S-5219.1

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**SENATE BILL 6223**

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**State of Washington 66th Legislature 2020 Regular Session**

**By** Senators Lovelett, McCoy, Das, Frockt, Salomon, Wilson, C., and Liias

AN ACT Relating to expanding equitable access to the benefits of renewable energy through community solar projects; amending RCW 82.16.130, 82.16.160, 82.16.165, 82.16.170, 80.60.005, and 80.60.030; reenacting and amending RCW 80.60.010; creating new sections; and declaring an emergency.

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

NEW SECTION. **Sec.**  (1) The legislature finds and declares that stimulating local investment in community solar projects continues to be an important part of a state energy strategy by helping to increase energy independence from fossil fuels, promote economic development, hedge against the effects of climate change, and attain environmental benefits. The legislature finds that while previous community solar programs were successful in stimulating these benefits, the programs failed to provide an adequate framework for low-income participation and long-term market certainty. The legislature finds that the vast majority of Washingtonians still do not have access to the benefits of solar energy. The legislature intends to stimulate the deployment of community solar projects for the benefit of all Washingtonians by funding the renewable energy production incentive program for community solar projects and by creating opportunities for broader participation, especially by low-income households and low-income service providers. As of December 2019, the state is thirteen megawatts short of the one hundred fifteen megawatts of solar photovoltaic capacity established as a goal under RCW 82.16.155. The legislature therefore intends to provide an incentive sufficient to promote installation of community solar projects through June 30, 2026, at which point the legislature expects to review the effectiveness of enhancing access to community solar projects. The legislature finds that expansion of electric meter aggregation for net metering systems is a path beyond the renewable energy production incentive program to provide and sustain access for community solar projects.

(2) The legislature also finds that chapter 19.405 RCW, the Washington clean energy transformation act, requires electric utilities to make programs and funding available for energy assistance to low-income households by July 31, 2021. The legislature intends for any energy assistance provided to, or reduction in energy burden provided for, low-to-moderate-income households or low-to-moderate-income service provider subscribers of community solar projects under RCW 82.16.165 and 80.60.030 to count toward an electric utility's compliance obligation under RCW 19.405.120.

**Sec.**  RCW 82.16.130 and 2017 3rd sp.s. c 36 s 4 are each amended to read as follows:

(1) A light and power business is allowed a credit against taxes due under this chapter in an amount equal to:

(a) Incentive payments made in any fiscal year under RCW 82.16.120 and 82.16.165; and

(b) Any fees a utility is allowed to recover pursuant to RCW 82.16.165((~~(5)~~)) (6).

(2) The credits must be taken in a form and manner as required by the department.

(a) The credit taken under this section for the fiscal year may not exceed one and one-half percent of the businesses' taxable power sales generated in calendar year 2014 and due under RCW 82.16.020(1)(b) or two hundred fifty thousand dollars, whichever is greater, for incentive payments made for the following:

(i) Renewable energy systems, other than community solar projects, that are certified for an incentive payment as of June 30, 2020; and

(ii) Community solar projects that are under precertification status under RCW 82.16.165(8)(b) as of June 30, 2020, and that are certified for an incentive payment in accordance with the terms of that precertification by June 30, 2021.

(b) In addition to the credit provided under (a) of this subsection, for incentive payments made for community solar projects that submit an application for precertification under RCW 82.16.165(9)(b) on or after July 1, 2020, and that are certified for an incentive payment in accordance with the terms of that precertification by June 30, 2026, a light and power business may take for the fiscal year an additional one-quarter of one percent of the businesses' taxable power sales generated in calendar year 2014 and due under RCW 82.16.020(1)(b) or fifty thousand dollars, whichever is greater.

(3) The credit may not exceed the tax that would otherwise be due under this chapter. Refunds may not be granted in the place of credits. Expenditures not used to earn a credit in one fiscal year may not be used to earn a credit in subsequent years.

(4) For any business that has claimed credit for amounts that exceed the correct amount of the incentive payable under RCW 82.16.120, the amount of tax against which credit was claimed for the excess payments is immediately due and payable. The department may deduct amounts due from future credits claimed by the business.

(a) Except as provided in (b) of this subsection, the department must assess interest but not penalties on the taxes against which the credit was claimed. Interest must be assessed at the rate provided for delinquent excise taxes under chapter 82.32 RCW, retroactively to the date the credit was claimed, and accrues until the taxes against which the credit was claimed are repaid.

(b) A business is not liable for excess payments made in reliance on amounts reported by the Washington State University extension energy program as due and payable as provided under RCW 82.16.165((~~(20)~~)) (25), if such amounts are later found to be abnormal or inaccurate due to no fault of the business.

(5) The amount of credit taken under this section is not confidential taxpayer information under RCW 82.32.330 and is subject to disclosure.

(6) The right to earn tax credits for incentive payments made under RCW 82.16.120 expires June 30, 2020. Credits may not be claimed after June 30, 2021.

(7)(a) The right to earn tax credits for incentive payments made under RCW 82.16.165 for the following expires June 30, 2029:

(i) Renewable energy systems, other than community solar projects, that are certified for an incentive payment as of June 30, 2020; and

(ii) Community solar projects that are under precertification status under RCW 82.16.165(8)(b) as of June 30, 2020, and that are certified for an incentive payment in accordance with the terms of that precertification by June 30, 2021.

(b) Credits may not be claimed after June 30, 2030.

(8) The right to earn tax credits for incentive payments made under RCW 82.16.165 for community solar projects that submit an application for precertification under RCW 82.16.165(9) on or after July 1, 2020, and that are certified for an incentive payment in accordance with the terms of that precertification by June 30, 2026, expires June 30, 2034. Credits may not be claimed after June 30, 2035.

**Sec.**  RCW 82.16.160 and 2017 3rd sp.s. c 36 s 5 are each amended to read as follows:

The definitions in this section apply throughout this section and RCW 82.16.165, 82.16.170, and 82.16.175 unless the context clearly requires otherwise.

(1) "Administrator" means the utility, nonprofit, or other local housing authority that organizes and administers a community solar project as provided in RCW 82.16.165 and 82.16.170.

