

**ESHB 2248** - S COMM AMD  
By Committee on Ways & Means

**ADOPTED AS AMENDED 03/11/2020**

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds and declares  
4 that stimulating local investment in community solar projects  
5 continues to be an important part of a state energy strategy by  
6 helping to increase energy independence from fossil fuels, promote  
7 economic development, hedge against the effects of climate change,  
8 and attain environmental benefits. The legislature finds that while  
9 previous community solar programs were successful in stimulating  
10 these benefits, the programs failed to provide an adequate framework  
11 for low-income participation and long-term market certainty. The  
12 legislature finds that the vast majority of Washingtonians still do  
13 not have access to the benefits of solar energy. The legislature  
14 intends to stimulate the deployment of community solar projects for  
15 the benefit of all Washingtonians by funding the renewable energy  
16 production incentive program for community solar projects and by  
17 creating opportunities for broader participation, especially by low-  
18 income households and low-income service providers. As of December  
19 2019, the state is thirteen megawatts short of the one hundred  
20 fifteen megawatts of solar photovoltaic capacity established as a  
21 goal under RCW 82.16.155. The legislature therefore intends to  
22 provide an incentive sufficient to promote installation of community  
23 solar projects through June 30, 2031, at which point the legislature  
24 expects to review the effectiveness of enhancing access to community  
25 solar projects.

26 (2) The legislature finds that participation of low-income  
27 customers in community solar projects is consistent with the goals  
28 and intent of the energy assistance provisions of chapter 19.405 RCW,  
29 the Washington clean energy transformation act, when this  
30 participation achieves a reduction in energy burden for the  
31 customers.

1 (3) The legislature also finds that offering energy assistance  
2 through renewable energy programs, including community solar, at a  
3 discount to low-income customers is consistent with the goal and  
4 intent of RCW 80.28.068.

5 **Sec. 2.** RCW 82.16.130 and 2017 3rd sp.s. c 36 s 4 are each  
6 amended to read as follows:

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

9 (a) Incentive payments made in any fiscal year under RCW  
10 82.16.120 and 82.16.165; and

11 (b) Any fees a utility is allowed to recover pursuant to RCW  
12 82.16.165(5).

13 (2) The credits must be taken in a form and manner as required by  
14 the department. The credit taken under this section for the fiscal  
15 year may not exceed one and one-half percent of the (~~businesses~~)  
16 business's taxable power sales generated in calendar year 2014 and  
17 due under RCW 82.16.020(1)(b) or two hundred fifty thousand dollars,  
18 whichever is greater, for incentive payments made for the following:

19 (a) Renewable energy systems, other than community solar  
20 projects, that are certified for an incentive payment as of June 30,  
21 2020; and

22 (b) Community solar and shared commercial projects that are under  
23 precertification status under RCW 82.16.165(7)(b) as of June 30,  
24 2020, and that are certified for an incentive payment in accordance  
25 with the terms of that precertification by December 31, 2021.

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

30 (4) For any business that has claimed credit for amounts that  
31 exceed the correct amount of the incentive payable under RCW  
32 82.16.120, the amount of tax against which credit was claimed for the  
33 excess payments is immediately due and payable. The department may  
34 deduct amounts due from future credits claimed by the business.

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

1 the date the credit was claimed, and accrues until the taxes against  
2 which the credit was claimed are repaid.

3 (b) A business is not liable for excess payments made in reliance  
4 on amounts reported by the Washington State University extension  
5 energy program as due and payable as provided under RCW  
6 82.16.165(20), if such amounts are later found to be abnormal or  
7 inaccurate due to no fault of the business.

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

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

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

16 (i) Renewable energy systems, other than community solar  
17 projects, that are certified for an incentive payment as of June 30,  
18 2020; and

19 (ii) Community solar and shared commercial projects that are  
20 under precertification status under RCW 82.16.165(7)(b) as of June  
21 30, 2020, and that are certified for an incentive payment in  
22 accordance with the terms of that precertification by December 31,  
23 2021.

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

25 (8) This section expires June 30, 2031.

26 NEW SECTION. Sec. 3. A new section is added to chapter 82.16  
27 RCW to read as follows:

28 (1) Beginning July 1, 2020, a light and power business is allowed  
29 a credit against taxes due under this chapter in an amount equal to  
30 incentive payments made in any fiscal year under section 7 of this  
31 act.

