

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 2352**

Chapter 201, Laws of 2006

59th Legislature  
2006 Regular Session

NET METERING

EFFECTIVE DATE: 6/7/06

Passed by the House March 6, 2006  
Yeas 96 Nays 1

FRANK CHOPP

\_\_\_\_\_  
**Speaker of the House of Representatives**

Passed by the Senate March 3, 2006  
Yeas 46 Nays 1

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Approved March 24, 2006.

CHRISTINE GREGOIRE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2352** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

\_\_\_\_\_  
**Chief Clerk**

FILED

March 24, 2006 - 2:10 p.m.

**Secretary of State  
State of Washington**

---

**ENGROSSED SUBSTITUTE HOUSE BILL 2352**

---

AS AMENDED BY THE SENATE

Passed Legislature - 2006 Regular Session

**State of Washington                      59th Legislature                      2006 Regular Session**

**By** House Committee on Technology, Energy & Communications  
(originally sponsored by Representatives Morris, Hudgins and B. Sullivan)

READ FIRST TIME 01/25/06.

1            AN ACT Relating to net metering; and amending RCW 80.60.010,  
2 80.60.020, 80.60.030, and 80.60.040.

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

4            **Sec. 1.** RCW 80.60.010 and 2000 c 158 s 1 are each amended to read  
5 as follows:

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

8            (1) "Commission" means the utilities and transportation 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 utility  
15 district, irrigation district, port district, electric cooperative, or  
16 municipal electric utility that is engaged in the business of  
17 distributing electricity to retail electric customers in the state.

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

1 (7) "Municipal electric utility" means a city or town that owns or  
2 operates an electric utility authorized by chapter 35.92 RCW.

3 (8) "Net metering" means measuring the difference between the  
4 electricity supplied by an electric utility and the electricity  
5 generated by a customer-generator (~~(that is fed back to the electric~~  
6 ~~utility)~~) over the applicable billing period.

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

11 (~~(Uses as its fuel either solar, wind, or hydropower;~~  
12 ~~(b)~~) Has ((a)) an electrical generating capacity of not more than  
13 (~~(twenty-five)~~) one hundred kilowatts;

14 (~~(c)~~) (b) Is located on the customer-generator's premises;

15 (~~(d)~~) (c) Operates in parallel with the electric utility's  
16 transmission and distribution facilities; and

17 (~~(e)~~) (d) Is intended primarily to offset part or all of the  
18 customer-generator's requirements for electricity.

19 (10) "Port district" means a port district within which an  
20 industrial development district has been established as authorized by  
21 Title 53 RCW.

22 (11) "Public utility district" means a district authorized by  
23 chapter 54.04 RCW.

24 (12) "Renewable energy" means energy generated by a facility that  
25 uses water, wind, solar energy, or biogas from animal waste as a fuel.

26 **Sec. 2.** RCW 80.60.020 and 2000 c 158 s 2 are each amended to read  
27 as follows:

28 An electric utility:

29 (1) Shall offer to make net metering available to eligible  
30 customers-generators on a first-come, first-served basis until the  
31 cumulative generating capacity of net metering systems equals (~~(0.1)~~)  
32 0.25 percent of the utility's peak demand during 1996(~~(, of which not~~  
33 ~~less than 0.05 percent shall be attributable to net metering systems~~  
34 ~~that use as its fuel either solar, wind, or hydropower)~~). On January  
35 1, 2014, the cumulative generating capacity available to net metering  
36 systems will equal 0.5 percent of the utility's peak demand during  
37 1996. Not less than one-half of the utility's 1996 peak demand

1 available for net metering systems shall be reserved for the cumulative  
2 generating capacity attributable to net metering systems that generate  
3 renewable energy;

4 (2) Shall allow net metering systems to be interconnected using a  
5 standard kilowatt-hour meter capable of registering the flow of  
6 electricity in two directions, unless the commission, in the case of an  
7 electrical company, or the appropriate governing body, in the case of  
8 other electric utilities, determines, after appropriate notice and  
9 opportunity for comment:

10 (a) That the use of additional metering equipment to monitor the  
11 flow of electricity in each direction is necessary and appropriate for  
12 the interconnection of net metering systems, after taking into account  
13 the benefits and costs of purchasing and installing additional metering  
14 equipment; and

15 (b) How the cost of purchasing and installing an additional meter  
16 is to be allocated between the customer-generator and the utility;

17 (3) Shall charge the customer-generator a minimum monthly fee that  
18 is the same as other customers of the electric utility in the same rate  
19 class, but shall not charge the customer-generator any additional  
20 standby, capacity, interconnection, or other fee or charge unless the  
21 commission, in the case of an electrical company, or the appropriate  
22 governing body, in the case of other electric utilities, determines,  
23 after appropriate notice and opportunity for comment that:

24 (a) The electric utility will incur direct costs associated with  
25 interconnecting or administering net metering systems that exceed any  
26 offsetting benefits associated with these systems; and

27 (b) Public policy is best served by imposing these costs on the  
28 customer-generator rather than allocating these costs among the  
29 utility's entire customer base.

30 **Sec. 3.** RCW 80.60.030 and 1998 c 318 s 4 are each amended to read  
31 as follows:

32 Consistent with the other provisions of this chapter, the net  
33 energy measurement must be calculated in the following manner:

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

1 (2) If the electricity supplied by the electric utility exceeds the  
2 electricity generated by the customer-generator and fed back to the  
3 electric utility during the billing period, the customer-generator  
4 shall be billed for the net electricity supplied by the electric  
5 utility, in accordance with normal metering practices.

6 (3) If electricity generated by the customer-generator exceeds the  
7 electricity supplied by the electric utility, the customer-generator:

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

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

13 (~~At the beginning~~) On April 30th of each calendar year, any  
14 remaining unused kilowatt-hour credit accumulated during the previous  
15 year shall be granted to the electric utility, without any compensation  
16 to the customer-generator.

17 **Sec. 4.** RCW 80.60.040 and 2000 c 158 s 3 are each amended to read  
18 as follows:

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

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

34 (3) An electric utility may not require a customer-generator whose  
35 net metering system meets the standards in subsections (1) and (2) of  
36 this section to comply with additional safety or performance standards,  
37 perform or pay for additional tests, or purchase additional liability

1 insurance. However, an electric utility shall not be liable directly  
2 or indirectly for permitting or continuing to allow an attachment of a  
3 net metering system, or for the acts or omissions of the customer-  
4 generator that cause loss or injury, including death, to any third  
5 party.

Passed by the House March 6, 2006.

Passed by the Senate March 3, 2006.

Approved by the Governor March 24, 2006.

Filed in Office of Secretary of State March 24, 2006.