(2) "Certification" means the authorization issued by the Washington State University extension energy program establishing a person's eligibility to receive annual incentive payments from the person's utility for the program term.

(3) "Commercial-scale system" means a renewable energy system or systems other than a community solar project or a shared commercial solar project with a combined nameplate capacity greater than twelve kilowatts that meets the applicable system eligibility requirements established in RCW 82.16.165.

(4) "Community solar project" means a solar energy system that has a direct current nameplate generating capacity that is no larger than one thousand kilowatts and meets the applicable eligibility requirements established in RCW 82.16.165 and 82.16.170.

(5) "Consumer-owned utility" has the same meaning as in RCW 19.280.020.

(6) "Customer-owner" means the owner of a residential-scale or commercial-scale renewable energy system, where such owner is not a utility and such owner is a customer of the utility and either owns the premises where the renewable energy system is installed or occupies the premises.

(7) "Electric utility" or "utility" means a consumer-owned utility or investor-owned utility as those terms are defined in RCW 19.280.020.

(8) "Governing body" has the same meaning as provided in RCW 19.280.020.

(9) "Person" means any individual, firm, partnership, corporation, company, association, agency, or any other legal entity.

(10) "Program term" means: (a) For community solar projects that are under precertification status under RCW 82.16.165(8)(b) as of June 30, 2020, and that are certified for an incentive payment in accordance with the terms of that precertification by June 30, 2021, eight years or until cumulative incentive payments for electricity produced by the project reach fifty percent of the total system price, including applicable sales tax, whichever occurs first; ((~~and~~)) (b) for community solar projects that submit an application for precertification under RCW 82.16.165(9)(b) on or after July 1, 2020, and that are certified for an incentive payment in accordance with the terms of that precertification by June 30, 2026, eight years or until cumulative incentive payments for electricity produced by the project reach: (i) One hundred percent of the project cost prorated in proportion to subscriptions of low-to-moderate-income households and low-to-moderate-income service providers; and (ii) no greater than fifty percent of the project cost prorated in proportion to subscriptions of all other subscribers; and (c) for other renewable energy systems, including shared commercial solar projects, eight years or until cumulative incentive payments for electricity produced by a system reach fifty percent of the total system price, including applicable sales tax, whichever occurs first.

(11) "Renewable energy system" means a solar energy system, including a community solar project, an anaerobic digester as defined in RCW 82.08.900, or a wind generator used for producing electricity.

(12) "Residential-scale system" means a renewable energy system or systems located at a single situs with combined nameplate capacity of twelve kilowatts or less that meets the applicable system eligibility requirements established in RCW 82.16.165.

(13) "Shared commercial solar project" means a solar energy system, owned or administered by an electric utility, with a combined nameplate capacity of greater than one megawatt and not more than five megawatts and meets the applicable eligibility requirements established in RCW 82.16.165 and 82.16.175.

(14) "Energy assistance" has the same meaning as provided in RCW 19.405.020.

(15) "Energy burden" has the same meaning as provided in RCW 19.405.020.

(16) "Low-to-moderate-income household" means a single person, family, or unrelated persons living together whose income is at or below one hundred fifteen percent of the median income where the household is located.

(17) "Low-to-moderate-income service provider" means a local community action agency or local community service agency designated by the department of commerce under chapter 43.63A RCW, local housing authority, tribal housing authority, low-income tribal housing program, affordable housing provider, food bank, or other organization whose primary purpose is to provide services to low-to-moderate-income households.

(18) "Multifamily residential building" means a building containing sleeping units or more than two dwelling units where occupants are primarily permanent in nature.

(19) "Subscriber" and "subscription" have the same meanings as defined in RCW 80.60.010.

**Sec.**  RCW 82.16.165 and 2017 3rd sp.s. c 36 s 6 are each amended to read as follows:

(1) Beginning July 1, 2017, and through June 30, 2020, the following persons may submit a one-time application to the Washington State University extension energy program to receive a certification authorizing the utility serving the situs of a renewable energy system in the state of Washington to remit an annual production incentive for each kilowatt-hour of alternating current electricity generated by the renewable energy system:

(a) The utility's customer who is the customer-owner of a residential-scale or commercial-scale renewable energy system;

(b) An administrator of a community solar project meeting the eligibility requirements outlined in RCW 82.16.170(2) and applies for certification on behalf of each of the project participants; or

(c) A utility or a business under contract with a utility that administers a shared commercial solar project that meets the eligibility requirements in RCW 82.16.175 and applies for certification on behalf of each of the project participants.

(2) Beginning July 1, 2020, and through June 30, 2026, an administrator of a community solar project meeting the eligibility requirements outlined in this section and RCW 82.16.170(3) may submit a one-time application to the Washington State University extension energy program to receive a precertification for a community solar project. Projects with precertification applications approved by the Washington State University extension energy program have two years to complete their projects and apply for certification of their projects. By certifying qualified projects pursuant to the requirements of this section and RCW 82.16.170(3), the Washington State University extension energy program authorizes the utility serving the situs of a community solar project in the state of Washington to remit an annual production incentive for each kilowatt-hour of alternating current electricity generated by the community solar project.

(3) No person, business, or household is eligible to receive incentive payments provided under subsection (1) or (2) of this section of more than five thousand dollars per year for residential systems or community solar projects, twenty-five thousand dollars per year for commercial-scale systems, or thirty-five thousand dollars per year for shared commercial solar projects.

((~~(3)~~)) (4)(a) No new certification may be issued under this section to an applicant who submits a request for or receives an annual incentive payment for a renewable energy system that was certified under RCW 82.16.120, or for a renewable energy system served by a utility that has elected not to participate in the incentive program, as provided in subsection ((~~(4)~~)) (5) of this section.

(b) The Washington State University extension energy program may issue a new certification for an additional system installed at a situs with a previously certified system so long as the new system meets the requirements of this section and its production can be measured separately from the previously certified system.

(c) The Washington State University extension energy program may issue a recertification for a residential-scale or commercial-scale system if a customer makes investments resulting in an expansion of the system's nameplate capacity. Such recertification expires on the same day as the original certification for the residential-scale or commercial-scale system and applies to the entire system the incentive rates and program rules in effect as of the date of the recertification.

