ix)

1 biosolids; and (x) yard waste. "Biomass energy" does not include wood  
2 pieces that have been treated with chemical preservatives such as  
3 creosote, pentachlorophenol, or copper-chrome-arsenic; wood from old  
4 growth forests; or municipal solid waste.

5 (b) "Fuel cell" means an electrochemical reaction that generates  
6 electricity by combining atoms of hydrogen and oxygen in the presence  
7 of a catalyst.

8 (c) "Landfill gas" means biomass fuel, of the type qualified for  
9 federal tax credits under Title 26 U.S.C. Sec. 29 of the federal  
10 internal revenue code, collected from a "landfill" as defined under  
11 RCW 70.95.030.

12 (d)(i) "Machinery and equipment" means fixtures, devices, and  
13 support facilities that are integral and necessary to the generation  
14 of electricity using fuel cells, wind, sun, biomass energy, tidal or  
15 wave energy, geothermal resources, anaerobic digestion, technology  
16 that converts otherwise lost energy from exhaust, or landfill gas as  
17 the principal source of power.

18 (ii) "Machinery and equipment" does not include: (A) Hand-powered  
19 tools; (B) property with a useful life of less than one year; (C)  
20 repair parts required to restore machinery and equipment to normal  
21 working order; (D) replacement parts that do not increase  
22 productivity, improve efficiency, or extend the useful life of  
23 machinery and equipment; (E) buildings; or (F) building fixtures that  
24 are not integral and necessary to the generation of electricity that  
25 are permanently affixed to and become a physical part of a building.

26 (3)(a) Machinery and equipment is "used directly" in generating  
27 electricity by wind energy, solar energy, biomass energy, tidal or  
28 wave energy, geothermal resources, anaerobic digestion, technology  
29 that converts otherwise lost energy from exhaust, or landfill gas  
30 power if it provides any part of the process that captures the energy  
31 of the wind, sun, biomass energy, tidal or wave energy, geothermal  
32 resources, anaerobic digestion, technology that converts otherwise  
33 lost energy from exhaust, or landfill gas, converts that energy to  
34 electricity, and stores, transforms, or transmits that electricity  
35 for entry into or operation in parallel with electric transmission  
36 and distribution systems.

37 (b) Machinery and equipment is "used directly" in generating  
38 electricity by fuel cells if it provides any part of the process that  
39 captures the energy of the fuel, converts that energy to electricity,  
40 and stores, transforms, or transmits that electricity for entry into

1 or operation in parallel with electric transmission and distribution  
2 systems.

3 (4)(a) A purchaser claiming an exemption in the form of a  
4 remittance under subsection (1)(c) of this section must pay the tax  
5 imposed by RCW 82.08.020 and all applicable local sales taxes imposed  
6 under the authority of chapters 82.14 and 81.104 RCW. The purchaser  
7 may then apply to the department for remittance in a form and manner  
8 prescribed by the department. A purchaser may not apply for a  
9 remittance under this section more frequently than once per quarter.  
10 The purchaser must specify the amount of exempted tax claimed and the  
11 qualifying purchases for which the exemption is claimed. The  
12 purchaser must retain, in adequate detail, records to enable the  
13 department to determine whether the purchaser is entitled to an  
14 exemption under this section, including: Invoices; proof of tax paid;  
15 and documents describing the machinery and equipment.

16 (b) The department must determine eligibility under this section  
17 based on the information provided by the purchaser, which is subject  
18 to audit verification by the department. The department must on a  
19 quarterly basis remit exempted amounts to qualifying purchasers who  
20 submitted applications during the previous quarter.

21 (5) The exemption provided by this section expires June 30, 2017,  
22 as it applies to: (a) Machinery and equipment that is used directly  
23 in the generation of electricity using solar energy and capable of  
24 generating no more than five hundred kilowatts of electricity; or (b)  
25 sales of or charges made for labor and services rendered in respect  
26 to installing such machinery and equipment.

