

2SSB 5223 - S AMD 126

By Senator Rivers

ADOPTED 03/04/2019

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

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

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

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

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

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

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

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

19 (6) "Irrigation district" means an irrigation district under
20 chapter 87.03 RCW.

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

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

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

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

5 (a) Has an electrical generating nameplate capacity of not more
6 than one hundred kilowatts;

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

8 (c) Operates in parallel with the electric utility's transmission
9 and distribution facilities and is connected to the electric
10 utility's distribution system; and

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

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

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

19 (13) "Public utility district" means a district authorized by
20 chapter 54.04 RCW.

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

24 (15) "Aggregated meter" means an electric service meter measuring
25 electric energy consumption that is eligible to receive credits under
26 a meter aggregation arrangement as described in RCW 80.60.030.

27 (16) "Consumer-owned utility" means a municipal electric utility
28 formed under Title 35 RCW, a public utility district formed under
29 Title 54 RCW, an irrigation district formed under chapter 87.03 RCW,
30 a cooperative formed under chapter 23.86 RCW, or a mutual corporation
31 or association formed under chapter 24.06 RCW, that is engaged in the
32 business of distributing electricity to more than one retail electric
33 customer in the state.

34 (17) "Designated meter" means an electric service meter at the
35 service of a net metering system that is interconnected to the
36 utility distribution system.

37 (18) "Investor-owned utility" means a company owned by investors
38 that meets the definition of "corporation" in RCW 80.04.010 and is
39 engaged in distributing electricity to more than one retail electric
40 customer in the state.

1 (19) "Retail electric customer" includes an individual,
2 organization, group, association, partnership, corporation, agency,
3 unit of state government, or entity that is connected to the electric
4 utility's distribution system and purchases electricity for ultimate
5 consumption and not for resale.

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

8 (1) An electric utility:

9 (a) Shall offer to make net metering, pursuant to RCW 80.60.030,
10 available to eligible customers-generators on a first-come, first-
11 served basis until the ~~((cumulative generating capacity of net~~
12 ~~metering systems equals 0.25 percent of the utility's peak demand~~
13 ~~during 1996. On January 1, 2014, the cumulative generating capacity~~
14 ~~available to net metering systems will equal 0.5 percent of the~~
15 ~~utility's peak demand during 1996)) earlier of either: (i) June 30,~~

16 2029; or (ii) until the cumulative generating capacity available to
17 net metering systems pursuant to RCW 80.60.030 equals four percent of
18 the utility's peak demand during 1996. Not less than one-half of the
19 utility's 1996 peak demand available for net metering systems shall
20 be reserved for the cumulative generating capacity attributable to
21 net metering systems that generate renewable energy;

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

28 (i) That the use of additional metering equipment to monitor the
29 flow of electricity in each direction is necessary and appropriate
30 for the interconnection of net metering systems, after taking into
31 account the benefits and costs of purchasing and installing
32 additional metering equipment; and

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

36 (c) Shall charge the customer-generator a minimum monthly fee
37 that is the same as other customers of the electric utility in the
38 same rate class, but shall not charge the customer-generator any
39 additional standby, capacity, interconnection, or other fee or charge

1 unless the commission, in the case of an electrical company, or the
2 appropriate governing body, in the case of other electric utilities,
3 determines, after appropriate notice and opportunity for comment
4 that:

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

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

11 (2) If a production meter and software is required by the
12 electric utility to provide meter aggregation under RCW 80.60.030(4),
13 the customer-generator is responsible for the purchase of the
14 production meter and software.

15 (3) (a) (i) An electric utility must provide net metering pursuant
16 to RCW 80.60.030 to eligible customer-generators until the earlier of
17 either: (A) June 30, 2029; or (B) until the cumulative generating
18 capacity available to net metering systems pursuant to RCW 80.60.030
19 equals four percent of the utility's peak demand during 1996.