((~~(4)~~)) (5) A utility's participation in the incentive program provided in this section is voluntary.

(a) A utility electing to participate in the incentive program must notify the Washington State University extension energy program of such election in writing.

(b) The utility may terminate its voluntary participation in the production incentive program by providing notice in writing to the Washington State University extension energy program to cease issuing new certifications for renewable energy systems that would be served by that utility.

(c) Such notice of termination of participation is effective after fifteen days, at which point the Washington State University extension energy program may not accept new applications for certification of renewable energy systems that would be served by that utility.

(d) Upon receiving a utility's notice of termination of participation in the incentive program, the Washington State University extension energy program must report on its web site that customers of that utility are no longer eligible to receive new certifications under the program.

(e) A utility's termination of participation does not affect the utility's obligation to continue to make annual incentive payments for electricity generated by systems that were certified prior to the effective date of the notice. The Washington State University extension energy program must continue to process and issue certifications for renewable energy systems that were received by the Washington State University extension energy program before the effective date of the notice of termination.

(f) A utility that has terminated participation in the program may resume participation upon filing notice with the Washington State University extension energy program.

((~~(5)~~)) (6)(a) The Washington State University extension energy program may certify a renewable energy system that is connected to equipment capable of measuring the electricity production of the system and interconnecting with the utility's system in a manner that allows the utility, or the customer at the utility's option, to measure and report to the Washington State University extension energy program the total amount of electricity produced by the renewable energy system.

(b) The Washington State University extension energy program must establish a reporting and fee-for-service system to accept electricity production data from the utility or the customer that is not reported electronically and with the reporting entity selected at the utility's option as described in subsection ((~~(19)~~)) (24) of this section. The fee-for-service agreement must allow for electronic reporting or reporting by mail, may be specific to individual utilities, and must recover only the program's costs of obtaining the electricity production data and incorporating it into an electronic format. A statement of the amount due for the fee-for-service must be provided to the utility by the Washington State University extension energy program with the report provided to the utility pursuant to subsection ((~~(20)~~)) (25)(a) of this section. The utility may determine how to assess and remit the fee, and the utility may be allowed a credit for fees paid under this subsection ((~~(5)~~)) (6) against taxes due, as provided in RCW 82.16.130(1).

((~~(6)~~)) (7) The Washington State University extension energy program may issue a certification authorizing annual incentive payments up to the following annual dollar limits:

(a) For community solar projects, five thousand dollars per project participant;

(b) For residential-scale systems, five thousand dollars;

(c) For commercial-scale systems, twenty-five thousand dollars; and

(d) For shared commercial solar projects, up to thirty-five thousand dollars a year per participant, as determined by the terms of subsection ((~~(15)~~)) (20) of this section.

((~~(7)~~)) (8)(a) To obtain certification for the incentive payment provided under subsection (1) of this section by June 30, 2020, for renewable energy systems other than community solar projects, or by June 30, 2021, for community solar projects, a person must submit to the Washington State University extension energy program an application, including:

(i) A signed statement that the applicant has not previously received a notice of eligibility from the department under RCW 82.16.120 entitling the applicant to receive annual incentive payments for electricity generated by the renewable energy system at the same meter location;

(ii) A signed statement of the total price, including applicable sales tax, paid by the applicant for the renewable energy system;

(iii) System operation data including global positioning system coordinates, tilt, estimated shading, and azimuth;

(iv) Any other information the Washington State University extension energy program deems necessary in determining eligibility and incentive levels, administering the program, tracking progress toward achieving the limits on program participation established in RCW 82.16.130, or facilitating the review of the performance of the tax preferences by the joint legislative audit and review committee, as described in RCW 82.16.155; and

(v)(A) Except as provided in (a)(v)(B) of this subsection ((~~(7)~~)) (8), the date that the renewable energy system received its final electrical inspection from the applicable local jurisdiction, as well as a copy of the permit or, if the permit is available online, the permit number;

(B) The Washington State University extension energy program may waive the requirement in (a)(v)(A) of this subsection ((~~(7)~~)) (8), accepting an application and granting provisional certification prior to proof of final electrical inspection. Provisional certification expires one hundred eighty days after issuance, unless the applicant submits proof of the final electrical inspection from the applicable local jurisdiction or the Washington State University extension energy program extends the certification, for a term or terms of thirty days, due to extenuating circumstances; and

(b)(i) Prior to obtaining certification under this subsection, a community solar project or shared commercial solar project must apply for precertification against the remaining funds available for incentive payments under subsection ((~~(13)~~)) (17)(d) of this section in order to be guaranteed an incentive payment under subsection (1) of this section. Community solar projects that are under precertification status under this subsection (8) as of June 30, 2020, may not apply for precertification for the incentive payment provided under subsection (2) of this section for that same project;

(ii) A project applicant of a community solar project or shared commercial solar project must complete an application for certification with the Washington State University extension energy program within less than one year to retain the precertification status described in this subsection. If a community solar project application is in precertification status as of June 30, 2020, the project applicant must continue in that status until either it is certified by the Washington State University extension energy program or its precertification expires; and

(iii) The Washington State University extension energy program may design a reservation or precertification system for an applicant of a residential-scale or commercial-scale renewable energy system.

((~~(8)~~)) (9)(a) To obtain certification for the incentive payment provided under subsection (2) of this section beginning July 1, 2020, an administrator of a community solar project must submit to the Washington State University extension energy program an application, including:

(i) A signed statement that the applicant has not previously received a notice of eligibility from the department under RCW 82.16.120 entitling the applicant to receive annual incentive payments for electricity generated by the community solar project at the same meter location;

(ii) A signed statement of the total price, including applicable sales tax, paid by the applicant;

(iii) System operation data;

(iv) Confirmation of the number of low-to-moderate-income household subscribers and low-to-moderate-income service providers required to qualify for the incentive payment;

(v) Any other information the Washington State University extension energy program deems necessary in determining eligibility and incentive levels, administering the program, tracking progress toward achieving the limits on program participation established in RCW 82.16.130, or facilitating the review of the performance of the tax preferences by the joint legislative audit and review committee, as described in RCW 82.16.155; and