27 (6) This section expires January 1, 2020.

28 **Sec. 14.** RCW 82.08.963 and 2013 2nd sp.s. c 13 s 1602 are each  
29 amended to read as follows:

30 (1) The tax levied by RCW 82.08.020 does not apply to sales of  
31 machinery and equipment used directly in generating electricity or  
32 producing thermal heat using solar energy, or to sales of or charges  
33 made for labor and services rendered in respect to installing such  
34 machinery and equipment, but only if the purchaser develops with such  
35 machinery, equipment, and labor a facility capable of generating not  
36 more than ten kilowatts of electricity or producing not more than  
37 three million British thermal units per day and provides the seller  
38 with an exemption certificate in a form and manner prescribed by the  
39 department. The seller must retain a copy of the certificate for the

1 seller's files. For sellers who electronically file their taxes, the  
2 department must provide a separate tax reporting line for exemption  
3 amounts claimed by a buyer under this section.

4 (2) For purposes of this section and RCW 82.12.963:

5 (a) "Machinery and equipment" means industrial fixtures, devices,  
6 and support facilities that are integral and necessary to the  
7 generation of electricity or production and use of thermal heat using  
8 solar energy;

9 (b) "Machinery and equipment" does not include: (i) Hand-powered  
10 tools; (ii) property with a useful life of less than one year; (iii)  
11 repair parts required to restore machinery and equipment to normal  
12 working order; (iv) replacement parts that do not increase  
13 productivity, improve efficiency, or extend the useful life of  
14 machinery and equipment; (v) buildings; or (vi) building fixtures  
15 that are not integral and necessary to the generation of electricity  
16 that are permanently affixed to and become a physical part of a  
17 building;

18 (c) Machinery and equipment is "used directly" in generating  
19 electricity with solar energy if it provides any part of the process  
20 that captures the energy of the sun, converts that energy to  
21 electricity, and stores, transforms, or transmits that electricity  
22 for entry into or operation in parallel with electric transmission  
23 and distribution systems; and

24 (d) Machinery and equipment is "used directly" in producing  
25 thermal heat with solar energy if it uses a solar collector or a  
26 solar hot water system that (i) meets the certification standards for  
27 solar collectors and solar hot water systems developed by the solar  
28 rating and certification corporation; or (ii) is determined by the  
29 Washington State University extension whether a solar collector or  
30 solar hot water system is an equivalent collector or system.

31 (3) The exemption provided by this section for the sales of  
32 machinery and equipment that is used directly in the generation of  
33 electricity using solar energy, or for sales of or charges made for  
34 labor or services rendered in respect to installing such machinery  
35 and equipment, expires June 30, 2017.

36 (4) This section expires June 30, 2018.

37 **Sec. 15.** RCW 82.12.962 and 2013 2nd sp.s. c 13 s 1505 are each  
38 amended to read as follows:

1           (1)(a) Except as provided in RCW 82.12.963, consumers who have  
2 paid the tax imposed by RCW 82.12.020 on machinery and equipment used  
3 directly in generating electricity using fuel cells, wind, sun,  
4 biomass energy, tidal or wave energy, geothermal resources, anaerobic  
5 digestion, technology that converts otherwise lost energy from  
6 exhaust, or landfill gas as the principal source of power, or to  
7 sales of or charges made for labor and services rendered in respect  
8 to installing such machinery and equipment, are eligible for an  
9 exemption as provided in this section, but only if the purchaser  
10 develops with such machinery, equipment, and labor a facility capable  
11 of generating not less than one thousand watts of electricity.

12           (b) Beginning on July 1, 2009, through June 30, 2011, the  
13 provisions of this chapter do not apply in respect to the use of  
14 machinery and equipment described in (a) of this subsection that are  
15 used directly in generating electricity or to sales of or charges  
16 made for labor and services rendered in respect to installing such  
17 machinery and equipment.

