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HOUSE BILL 2758

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State of Washington                      58th Legislature                      2004 Regular Session

By Representatives Chase, Morris, Simpson, G., Morrell and Kagi

Read first time 01/20/2004.      Referred to Committee on Technology,  
Telecommunications & Energy.

1            AN ACT Relating to providing incentives to support renewable  
2 energy; adding a new chapter to Title 80 RCW; providing an effective  
3 date; and providing an expiration date.

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

5            NEW SECTION.    **Sec. 1.** The legislature finds that the use of  
6 renewable energy resources generated from local sources such as solar  
7 and wind power benefit our state by reducing the load on the state's  
8 electric energy grid, by providing nonpolluting sources of electricity  
9 generation, and by the creation of jobs for local industries that  
10 develop and sell renewable energy products and technologies.

11            The legislature finds that Washington state has become a national  
12 and international leader in the technologies related to the solar  
13 electric markets. The state can support these industries by providing  
14 incentives for the purchase of locally made renewable energy products.  
15 Locally made renewable technologies benefit and protect the state's  
16 environment. The legislature also finds that the state's economy can  
17 be enhanced through the creation of incentives to develop additional  
18 renewable energy industries in the state.

1 The legislature intends to provide incentives for the greater use  
2 of locally created renewable energy technologies, support and retain  
3 existing local industries, and create new opportunities for renewable  
4 energy industries to develop in Washington state.

5 NEW SECTION. **Sec. 2.** The definitions in this section apply  
6 throughout this chapter unless the context clearly requires otherwise.

7 (1) "Customer-generated electricity" means the electricity that is  
8 generated from a renewable energy system located on an individual's,  
9 businesses', or local government's real property and is measured by a  
10 utility-grade meter. A system located on a leasehold interest does not  
11 qualify under this definition. "Customer-generated electricity" does  
12 not include electricity generated by a light and power business or a  
13 gas distribution business.

14 (2) "Gas distribution business" has the same meaning as described  
15 in RCW 82.16.010.

16 (3) "Utility-grade meter" means an electric meter that meets the  
17 accuracy and quality standards set by the climate and rural energy  
18 development center at Washington State University.

19 (4) "Light and power business" has the same meaning as described in  
20 RCW 82.16.010.

21 (5) "Photovoltaic cell" means a device that converts light directly  
22 into electricity without moving parts.

23 (6) "Renewable energy system" means a solar energy system or a wind  
24 generator used for producing electricity.

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

28 (8) "Solar inverter" means the device used to convert direct  
29 current to alternating current in a photovoltaic cell system.

30 (9) "Solar module" means the smallest nondivisible self-contained  
31 physical structure housing interconnected photovoltaic cells and  
32 providing a single direct current electrical output.

33 NEW SECTION. **Sec. 3.** (1) The renewable energy incentive account  
34 is created in the custody of the state treasurer.

35 (2) Until June 30, 2013, one and three-quarters percent of the

1 money collected under RCW 82.16.020(1), on light and power businesses  
2 and gas distribution businesses, shall be deposited into the account  
3 created in subsection (1) of this section.

4 (3) Only the director of the department of revenue or the  
5 director's designee may authorize expenditures from the account.

6 (4) The account is subject to allotment procedures under chapter  
7 43.88 RCW, but an appropriation is not required for expenditures.

8 (5) Expenditures from the account may not exceed the balance in the  
9 account.

10 NEW SECTION. **Sec. 4.** (1) Any individual, business, or local  
11 governmental entity, not in the light and power business or in the gas  
12 distribution business, may apply to the department of revenue, on an  
13 annual basis, for an investment cost recovery incentive for each  
14 kilowatt-hour from a customer-generated electricity renewable energy  
15 system installed on its property. To qualify for the incentive the  
16 individual, business, or local governmental entity shall: (a) Install  
17 the renewable energy system using a licensed and bonded contractor  
18 employing certified electricians in accordance with chapter 19.28 RCW  
19 unless exempt under RCW 19.28.261; (b) install the renewable energy  
20 system according to the National Electrical Code; and (c) obtain an  
21 electrical permit and inspection from the electrical code authority  
22 having jurisdiction for the construction and operation of the renewable  
23 energy system.

24 (2) The application for the incentive shall be on a form prepared  
25 by the department of revenue. The applicant shall submit a  
26 certification, in a form approved by the department of revenue, from  
27 any in-state manufacturer of any inverter, solar module, or wind  
28 generator used by the applicant, verifying the applicant's use of in-  
29 state qualifying equipment. In-state manufacture of solar inverters,  
30 solar modules, and wind generators shall be authenticated by the  
31 climate and rural energy development center at Washington State  
32 University. This shall be done each year in which this legislation is  
33 in effect. The application shall include a statement verifying  
34 electrical production issued by the climate and rural energy  
35 development center at Washington State University. The application  
36 shall include verification of the requirements of subsection (1)(a),  
37 (b), and (c) of this section.

1 (3) The investment cost recovery incentive shall be paid at the  
2 following rate unless requests exceed the amount contained in the  
3 renewable energy incentive fund:

4 (a) Up to forty-eight cents per kilowatt-hour for systems with  
5 solar inverters and solar modules manufactured in Washington state;

6 (b) Up to twenty-five cents per kilowatt-hour for systems using  
7 wind generators manufactured in Washington state;

8 (c) Up to thirty-seven cents per kilowatt-hour for systems that use  
9 a solar inverter or solar module manufactured in Washington state; or

10 (d) Up to twenty-five cents per kilowatt-hour for systems using  
11 solar or wind equipment manufactured outside of Washington state.

12 (4) No individual, household, business, or local governmental  
13 entity is eligible for an incentive payment that exceeds four thousand  
14 five hundred dollars per year.

15 (5) If requests for the investment cost recovery incentive exceed  
16 the amount of funds available in the renewable energy incentive  
17 account, the incentive amounts will be reduced proportionately.

18 (6) The climate and rural energy development center at Washington  
19 State University energy program shall be reimbursed by the department  
20 of revenue five percent of annual funds allocated to the fund, to apply  
21 toward the administrative and educational expenses related to this  
22 program. The center will establish guidelines and standards for  
23 technologies that are identified as Washington manufactured and  
24 therefore most beneficial to the state's environment.

25 (7) The department of revenue shall retain one percent of each  
26 incentive payment to apply toward the administrative expenses related  
27 to this program.

28 NEW SECTION. **Sec. 5.** This act takes effect July 1, 2004.

29 NEW SECTION. **Sec. 6.** This chapter expires July 1, 2014.

30 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act constitute  
31 a new chapter in Title 80 RCW.

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