

SENATE BILL REPORT

SB 5280

As of February 10, 2019

Title: An act relating to community solar gardens.

Brief Description: Concerning community solar gardens.

Sponsors: Senators McCoy, Hasegawa and Palumbo.

Brief History:

Committee Activity: Environment, Energy & Technology: 2/12/19.

Brief Summary of Bill

- Establishes requirements for operating and administering community solar gardens.
- Directs electric utilities to create community solar garden plans.
- Defines community solar garden as a facility generating electricity by means of a ground-mounted or roof-mounted solar photovoltaic device where subscribers receive a bill credit for electricity generated proportionate to their subscription size.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Staff: Kimberly Cushing (786-7421)

Background: Renewable Energy Production Incentive Program. In 2017, the Legislature established the Renewable Energy Production Incentive Program (Production Incentive Program). Under the Production Incentive Program, a person that owns a renewable energy system, an administrator of a community solar project, or a utility or business under contract with a utility administering a shared commercial solar project, may apply to the Washington State University Extension Energy Program (WSU Energy Program) for certification establishing the applicant's eligibility to receive an annual production incentive payment for each kilowatt-hour of alternating current electricity generated by the system.

Community Solar Projects. In 2017, the Legislature directed community solar projects may be up to 1000 kilowatts (kW) in size and must have at least ten participants, or one

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participant for every 10 kW, all of whom must be customers of the utility providing service at the project's location. A utility or nonprofit must administer the project in a transparent manner. The purpose of a community solar project is to facilitate broad, equitable community investment in and access to solar power. A utility or nonprofit organization may establish a reasonable fee to cover its costs and must give project participants clear and conspicuous notice of the portion of the incentive payment that will be assessed as a fee.

Community Solar Companies. In 2017, the Legislature defined a community solar company as a person, firm, or corporation, other than an electric utility, that owns a community solar project and provides related services to project participants. A community solar company must register with the Utilities and Transportation Commission (UTC) before engaging in business in the state or applying for certification from the WSU Energy Program under the Production Incentive Program.

The UTC may adopt rules for registering a community solar company and annual reporting requirements, as well as fees for both processing applications and regulation. The UTC may also issue penalties against community solar companies for failure to register with the UTC, and such failures are a violation of the Consumer Protection Act.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): Community Solar Gardens. Community solar garden is defined as a facility, including a community solar project under current law, that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription, which must be at least one kW.

A community solar garden must:

- meet the rules governing community solar companies;
- have at least 10 subscribers or one customer per 10 kW;
- be fully subscribed;
- be located on the distribution system of an electric utility that files a community solar garden program plan, and located within a preferred location, if one is identified on the plan;
- allocate no less than 40 percent of project capacity to residential and small business customers under 25 kW; and
- allocate no less than 10 percent of project capacity to low-income customers eligible under the state's plan for federal low-income energy assistance.

An electric utility must provide a monetary credit or other compensatory mechanism to a community solar garden subscriber's monthly electric bill for the electricity output attributable to that subscriber. The monetary credit must be equivalent to the subscriber's applicable retail rate, and be provided for no less than 25 years from the date the community solar garden becomes interconnected and energized. Subscription credits that exceed a subscriber's monthly bill must be carried over and applied to the next month's bill.

A subscription, when combined with other distributed generation resources on the premises, may supply no more than 120 percent of the average annual consumption of electricity by

each subscriber. All environmental attributes associated with a community solar garden are considered property of the community solar garden owner and may be distributed, sold, accumulated, or retired at the discretion of the community solar garden owner.

A community solar garden subscriber organization not subject to the consumer protection requirements under current law must have a process in place for dispute resolution between the subscriber organization and its subscribers.

A subscriber or subscriber organization may not be considered an electric utility solely as a result of participation in a community solar garden program.

Community Solar Garden Program Plans. An electric utility must file a community solar garden program plan by January 1, 2020, to the UTC in the case of an investor-owned utility (IOU), or the Department of Commerce (Commerce) in the case of a consumer-owned utility. The UTC may approve, disapprove, or modify a program plan submitted by an IOU.

The plan must meet certain requirements, including:

- providing guidelines for including low-income customers as subscribers;
- establishing uniform standards, fees, and processes for the interconnection of community solar garden facilities that allow the utility to recover reasonable interconnection costs for each community solar garden;
- identifying the information that must be provided to potential subscribers to ensure fair disclosure of future costs and benefits of subscriptions;
- including a description of the system used to apply credit to each subscriber's monthly bill; and
- identifying preferred locations within the electric utility's distribution for community solar gardens, based on an analysis of the utility's distribution system.

Each electric utility must maintain on its public web site community solar garden program requirements and information about each garden in the utility's service area.

Rulemaking. The UTC and Commerce are authorized to coordinate developing rules necessary to implement requirements regarding community solar gardens and community solar garden program plans.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.