18           (c) Beginning on July 1, 2011, through January 1, 2020, the  
19 amount of the exemption under this subsection (1) is equal to  
20 seventy-five percent of the state and local sales tax paid. The  
21 consumer is eligible for an exemption under this subsection (1)(c) in  
22 the form of a remittance.

23           (2)(a) A person claiming an exemption in the form of a remittance  
24 under subsection (1)(c) of this section must pay the tax imposed by  
25 RCW 82.12.020 and all applicable local use taxes imposed under the  
26 authority of chapters 82.14 and 81.104 RCW. The consumer may then  
27 apply to the department for remittance in a form and manner  
28 prescribed by the department. A consumer may not apply for a  
29 remittance under this section more frequently than once per quarter.  
30 The consumer must specify the amount of exempted tax claimed and the  
31 qualifying purchases or acquisitions for which the exemption is  
32 claimed. The consumer must retain, in adequate detail, records to  
33 enable the department to determine whether the consumer is entitled  
34 to an exemption under this section, including: Invoices; proof of tax  
35 paid; and documents describing the machinery and equipment.

36           (b) The department must determine eligibility under this section  
37 based on the information provided by the consumer, which is subject  
38 to audit verification by the department. The department must on a  
39 quarterly basis remit exempted amounts to qualifying consumers who  
40 submitted applications during the previous quarter.

1 (3) Purchases exempt under RCW 82.08.962 are also exempt from the  
2 tax imposed under RCW 82.12.020.

3 (4) The definitions in RCW 82.08.962 apply to this section.

4 (5) The exemption provided in subsection (1) of this section does  
5 not apply:

6 (a) To machinery and equipment used directly in the generation of  
7 electricity using solar energy and capable of generating no more than  
8 five hundred kilowatts of electricity, or to sales of or charges made  
9 for labor and services rendered in respect to installing such  
10 machinery and equipment, when first use within this state of such  
11 machinery and equipment, or labor and services, occurs after June 30,  
12 2017; and

13 (b) To any other machinery and equipment described in subsection  
14 (1)(a) of this section, or to sales of or charges made for labor and  
15 services rendered in respect to installing such machinery or  
16 equipment, when first use within this state of such machinery and  
17 equipment, or labor and services, occurs after December 31, 2019.

18 (6) This section expires January 1, 2020.

19 **Sec. 16.** RCW 82.12.963 and 2013 2nd sp.s. c 13 s 1603 are each  
20 amended to read as follows:

21 (1) The provisions of this chapter do not apply with respect to  
22 machinery and equipment used directly in generating not more than ten  
23 kilowatts of electricity or producing not more than three million  
24 British thermal units per day using solar energy, or to the use of  
25 labor and services rendered in respect to installing such machinery  
26 and equipment.

27 (2) The definitions in RCW 82.08.963 apply to this section.

28 (3) The exemption provided by this section does not apply:

29 (a) To the use of machinery and equipment used directly in the  
30 generation of electricity using solar energy, or to the use of labor  
31 and services rendered in respect to installing such machinery and  
32 equipment, when first use within this state of such machinery and  
33 equipment, or labor and services, occurs after June 30, 2017; and

34 (b) To the use of any machinery or equipment used directly in  
35 producing thermal heat using solar energy, or to the use of labor and  
36 services rendered in respect to installing such machinery or  
37 equipment, when first use within this state of such machinery and  
38 equipment, or labor and services, occurs after June 30, 2018.

39 (4) This section expires June 30, 2018.

1        NEW SECTION.    **Sec. 17.**    Section 11 of this act constitutes a new  
2 chapter in Title 70 RCW.

3        NEW SECTION.    **Sec. 18.**    This act is necessary for the immediate  
4 preservation of the public peace, health, or safety, or support of  
5 the state government and its existing public institutions, and takes  
6 effect immediately.

--- END ---