(vi)(A) Except as provided in (a)(vi)(B) of this subsection (9), the date that the community solar project received its final electrical inspection from the applicable local jurisdiction, as well as a copy of the permit or, if the permit is available online, the permit number;

(B) The Washington State University extension energy program may waive the requirement in (a)(vi)(A) of this subsection (9), accepting an application and granting provisional certification prior to proof of final electrical inspection. Provisional certification expires one hundred eighty days after issuance, unless the applicant submits proof of the final electrical inspection from the applicable local jurisdiction or the Washington State University extension energy program extends the certification, for a term or terms of thirty days, due to extenuating circumstances; and

(b)(i) Prior to obtaining certification under this subsection (9), the administrator of a community solar project must apply for precertification against the remaining funds available for incentive payments under subsection (18) of this section in order to be guaranteed an incentive payment under this section. The application for precertification must include:

(A) A signed statement that the applicant has not previously received a notice of eligibility from the department under RCW 82.16.120 entitling the applicant to receive annual incentive payments for electricity generated by the community solar project at the same meter location;

(B) Potential low-to-moderate-income household subscribers and low-to-moderate-income service provider subscribers, or a plan to obtain low-to-moderate-income household subscribers and low-to-moderate-income service provider subscribers, to meet the forty percent minimum subscription requirement to qualify for the incentive payment;

(C) Any other information the Washington State University extension energy program deems necessary in determining eligibility for precertification; and

(ii) The administrator of a community solar project must complete an application for certification with the Washington State University extension energy program within less than two years of being approved for precertification status described in this subsection (9).

(10) No incentive payments may be authorized or accrued until the final electrical inspection and executed interconnection agreement are submitted to the Washington State University extension energy program.

((~~(9)~~)) (11) Within thirty days of receipt of ((~~the~~)) an application for certification, the Washington State University extension energy program must notify the applicant and, except when a utility is the applicant, the utility serving the situs of the renewable energy system, by mail or electronically, whether certification has been granted. The certification notice must state the rate to be paid per kilowatt-hour of electricity generated by the renewable energy system, as provided in subsection ((~~(12)~~)) (14) or (15) of this section, subject to any applicable cap on total annual payment provided in subsection ((~~(6)~~)) (7) of this section.

((~~(10)~~)) (12) Certification is valid for the program term and entitles the applicant or, in the case of a community solar project or shared commercial solar project, the participant, to receive incentive payments for electricity generated from the date the renewable energy system commences operation, or the date the system is certified, whichever date is later. For purposes of this subsection, the Washington State University extension energy program must define when a renewable energy system commences operation and provide notice of such date to the recipient and the utility serving the situs of the system. Certification may not be retroactively changed except to correct later discovered errors that were made during the original application or certification process.

((~~(11)~~)) (13)(a) System certification follows the system if the following conditions are met using procedures established by the Washington State University extension energy program:

(i) The renewable energy system is transferred to a new owner who notifies the Washington State University extension energy program of the transfer; and

(ii) The new owner provides an executed interconnection agreement with the utility serving the premises.

(b) In the event that a community solar project participant terminates their participation in a community solar project, the system certification follows the system and participation may be transferred to a new participant. The administrator of a community solar project must provide notice to the Washington State University extension energy program of any changes or transfers in project participation.

((~~(12)~~)) (14) The Washington State University extension energy program must determine the total incentive rate for ((~~a new renewable energy system certification by adding to the base rate any applicable made-in-Washington bonus rate~~)) renewable energy systems, other than a community solar project, certified through June 30, 2020, and for community solar projects precertified as of June 30, 2020, and certified through June 30, 2021, as provided in this subsection. A made-in-Washington bonus rate is provided for a renewable energy system or a community solar project certified through June 30, 2019, with solar modules made in Washington or with a wind turbine or tower that is made in Washington. Both the base rates and bonus rate vary, depending on the fiscal year in which the system is certified and the type of renewable energy system being certified, as provided in the following table:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Fiscal year  of system  certification | Base rate - residential-scale | Base rate - commercial-scale | Base rate -community solar | Base rate - shared commercial solar | Made in  Washington  bonus |
| 2018 | $0.16 | $0.06 | $0.16 | $0.06 | $0.05 |
| 2019 | $0.14 | $0.04 | $0.14 | $0.04 | $0.04 |
| 2020 | $0.12 | $0.02 | $0.12 | $0.02 | ((~~$0.03~~)) |
| 2021 | ((~~$0.10~~)) | ((~~$0.02~~)) | $0.10 | ((~~$0.02~~)) | ((~~$0.02~~)) |

((~~(13) The~~)) (15) For community solar projects precertified under subsection (9)(b) of this section on or after July 1, 2020, and that are subsequently certified for an incentive payment in accordance with the terms of that precertification by June 30, 2026, the Washington State University extension energy program must determine the total incentive rate for individual community solar project subscribers as provided in the following table:

|  |  |  |
| --- | --- | --- |
| Fiscal year  of system  certification | Base rate -community solar subscribers | Bonus rate -  low-to-moderate-income subscribers |
| 2021 | $0.10 | $0.10 |
| 2022 | $0.10 | $0.10 |
| 2023 | $0.10 | $0.10 |
| 2024 | $0.10 | $0.10 |
| 2025 | $0.10 | $0.10 |
| 2026 | $0.10 | $0.10 |

(16) For community solar projects precertified under subsection (9)(b) of this section on or after July 1, 2020, and that are subsequently certified for an incentive payment in accordance with the terms of that precertification by June 30, 2026, the administrator must submit a signed statement with the final list of subscribers and the allocation of incentive payments to each individual subscriber according to the subscriber's percentage share of the project's nameplate capacity and the incentive rates provided under subsection (15) of this section. The Washington State University extension energy program must, as a condition of final certification, certify the allocation of incentives to individual subscribers. For the duration of a community solar project's incentive payment eligibility, the administrator must update the subscriber list at least annually to the utility serving the premises of the community solar project and to the Washington State University extension energy program.