20 (ii) A consumer-owned utility may develop a standard rate or
21 tariff schedule that deviates from RCW 80.60.030 for eligible
22 customer-generators to take effect either upon reaching four percent
23 of the cumulative generating capacity available to net metering
24 systems pursuant to subsection (1) of this section or after June 30,
25 2029, whichever is earlier.

26 (iii) An investor-owned utility may submit a filing with the
27 commission to develop a standard tariff schedule that deviates from
28 RCW 80.60.030 for eligible customer-generators. The commission must
29 approve, reject, or approve with conditions an alternative net
30 metering tariff schedule within one year of an investor-owned utility
31 filing. If the commission approves the filing with conditions, the
32 investor-owned utility may choose to accept the tariff schedule with
33 conditions or file a new tariff schedule with the commission.

34 (b) An approved alternative standard rate or tariff schedule
35 applies to any customer-generator subject to an interconnection
36 agreement entered into: (i) After June 30, 2029, or (ii) the first
37 date upon which the cumulative generating capacity available to net
38 metering systems pursuant to RCW 80.60.030 equals four percent of the
39 utility's peak demand during 1996, whichever is earlier, unless the
40 commission or governing body determines that a customer-generator is

1 eligible for net metering under a rate or tariff schedule pursuant to
2 RCW 80.60.030.

3 (c) (i) A consumer-owned utility must notify the Washington State
4 University extension energy program sixty days in advance of when a
5 standard rate for an eligible customer-generator is first placed on
6 the agenda of the governing body.

7 (ii) Each electric utility must give notice by July 31, 2020, and
8 semiannually thereafter, to the Washington State University extension
9 energy program of the current status of meeting the cumulative
10 generating capacity available to net metering systems pursuant to
11 subsection (1) (a) of this section.

12 (iii) The Washington State University extension energy program
13 must make available on its web site a list of the following:

14 (A) Each electric utility's progress on reaching the cumulative
15 generating capacity available to net metering systems pursuant to
16 subsection (1) (a) of this section;

17 (B) Electric utilities that have provided notice of an
18 alternative rate or tariff schedule under this subsection; and

19 (C) Electric utilities that have adopted an alternative standard
20 rate or tariff schedule under this subsection.

21 (d) If the commission does not approve an investor-owned
22 utility's alternative tariff schedule under (a) (iii) of this
23 subsection, the commission may determine the alternative cumulative
24 generating capacity available to net metering systems pursuant to RCW
25 80.60.030.

26 (4) (a) An electric utility must continue to credit a customer-
27 generator pursuant to RCW 80.60.030 if:

28 (i) The customer-generator takes service under net metering prior
29 to the earlier of: (A) June 30, 2029; or (B) the cumulative
30 generating capacity available to net metering systems pursuant to RCW
31 80.60.030 reaches four percent of the utility's peak demand in 1996;
32 and

33 (ii) The customer-generator's existing interconnection agreement
34 for the net metering system remains valid.

35 (b) The commission, in the case of investor-owned utilities, and
36 a governing body, in the case of consumer-owned utilities, must
37 determine as part of an alternative standard rate or tariff schedule
38 under this subsection when customer-generators become ineligible for
39 credit pursuant to RCW 80.60.030.

1 (c) Upon adoption of a standard rate or tariff schedule by the
2 commission or governing body pursuant to subsection (3)(a) of this
3 section, the electric utility is exempt from requirements under
4 subsection (1)(c) of this section and RCW 80.60.030 for new
5 interconnection agreements.

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

8 Consistent with the other provisions of this chapter, the net
9 energy measurement, billed kilowatt-hour consumption charges, and
10 kilowatt-hour credit for excess generation by a net metered system,
11 must be calculated in the following manner:

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

15 (2) If the electricity supplied by the electric utility exceeds
16 the electricity generated by the customer-generator's net metering
17 system and fed back to the electric utility during the billing
18 period, the customer-generator shall be billed for the net
19 electricity supplied by the electric utility, in accordance with
20 normal metering practices.

