

# FINAL BILL REPORT

## E2SSB 5223

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C 235 L 19  
Synopsis as Enacted

**Brief Description:** Concerning net metering.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Palumbo, Rivers, Rolfes, King, Carlyle, Mullet, McCoy, Wellman, Das, Nguyen, Randall, Frockt, Salomon, Keiser, Wilson, C., Kuderer, Darneille, Cleveland, Saldaña, Dhingra, Pedersen, Conway and Van De Wege).

**Senate Committee on Environment, Energy & Technology**  
**Senate Committee on Ways & Means**  
**House Committee on Environment & Energy**

**Background:** Net Metering. Net metering allows electricity customers to offset their consumption of purchased electricity with electricity generated by their own small-scale, renewable systems. Net-metered electricity is valued at the utility's retail rate. Under current law, a net-metering system must be located on a customer's premises and must generate no more than 100 kilowatts (kW) using cogeneration, fuel cells, water, wind, solar energy, or biogas. On April 30th of each year, any remaining unused kWh credit accumulated during the previous year must be granted to the utility without compensation to the customer.

Electric utilities must offer to make net metering available to eligible customer-generators on a first-come, first-served basis until the cumulative generating capacity of net metering systems equals 0.5 percent of the utility's peak demand during 1996. As of December 2018, 20 utilities have exceeded the 0.5 percent threshold.

Meter Aggregation. An electric utility must provide meter aggregation for net metering customer-generators within the utility's service territory upon request by the customer-generator. Meter aggregation is the administrative combination of readings from and billing for all meters, regardless of the rate class, on premises owned or leased by a customer-generator located within the service territory of a single electric utility. Premises is defined as any residential property, commercial real estate, or lands, owned or leased by a customer-generator within the service area of a single electric utility.

Information Required on Customer Billings. Any customer billing issued by a light or power business that serves more than 20,000 customers in Washington must include:

- the rates and amounts of taxes paid directly by the customer on products or services from the light and power business; and

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- the rate, origin, and approximate amount of each tax levied on revenues of the light and power business.

**Summary:** Net Metering. An electric utility must offer to continue to make net metering available to eligible customer-generators on a first-come, first-served basis until the earlier of either:

- June 30, 2029; or
- the first date upon which the cumulative generating capacity of net metering systems equals 4 percent of the utility's peak demand during 1996.

A consumer-owned utility (COU) may apply to its governing body to develop a standard rate or tariff schedule that deviates from net metering under current law and must notify the Washington State University extension energy program (WSU energy program) to provide public notice 60 days in advance of when an alternative standard rate is placed on the agenda of the governing body.

An investor-owned utility (IOU) may submit a filing to the Utilities and Transportation Commission (UTC) to develop a tariff schedule that deviates from net metering under current law. The UTC must approve, reject, or approve with conditions an alternative net metering tariff schedule within one-hear of an IOU filing. UTC may determine a threshold if it does not approve an IOU alternative tariff schedule.

Beginning July 31, 2020, and semiannually thereafter, each electric utility must provide notice to the WSU energy program of the current status of meeting the 4 percent threshold. Additionally, the WSU energy program must make related information available on its website.

The UTC, in the case of an investor-owned utility, or the governing body, in the case of a consumer-owned utility, must determine as part of a net metering standard rate or tariff schedule when customer-generators become ineligible for credit under current net metering.

Upon adoption of a net metering standard rate or tariff schedule by the UTC or governing body, an electric utility is exempt from the requirement to charge a new customer-generator a minimum monthly fee that is the same as other customers of the electric utility in the same rate class without any other additional fees or charges.

On March 31st, rather than April 30th, of each calendar year, any unused credits for kilowatt-hours accumulated during the previous year must be granted to the electric utility, without any compensation to the customer-generator.

Meter Aggregation. A customer-generator may aggregate a designated meter—the meter for the net metering system—and an additional aggregated meter located on the same parcel or on a contiguous parcel. A retail electric customer who is a customer-generator and receives retail electric service from a utility at an aggregated meter must also be the customer who receives service at the designated meter where the net metering system is located.

Nothing in the bill prohibits the following:

- a utility from allowing aggregation under terms if an existing arrangement is in effect on or before July 1, 2019; or
- the owner of a multifamily residential facility from installing a net metering system assigned to a single designated meter located on the premises of the facility, where the tenants are not individually metered customers of the utility, and distributing any benefits to the tenants.

Information Required on Customer Billings. All electric or gas utilities in Washington that serve more than 20,000 customers are required to include the total amount of kWh of electricity consumed for the most recent 12-month period on customer bills, or other information that provides the customer with their energy usage for this same period. These utilities may also include information regarding rates over the most recent 12-month period.

Consuming Self-Generated Electricity. Except when required under the federal Public Utility Regulatory Policies Act, an electric utility may not establish compensation arrangements or interconnection requirements, other than net metering, that would have the effect of prohibiting or restricting a customer's ability to consume the electricity it self-generates or stores on its premises.

The State Building Code Council Study. The State Building Code Council, in consultation with the Department of Commerce and local governments, is required to conduct a study of the building code and adopt changes necessary to encourage greater use of renewable energy systems.

**Votes on Final Passage:**

Senate	29	19	
House	55	40	(House amended)
Senate	29	20	(Senate concurred)

**Effective:** July 28, 2019