(17) Through June 30, 2020, the Washington State University extension energy program must cease to issue new certifications:

(a) For community solar projects and shared commercial solar projects in any fiscal year for which the Washington State University extension energy program estimates that fifty percent of the remaining funds for credit available to a utility for renewable energy systems certified under this section as of July 1, 2017, have been allocated to community solar projects and shared commercial solar projects combined;

(b) For commercial-scale systems in any fiscal year for which the Washington State University extension energy program estimates that twenty-five percent of the remaining funds for credit available to a utility for renewable energy systems certified under this section as of July 1, 2017, have been allocated to commercial-scale systems;

(c) For any renewable energy system served by a utility, if certification is likely to result in incentive payments by that utility, including payments made under RCW 82.16.120, exceeding the utility's available funds for credit under RCW 82.16.130; and

(d) For any renewable energy system, if certification is likely to result in total incentive payments under this section exceeding one hundred ten million dollars.

((~~(14)~~)) (18) Beginning July 1, 2020, the Washington State University extension energy program may issue new certifications for community solar projects that submit an application for precertification under subsection (9) of this section on or after July 1, 2020, and that meet the requirements of RCW 82.16.170(3). Total incentive payments made for community solar projects certified under this subsection may not exceed twenty million dollars.

(19) If the Washington State University extension energy program ceases issuing new certifications during a fiscal year or biennium as provided in subsection ((~~(13)~~)) (17) or (18) of this section, in the following fiscal year or biennium, or when additional funds are available for credit such that the thresholds described in subsection ((~~(13)~~)) (17) or (18) of this section are no longer exceeded, the Washington State University extension energy program must resume issuing new certifications using a method of awarding certifications that results in equitable and orderly allocation of benefits to applicants.

((~~(15)~~)) (20) A customer who is a participant in a shared commercial solar project may not receive incentive payments associated with the project greater than the difference between the levelized cost of energy output of the system over its production life and the retail rate for the rate class to which the customer belongs. The levelized cost of the output of the energy must be determined by the utility that administers the shared commercial solar project and must be disclosed, along with an explanation of the limitations on incentive payments contained in this subsection ((~~(15)~~)) (20), in the contractual agreement with the shared commercial solar project participants.

((~~(16)~~)) (21) In order to begin to receive annual incentive payments, a person who has been issued a certification for the incentive as provided in subsection ((~~(9)~~)) (11) of this section must obtain an executed interconnection agreement with the utility serving the situs of the renewable energy system.

((~~(17)~~)) (22) The Washington State University extension energy program must establish a list of equipment that is eligible for the bonus rates described in subsection ((~~(12)~~)) (14) of this section. The Washington State University extension energy program must, in consultation with the department of commerce, develop technical specifications and guidelines to ensure consistent and predictable determination of eligibility. A solar module is made in Washington for purposes of receiving the bonus rate only if the lamination of the module takes place in Washington. A wind turbine is made in Washington only if it is powered by a turbine or built with a tower manufactured in Washington.

((~~(18)~~)) (23) The manufacturer of a renewable energy system component subject to a bonus rate under subsection ((~~(12)~~)) (14) of this section may apply to the Washington State University extension energy program to receive a determination of eligibility for such bonus rates. The Washington State University extension energy program must publish a list of components that have been certified as eligible for such bonus rates. The Washington State University extension energy program may assess an equipment certification fee to recover its costs. The Washington State University extension energy program must deposit all revenue generated by this fee into the state general fund.

((~~(19)~~)) (24) Annually, the utility must report electronically to the Washington State University extension energy program the amount of gross kilowatt-hours generated by each renewable energy system since the prior annual report. For the purposes of this section, to report electronically means to submit statistical or factual information in alphanumeric form through a web site established by the Washington State University extension energy program or in a list, table, spreadsheet, or other nonnarrative format that can be digitally transmitted or processed. The utility may instead opt to report by mail or require program participants to report individually, but if the utility exercises one or more of these options it must negotiate with the Washington State University extension energy program the fee-for-service arrangement described in subsection ((~~(5)~~)) (6)(b) of this section.

((~~(20)~~)) (25)(a) The Washington State University extension energy program must calculate for the year and provide to the utility the amount of the incentive payment due to each participant and the total amount of credit against tax due available to the utility under RCW 82.16.130 that has been allocated as annual incentive payments. Upon notice to the Washington State University extension energy program, a utility may opt to directly perform this calculation and provide its results to the Washington State University extension energy program.

(b) If the Washington State University extension energy program identifies an abnormal production claim, it must notify the utility, the department of revenue, and the applicant, and must recommend withholding payment until the applicant has demonstrated that the production claim is accurate and valid. The utility is not liable to the customer for withholding payments pursuant to such recommendation unless and until the Washington State University extension energy program notifies the utility to resume incentive payments.

((~~(21)~~)) (26)(a) The utility must issue the incentive payment within ninety days of receipt of the information required under subsection ((~~(20)~~)) (25)(a) of this section from the Washington State University extension energy program. The utility must resume the incentive payments withheld under subsection ((~~(20)~~)) (25)(b) of this section within thirty days of receiving notice from the Washington State University extension energy program that the claim has been demonstrated accurate and valid and payment should be resumed.

(b) A utility is not liable for incentive payments to a customer-owner if the utility has disconnected the customer due to a violation of a customer service agreement, such as nonpayment of the customer's bill, or a violation of an interconnection agreement.

((~~(22)~~)) (27) Beginning January 1, 2018, the Washington State University extension energy program must post on its web site and update at least monthly a report, by utility, of:

(a) The number of certifications issued for renewable energy systems, including estimated system sizes, costs, and annual energy production and incentive yields for various system types; and

(b) An estimate of the amount of credit that has not yet been allocated for incentive payments under each utility's credit limit and remains available for new renewable energy system certifications.

((~~(23)~~)) (28) Persons receiving incentive payments under this section must keep and preserve, for a period of five years for the duration of the consumer contract, suitable records as may be necessary to determine the amount of incentive payments applied for and received. The Washington State University extension energy program may direct a utility to cease issuing incentive payments if the records are not made available for examination upon request. A utility receiving such a directive is not liable to the applicant for any incentive payments or other damages for ceasing payments pursuant to the directive.