21 (3) If excess electricity generated by the ~~((customer-generator))~~
22 net metering system during a billing period exceeds the electricity
23 supplied by the electric utility during the same billing period, the
24 customer-generator:

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

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

30 (4) If a customer-generator requests, an electric utility shall
31 provide such a customer-generator meter aggregation.

32 (a) For a customer-generator~~((s))~~ participating in meter
33 aggregation, kilowatt-hours credits earned by ~~((a))~~ the customer-
34 generator's net metering system during the billing period first shall
35 be used to offset electricity supplied by the electric utility at the
36 location of the customer-generator's designated meter.

37 ~~((Not more than a total of one hundred kilowatts shall be~~
38 ~~aggregated among all customer-generators participating in a~~
39 ~~generating facility under this subsection.~~

1 ~~(e))~~ A customer-generator may aggregate a designated meter with
2 one additional aggregated meter located on the same parcel as the
3 designated meter or a parcel that is contiguous with the parcel where
4 the designated meter is located.

5 (c) For the purposes of (b) of this subsection, a parcel is
6 considered contiguous if they share a common property boundary, but
7 may be separated only by a road or rail corridor.

8 (d) A retail electric customer who is a customer-generator and
9 receives retail electric service from an electric utility at an
10 aggregated meter must be the same retail electric customer who
11 receives retail electric service from such an electric utility at the
12 designated meter that is located on the premises where such a
13 customer-generator's net metering system is located.

14 (e) Excess kilowatt-hours credits earned by the net metering
15 system(~~(r)~~) at the site of a designated meter during (~~the same~~) a
16 billing period(~~(r)~~) shall be credited (~~equally~~) by the electric
17 utility (~~to remaining meters located on all premises of a customer-~~
18 generator) for kilowatt hour charges due at the aggregated meter at
19 the (~~designated~~) applicable rate of (~~each~~) the aggregated meter.

20 ~~((d))~~ (f) If credits generated in any billing period exceed
21 total consumption for that billing period at both meters that are
22 part of an aggregated arrangement, credits are retained pursuant to
23 subsections (3) and (5) of this section.

24 (g) Credits carried over from one billing period to the next
25 pursuant to (f) of this subsection must be applied in subsequent
26 billing periods in the same manner described under (a) and (e) of
27 this subsection.

28 (h) Meters so aggregated shall not change rate classes due to
29 meter aggregation under this section.

30 (5) On (~~April 30th~~) March 31st of each calendar year, any
31 remaining unused kilowatt-hour credit accumulated during the previous
32 year shall be granted to the electric utility, without any
33 compensation to the customer-generator.

34 (6) Nothing in this section prohibits a utility from allowing
35 aggregation under terms different than the requirements of subsection
36 (4) of this section if a customer-generator has an existing
37 arrangement for meter aggregation in effect or a customer submits a
38 written request for aggregation on or before July 1, 2019.

39 (7) Nothing in this section prohibits the owner of multifamily
40 residential facility from installing a net metering system as defined

1 in RCW 80.60.010 assigned to a single designated meter located on the
2 premises of the multifamily residential facility where the tenants
3 are not individually metered customers of the utility and
4 distributing any benefits of the net metering to tenants of the
5 facility where the net metering system is located. The utility must
6 measure the net energy produced and provide credit to the single
7 designated meter to which the net metering system is assigned in
8 accordance with subsections (1) through (3) of this section or under
9 the terms of a standard rate or tariff schedule established under RCW
10 80.60.020(3). The distribution of benefits to tenants of such a
11 system, if any, is the responsibility of the owner of the net
12 metering system and not the responsibility of the utility.

13 **Sec. 4.** RCW 80.60.040 and 2006 c 201 s 4 are each amended to
14 read as follows:

15 (1) A net metering system used by a customer-generator shall
16 include, at the customer-generator's own expense, all equipment
17 necessary to meet applicable safety, power quality, and
18 interconnection requirements established by the national electrical
19 code, national electrical safety code, the institute of electrical
20 and electronics engineers, and underwriters laboratories.

