**2510-S AMH MORR H4696.1 - NOT FOR FLOOR USE**

**SHB 2510** - H AMD **811**

By Representative Morris

Strike everything after the enacting clause and insert the following:

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

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

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

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

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

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

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

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

(7) "Meter aggregation" means 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.

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

(9) "Net metering" means measuring the difference between the electricity supplied by an electric utility and the electricity generated by a customer-generator over the applicable billing period.

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

(a) Has an electrical generating capacity of not more than one ((~~hundred~~)) thousand kilowatts and is sized no greater than the customer-generator's measured or calculated peak hourly capacity demand for the previous year;

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

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

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

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

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

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

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

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

(1) An electric utility:

(a) Shall offer to make net metering available to eligible customers-generators on a first-come, first-served basis until the cumulative generating capacity of net metering systems equals ((~~0.25~~)) two percent of the utility's peak demand during 1996. ((~~On January 1, 2014, the cumulative generating capacity available to net metering systems will equal 0.5 percent of the utility's peak demand during 1996.~~)) Not less than one-half of the utility's 1996 peak demand available for net metering systems shall be reserved for the cumulative generating capacity attributable to net metering systems that generate renewable energy. If the utility offers to make net metering available to eligible customer-generators beyond the minimum threshold established under this subsection, the utility must provide notice to all of its retail electric customers of its intention to continue to offer net metering. The notice must specify the threshold to which and the length of time during which net metering will be offered;

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

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

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

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

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

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

(2)(a) In order to offer an alternative to net metering to customer-generators in all or certain increments of the utility's distribution system, an electric utility that reaches or exceeds the minimum threshold established under subsection (1)(a) of this section must first engage in a distributed energy resources planning process, for all or certain increments of the utility's distribution system, that accomplishes the objectives for distributed energy resources planning processes established under chapter . . . (Substitute House Bill No. 1233), Laws of 2018. If Substitute House Bill No. 1233 is not enacted by June 30, 2018, the process must accomplish the goals for distributed energy resources planning recommended in the report published on December 31, 2017, by the commission on current practices in distributed energy resources planning.

(b) An electric utility must continue to offer net metering, in accordance with the requirements of this chapter, to a customer-generator with a net metering system that is interconnected as of the effective date of this section. The electric utility may offer an alternative to net metering under (a) of this subsection if the property on which an existing net metering system is located is sold or if the financial responsibility for the electric meter is transferred to a new customer.

(3) If a production meter and software is required by the electric utility to provide meter aggregation under RCW 80.60.030(4), the customer‑generator is responsible for the purchase of the production meter and software.

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

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

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

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

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

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

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

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

(a) For customer-generators participating in meter aggregation, kilowatt-hours credits earned by a net metering system during the billing period first shall be used to offset electricity supplied by the electric utility.

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

(c) Excess kilowatt-hours credits earned by the net metering system, during the same billing period, shall be credited equally by the electric utility to remaining meters located on all premises of a customer-generator at the designated rate of each meter.

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

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

Correct the title.

EFFECT: Decreases the minimum net metering threshold from 2.5 percent to two percent of a utility's peak demand during 1996. Requires a net metering system to be sized no greater than a customer-generator's measured or calculated peak hourly capacity demand for the previous year. Requires an electric utility that offers to make net metering available beyond the minimum threshold to provide notice to all of its retail electric customers of its intention to continue to offer net metering. Requires the notice to specify the threshold to which and the length of time during which net metering will be offered. Replaces reference to specific goals that a distributed energy resources (DER) planning process must accomplish before an electric utility may offer an alternative to net metering with references to the objectives established under Substitute House Bill No. 1233 or, if not enacted, the goals recommended in the utilities and transportation commission's 2017 DER planning report. Allows a DER planning process to be for all or for certain increments of a utility's distribution system. Requires an electric utility to continue to offer net metering to a customer-generator with an interconnected net metering system until the property on which the net metering system is located is sold, or until financial responsibility for the electric meter is transferred to a new customer.