((~~(24)~~)) (29) The nonpower attributes of the renewable energy system belong to the utility customer who owns or hosts the system or, in the case of a community solar project or a shared commercial solar project, the participant, and can be kept, sold, or transferred at the utility customer's discretion unless, in the case of a utility-owned community solar or shared commercial solar project, a contract between the customer and the utility clearly specifies that the attributes will be retained by the utility.

((~~(25)~~)) (30) All lists, technical specifications, determinations, and guidelines developed under this section must be made publicly available online by the Washington State University extension energy program.

((~~(26)~~)) (31) No certification may be issued under this section by the Washington State University extension energy program for any renewable energy system, other than a community solar project, after June 30, ((~~2021~~)) 2020. No certification may be issued under this section for any community solar project after June 30, 2026.

((~~(27)~~)) (32) The Washington State University extension energy program must collect a one-time fee for applications submitted under subsection (1) of this section of one hundred twenty-five dollars per applicant. The Washington State University extension energy program must collect a one-time fee for applications submitted under subsection (2) of this section of five hundred dollars per applicant. The Washington State University extension energy program must deposit all revenue generated by this fee into the state general fund. ((~~The Washington State University extension energy program must administer and budget for the program established in RCW 82.16.120, this section, and RCW 82.16.170 in a manner that ensures its administrative costs through June 30, 2022, are completely met by the revenues from this fee. If the Washington State University extension energy program determines that the fee authorized in this subsection is insufficient to cover the administrative costs through June 30, 2022, the Washington State University extension energy program must report to the legislature on costs incurred and fees collected and demonstrate why a different fee amount or funding mechanism should be authorized.~~

~~(28)~~)) (33) The Washington State University extension energy program may, through a public process, develop any program requirements, policies, and processes necessary for the administration or implementation of this section, RCW 82.16.120, 82.16.155, and 82.16.170. The department is authorized, in consultation with the Washington State University extension energy program, to adopt any rules necessary for administration or implementation of the program established under this section and RCW 82.16.170.

((~~(29)~~)) (34) Applications, certifications, requests for incentive payments under this section, and the information contained therein are not deemed tax information under RCW 82.32.330 and are subject to disclosure.

((~~(30)~~)) (35)(a) By November 1, 2019, and in compliance with RCW 43.01.036, the Washington State University extension energy program must submit a report to the legislature that includes the following:

(i) The number and types of renewable energy systems that have been certified under this section as of July 1, 2019, both statewide and per participating utility;

(ii) The number of utilities that are approaching or have reached the credit limit established under RCW 82.16.130(2) or the thresholds established under subsection ((~~(13)~~)) (17) of this section;

(iii) The share of renewable energy systems by type that contribute to each utility's threshold under subsection ((~~(13)~~)) (17) of this section;

(iv) An assessment of the deployment of community solar projects in the state, including but not limited to the following:

(A) An evaluation of whether or not community solar projects are being deployed in low-income and moderate-income communities, as those terms are defined in RCW 43.63A.510, including a description of any barriers to project deployment in these communities;

(B) A description of the share of community solar projects by administrator type that contribute to each utility's threshold under subsection ((~~(13)~~)) (17)(a) of this section; and

(C) A description of any barriers to participation by nonprofits and local housing authorities in the incentive program established under this section and under RCW 82.16.170;

(v) The total dollar amount of incentive payments that have been made to participants in the incentive program established under this section to date; and

(vi) The total number of megawatts of solar photovoltaic capacity installed to date by participants in the incentive program established under this section.

(b) By December 31, 2019, the legislature must review the report submitted under (a) of this subsection and determine whether the credit limit established under RCW 82.16.130(2) should be increased to two percent of a light and power business's taxable power sales generated in calendar year 2014 and due under RCW 82.16.020(1)(b) or two hundred fifty thousand dollars, whichever is greater, in order to achieve the legislative intent under section 1, chapter 36, Laws of 2017 3rd sp. sess.

**Sec.**  RCW 82.16.170 and 2017 3rd sp.s. c 36 s 7 are each amended to read as follows:

(1) The purpose of community solar programs is to facilitate broad, equitable community investment in and access to solar power. Beginning July 1, 2017, a community solar administrator may organize and administer a community solar project as provided in this section.

(2) ((~~A~~)) In order to receive certification for the incentive payment provided under RCW 82.16.165(1) by June 30, 2021, a community solar project must have a direct current nameplate capacity that is no more than one thousand kilowatts and must have at least ten participants or one participant for every ten kilowatts of direct current nameplate capacity, whichever is greater. A community solar project that has a direct current nameplate capacity greater than five hundred kilowatts must be subject to a standard interconnection agreement with the utility serving the situs of the community solar project. Except for community solar projects authorized under subsection ((~~(9)~~)) (10) of this section, each participant must be a customer of the utility providing service at the situs of the community solar project.

(3) In order to receive certification for the incentive payment provided under RCW 82.16.165(2) beginning July 1, 2020, a community solar project must meet the following requirements:

(a) The administrator of the community solar project must apply for precertification under RCW 82.16.165(9)(b) on or after July 1, 2020;

(b) The community solar project must have a direct current nameplate capacity that is no greater than one thousand kilowatts;

(c) No single subscriber may subscribe to more than forty percent of the nameplate capacity of the project;

(d) At least forty percent of the project's nameplate capacity must be subscribed to by any combination of low-to-moderate-income household subscribers and low-to-moderate-income service providers. A low-to-moderate-income service provider cannot be both a subscriber to and the administrator of that same project;

(e) The income status of the low-to-moderate-income household subscribers must be verified to the administrator by a low-to-moderate-income service provider;

(f) At least forty percent of the nameplate capacity of the project must be subscribed to by subscribers with a subscription that is twenty kilowatts or less; and

(g) Except for community solar projects authorized under subsection (10) of this section, each participant must be a customer of the utility providing service at the situs of the community solar project.

(4) The administrator of a community solar project must administer the project in a transparent manner that allows for fair and nondiscriminatory opportunity for participation by utility customers.

((~~(4)~~)) (5) The administrator of a community solar project may establish a reasonable fee to cover costs incurred in organizing and administering the community solar project. Project participants, prior to making the commitment to participate in the project, must be given clear and conspicuous notice of the portion of the incentive payment that will be used for this purpose.