21 (2) The commission, in the case of an electrical company, or the
22 appropriate governing body, in the case of other electric utilities,
23 after appropriate notice and opportunity for comment, may adopt by
24 regulation additional safety, power quality, and interconnection
25 requirements for customer-generators, including limitations on the
26 number of customer-generators and total capacity of net metering
27 systems that may be interconnected to any distribution feeder line,
28 circuit, or network that the commission or governing body determines
29 are necessary to protect public safety and system reliability.

30 (3) An electric utility may not require a customer-generator
31 whose net metering system meets the standards in subsections (1) and
32 (2) of this section to comply with additional safety or performance
33 standards, perform or pay for additional tests, or purchase
34 additional liability insurance. However, an electric utility shall
35 not be liable directly or indirectly for permitting or continuing to
36 allow an attachment of a net metering system, or for the acts or
37 omissions of the customer-generator that cause loss or injury,
38 including death, to any third party.

1 (4) Except when required under the federal public utility
2 regulatory policies act, an electric utility may not establish
3 compensation arrangements or interconnection requirements, other than
4 those permitted in this chapter, for a customer-generator that would
5 have the effect of prohibiting or restricting the ability of a
6 customer-generator to generate or store electricity for consumption
7 on its premises.

8 **Sec. 5.** RCW 82.16.090 and 1988 c 228 s 1 are each amended to
9 read as follows:

10 Any customer billing issued by a light or power business or gas
11 distribution business that serves a total of more than twenty
12 thousand customers and operates within the state shall include the
13 following information:

14 (1) The rates and amounts of taxes paid directly by the customer
15 upon products or services rendered by the light and power business or
16 gas distribution business; ~~((and))~~

17 (2) The rate, origin and approximate amount of each tax levied
18 upon the revenue of the light and power business or gas distribution
19 business and added as a component of the amount charged to the
20 customer. Taxes based upon revenue of the light and power business or
21 gas distribution business to be listed on the customer billing need
22 not include taxes levied by the federal government or taxes levied
23 under chapters 54.28, 80.24, or 82.04 RCW; and

24 (3) The total amount of kilowatt-hours of electricity consumed
25 for the most recent twelve-month period or other information that
26 provides the customer with information regarding their energy usage
27 over a twelve-month period.

28 NEW SECTION. **Sec. 6.** A new section is added to chapter 19.27
29 RCW to read as follows:

30 The state building code council, in consultation with the
31 department of commerce and local governments, shall conduct a study
32 of the state building code and adopt changes necessary to encourage
33 greater use of renewable energy systems as defined in RCW 82.16.110."

ADOPTED 03/04/2019

1 On page 1, beginning on line 1 of the title, after "metering;"
2 strike the remainder of the title and insert "amending RCW 80.60.010,
3 80.60.020, 80.60.030, 80.60.040, and 82.16.090; and adding a new
4 section to chapter 19.27 RCW."

EFFECT: Creates a process for each electric utility to create a new standard rate or tariff schedule once June 30, 2029, or the 4 percent for the cumulative generating capacity available for net metering systems is reached, whichever comes first. Investor-owned utilities may apply to the utilities and transportation commission. Consumer-owned utilities may apply to their governing body upon reaching 4 percent and must notify the Washington State University extension energy program to provide public notice.

Clarifies when a customer-generator may aggregate meters.

Removes the requirement that any unused kWh credits on March 31st are required to be used to assist low-income residential utility customers.

Adds that an electric utility must provide the total amount of kilowatt-hours of electricity consumed over a 12-month period, or other information that provides the customer with their energy usage for this same period.

Prohibits an electric utility from establishing compensation arrangements or interconnection requirements, other than net metering, that would have the effect of prohibiting or limiting a customer's ability to consume the electricity it self-generates or stores on its premises.

Removes the work group convened by the department of commerce to identify when compensation changes for net metering systems are warranted.

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