((~~(5)~~)) (6) The administrator of a community solar project must maintain and update annually through June 30, 2030, the following information for each project it operates or administers:

(a) Ownership information;

(b) Contact information for technical management questions;

(c) Business address;

(d) Project design details, including project location, output capacity, equipment list, and interconnection information; and

(e) Subscription information, including rates, fees, terms, and conditions.

((~~(6)~~)) (7) The administrator of a community solar project must provide the information required in subsection ((~~(5)~~)) (6) of this section to the Washington State University extension energy program at the time it submits the application allowed under RCW 82.16.165(1).

((~~(7)~~)) (8) The administrator of a community solar project must provide each project participant with a disclosure form containing all material terms and conditions of participation in the project, including but not limited to the following:

(a) Plain language disclosure of the terms under which the project participant's share of any incentive payment will be calculated by the Washington State University extension energy program over the life of the contract;

(b) Contract provisions regulating the disposition or transfer of the project participant's interest in the project, including any potential costs associated with such a transfer;

(c) All recurring and nonrecurring charges;

(d) A description of the billing and payment procedures;

(e) A description of any compensation to be paid in the event of project underperformance;

(f) Current production projections and a description of the methodology used to develop the projections;

(g) Contact information for questions and complaints; and

(h) Any other terms and conditions of the services provided by the administrator.

((~~(8)~~)) (9) A utility may not adopt rates, terms, conditions, or standards that unduly or unreasonably discriminate between utility-administered community solar projects and those administered by another entity.

((~~(9)~~)) (10) A public utility district that is engaged in distributing electricity to more than one retail electric customer in the state and a joint operating agency organized under chapter 43.52 RCW on or before January 1, 2017, may enter into an agreement with each other to construct and own a community solar project that is located on property owned by a joint operating agency or on property that receives electric service from a participating public utility district. Each participant of a community solar project under this subsection must be a customer of at least one of the public utility districts that is a party to the agreement with a joint operating agency to construct and own a community solar project.

((~~(10)~~)) (11) The Washington utilities and transportation commission must publish, without disclosing proprietary information, a list of the following:

(a) Entities other than utilities, including affiliates or subsidiaries of utilities, that organize and administer community solar projects; and

(b) Community solar projects and related programs and services offered by investor-owned utilities.

((~~(11)~~)) (12) If a consumer-owned utility opts to provide a community solar program or contracts with a nonutility administrator to offer a community solar program, the governing body of the consumer-owned utility must publish, without disclosing proprietary information, a list of the nonutility administrators contracted by the utility as part of its community solar program.

((~~(12)~~)) (13) A utility administrator of a community solar project applying for and receiving precertification and certification on or after July 1, 2020, that meets the requirements of RCW 82.16.165(9) and subsection (3) of this section may provide energy assistance and investments to reduce the energy burden for low-to-moderate-income households and low-to-moderate-income service providers by offsetting the proportional administration and subscription costs for those entities, and may separately account for those costs.

(14) Except for parties engaged in actions and transactions regulated under laws administered by other authorities and exempted under RCW 19.86.170, a violation of this section constitutes an unfair or deceptive act in trade or commerce in violation of chapter 19.86 RCW, the consumer protection act. Acts in violation of chapter 36, Laws of 2017 3rd sp. sess. are not reasonable in relation to the development and preservation of business, and constitute matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW.

((~~(13)~~)) (15) Nothing in this section may be construed as intending to preclude persons from investing in or possessing an ownership interest in a community solar project, or from applying for and receiving federal investment tax credits.

**Sec.**  RCW 80.60.005 and 1998 c 318 s 1 are each amended to read as follows:

The legislature finds that it is in the public interest to:

(1) Encourage private investment in renewable energy resources;

(2) Stimulate the economic growth of this state; ((~~and~~))

(3) Enhance the continued diversification of the energy resources used in this state; and

(4) Expand access to solar energy through enhanced opportunities to participate in community solar projects.

**Sec.**  RCW 80.60.010 and 2019 c 235 s 1 are each reenacted and amended to read as follows:

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

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

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

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

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

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

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

(7) "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.

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

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

(10) "Meter aggregation" means the administrative combination of billing net energy consumption from a designated net meter and eligible aggregated meter, or, in the case of a community solar project, the administrative combination of billing net energy consumption, calculated as the net difference between generation from a subscriber's proportional subscription in a community solar project and the subscriber's electrical usage at their designated community solar subscriber meter.

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

(12) "Net metering" means measuring the difference between the electricity supplied by an electric utility and the excess electricity generated by a customer-generator's net metering system over the applicable billing period. For a designated community solar subscriber meter, "net metering" means measuring the difference between the electricity supplied by an electric utility at a designated community solar subscriber meter at a subscriber's premises and the proportional generation output subscribed to by the subscriber, plus the generation output of any other net metering system for which the subscriber receives credit over the applicable billing period.

(13) "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 AC capacity of not more than one hundred kilowatts;

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

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

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

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

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

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

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

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

(19) "Administrator" means any person, including an electric utility, that is responsible for maintaining and providing a list of designated community solar subscriber meters to the electric utility and for performing other services required to qualify a community solar project for meter aggregation under RCW 80.60.030.

(20) "Community solar project" means a solar energy system that has an alternating current nameplate generating capacity that is no larger than one thousand kilowatts, where all subscribers participate in meter aggregation pursuant to RCW 80.60.030 and are retail electric customers of the electric utility with which the community solar project is directly interconnected, and where the electricity generated is measured against a subscriber's designated community solar subscriber meter in the form of a bill credit proportional to the size of their subscription.

(21) "Designated community solar subscriber meter" means an electric service meter that measures electrical service to the premises of a subscriber in a community solar project, and that is identified by the administrator of a community solar project to the electric utility as participating in meter aggregation at a community solar project.

(22) "Energy assistance" has the same meaning as provided in RCW 19.405.020.

(23) "Energy burden" has the same meaning as provided in RCW 19.405.020.

(24) "Low-income" has the same meaning as provided in RCW 19.405.020.

(25) "Low-to-moderate-income household" and "low-to-moderate-income service provider" have the same meanings as defined in RCW 82.16.160.

(26) "Subscriber" means a retail electric customer of an electric utility who owns one or more subscriptions or ownership shares of a community solar project directly interconnected with that same utility and who takes electrical service from a designated community solar subscriber meter.

(27) "Subscription" means an agreement between a subscriber and the administrator of a community solar project. A subscription must be sized by the administrator, in coordination with the subscriber and the utility, such that: (a) The estimated annual generation from all community solar projects in which a subscriber is a participant, plus generation from any other net metering system at the subscriber's designated community solar subscriber meter, does not exceed the subscriber's average annual electrical usage at the premises of the designated community solar subscriber meter; and (b) the total generating capacity of the subscriber's subscriptions to community solar projects, plus the generating capacity of any net metering system at that subscriber's designated community solar subscriber meter, does not exceed an alternating current capacity of one hundred kilowatts.

**Sec.**  RCW 80.60.030 and 2019 c 235 s 3 are each amended to read as follows:

Consistent with the other provisions of this chapter, the net energy measurement, billed charges for kilowatt-hour consumption, and credits for excess kilowatt-hour generation by a net metered system, 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's net metering system 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 excess electricity generated by the net metering system during a billing period exceeds the electricity supplied by the electric utility during the same billing period, 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 the credit for kilowatt-hours appearing on the bill for the following billing period.

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

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

(b) A customer-generator may aggregate a designated meter with one additional aggregated meter located on the same parcel as the designated meter or a parcel that is contiguous with the parcel where the designated meter is located.

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

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

(e) Credits for excess kilowatt-hours earned by the net metering system at the site of a designated meter during a billing period shall be credited by the electric utility for kilowatt hour charges due at the aggregated meter at the applicable rate of the aggregated meter.

(f) If credits generated in any billing period exceed total consumption for that billing period at both meters that are part of an aggregated arrangement, credits are retained pursuant to subsections (3) and ((~~(5)~~)) (6) of this section.

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

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

(5)(a) An electric utility must provide meter aggregation for subscribers of a community solar project if requested by an administrator.

(b) If a production meter, software, or billing system enhancement is required by the electric utility to provide meter aggregation under this subsection (5), the electric utility may require the administrator to purchase the production meter and software or pay for the cost of any required billing system enhancement. An electric utility may choose to pay the costs of any production meter, software, or billing system enhancements, and may separately account for any expenditures that provide energy assistance to, or reduce the energy burden of, low-income households or low-income service providers. Nothing in this subsection is intended to prohibit a utility from applying the expenditures of funds under this section that provide energy assistance to, or reduce the energy burden of, low-to-moderate-income households or low-to-moderate-income service providers towards compliance with RCW 19.405.120.

(c) In order to participate in community solar project meter aggregation, the proportional subscription of a single subscriber, plus the nameplate capacity of any other net metering system owned by or subscribed to by that subscriber, must not exceed the lesser of either: (i) The net metering system size limitation in RCW 80.60.010(13)(a); or (ii) the average annual electric usage of the premises of the subscriber's designated community solar subscriber meter.

(d) An administrator must maintain and provide to the electric utility a list of designated community solar subscriber meters for meter aggregation.

(e) Credits for kilowatt-hours generated by a community solar project during the applicable billing period must be used to proportionally offset electricity supplied by the electric utility at the location of the subscriber's designated community solar subscriber meter.

(f) Credits for excess kilowatt-hours generated by a community solar project during the applicable billing period must be credited by the electric utility for kilowatt-hour charges due at the subscriber's designated community solar subscriber meter at the applicable rate of that meter.

(g) If credits generated in any billing period exceed total consumption for that billing period at a designated community solar subscriber meter, then credits must be retained pursuant to subsections (3) and (6) of this section.

(h) Credits carried over from one billing period to the next must be applied in subsequent billing periods in the same manner as described under (e) and (f) of this subsection and subsection (6) of this section.

(i) Meters that are aggregated under this subsection must not be considered a different rate class as a result of participation in meter aggregation.

(j) To provide energy assistance or reduce the energy burden of low-income households, an electric utility may: (i) Offset or discount the subscription costs of a low-income household subscriber's participation in a community solar project through meter aggregation; and (ii) retain ownership of any renewable energy credit or other environmental attributes that may accrue from the proportional generation of a low-income household subscriber's community solar project subscription, provided that the proportional electricity associated with that renewable energy credit or environmental attribute is credited against the electrical usage at the low-income household subscriber's designated community solar subscriber meter.

(6) On March 31st of each calendar year, any remaining unused credits for kilowatt-hours accumulated during the previous year shall be granted to the electric utility, without any compensation to the customer-generator or community solar project administrator or subscribers.

((~~(6)~~)) (7) Nothing in this section prohibits a utility from allowing aggregation under terms different than the requirements of subsection (4) of this section if a customer-generator has an existing arrangement for meter aggregation in effect or a customer submits a written request for aggregation on or before July 1, 2019, for individual meter aggregation, or July 1, 2020, for meters aggregated under subsection (5) of this section.

((~~(7)~~)) (8) Nothing in this section prohibits the owner of multifamily residential facility from installing a net metering system as defined in RCW 80.60.010 assigned to a single designated meter located on the premises of the multifamily residential facility where the tenants are not individually metered customers of the utility and distributing any benefits of the net metering to tenants of the facility where the net metering system is located. The utility must measure the net energy produced and provide credit to the single designated meter to which the net metering system is assigned in accordance with subsections (1) through (3) of this section or under the terms of a standard rate or tariff schedule established under RCW 80.60.020(3). The distribution of benefits to tenants of such a system, if any, is the responsibility of the owner of the net metering system and not the responsibility of the utility.

(9) Nothing in this section prohibits an electric utility from allowing meter aggregation for designated community solar subscriber meters under terms different from the requirements under subsection (5) of this section, provided that the electric utility and administrator mutually agree on the terms and conditions of the meter aggregation and that those terms and conditions do not violate any other state or federal law.

(10) Nothing in this section prohibits meter aggregation of designated community solar subscriber meters for residents of a multifamily residential facility.

NEW SECTION. **Sec.**  The provisions of RCW 82.32.805 and 82.32.808 do not apply to this act.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

**--- END ---**