32 (2) The credits must be taken in a form and manner as required by  
33 the department. The credit taken under this section for the fiscal  
34 year may not exceed one and one-half percent of the business's  
35 taxable power sales generated in calendar year 2014 and due under RCW  
36 82.16.020(1)(b) or two hundred fifty thousand dollars, whichever is  
37 greater, for incentive payments made for community solar projects  
38 that submit an application for precertification under section 7 of  
39 this act on or after July 1, 2020, and that are certified for an

1 incentive payment in accordance with the terms of that  
2 precertification by June 30, 2031.

3 (3) The credit may not exceed the tax that would otherwise be due  
4 under this chapter. Refunds may not be granted in the place of  
5 credits.

6 (4) For any business that has claimed credit for amounts that  
7 exceed the correct amount of the incentive payable under section 7 of  
8 this act, the amount of tax against which credit was claimed for the  
9 excess payments is immediately due and payable. The department may  
10 deduct amounts from future credits claimed by the business.

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

17 (b) A business is not liable for excess payments made in reliance  
18 on amounts reported by the Washington State University extension  
19 energy program as due and payable as provided under section 7 of this  
20 act, if such amounts are later found to be abnormal or inaccurate due  
21 to no fault of the business.

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

25 (6) The right to earn tax credits for incentive payments made  
26 under section 7 of this act expires June 30, 2034. Credits may not be  
27 claimed under this section after June 30, 2035.

28 (7) This section expires June 30, 2036.

29 **Sec. 4.** RCW 82.16.160 and 2017 3rd sp.s. c 36 s 5 are each  
30 amended to read as follows:

31 (1) The definitions in this section apply throughout this section  
32 and RCW 82.16.165(~~(, 82.16.170,)~~) and 82.16.175 unless the context  
33 clearly requires otherwise.

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

37 ~~((2))~~ (b) "Certification" means the authorization issued by the  
38 Washington State University extension energy program establishing a

1 person's eligibility to receive annual incentive payments from the  
2 person's utility for the program term.

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

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

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

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

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

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

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

26 ~~((10))~~ (j) "Program term" means: ~~((a))~~ (i) For community  
27 solar projects that are certified under RCW 82.16.165, eight years or  
28 until cumulative incentive payments for electricity produced by the  
29 project reach fifty percent of the total system price, including  
30 applicable sales tax, whichever occurs first; and ~~((b))~~ (ii) for  
31 other renewable energy systems, including shared commercial solar  
32 projects, eight years or until cumulative incentive payments for  
33 electricity produced by a system reach fifty percent of the total  
34 system price, including applicable sales tax, whichever occurs first.

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

39 ~~((12))~~ (l) "Residential-scale system" means a renewable energy  
40 system or systems located at a single situs with combined nameplate

1 capacity of twelve kilowatts or less that meets the applicable system  
2 eligibility requirements established in RCW 82.16.165.

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

8 (2) This section expires June 30, 2031.

9 **Sec. 5.** RCW 82.16.165 and 2017 3rd sp.s. c 36 s 6 are each  
10 amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Washington State University extension energy program before the  
2 effective date of the notice of termination.

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

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

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

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

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

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

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

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



1 (7) (a) To obtain certification for the incentive payment provided  
2 under subsection (1) of this section by June 30, 2020, for renewable  
3 energy systems other than community solar projects, or by December  
4 31, 2021, for community solar and shared commercial projects, a  
5 person must submit to the Washington State University extension  
6 energy program an application, including:

7 (i) A signed statement that the applicant has not previously  
8 received a notice of eligibility from the department under RCW  
9 82.16.120 entitling the applicant to receive annual incentive  
10 payments for electricity generated by the renewable energy system at  
11 the same meter location;

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

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

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

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

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

37 (b) (i) Prior to obtaining certification under this subsection, a  
38 community solar project or shared commercial solar project must apply  
39 for precertification against the remaining funds available for  
40 incentive payments under subsection (13) (d) of this section in order

1 to be guaranteed an incentive payment under subsection (1) of this  
2 section. Community solar and shared commercial projects that are  
3 under precertification status under this subsection (7) as of June  
4 30, 2020, may not apply for precertification for the incentive  
5 payment provided under section 7 of this act for that same project;

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

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

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

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

33 (10) Certification is valid for the program term and entitles the  
34 applicant or, in the case of a community solar project or shared  
35 commercial solar project, the participant, to receive incentive  
36 payments for electricity generated from the date the renewable energy  
37 system commences operation, or the date the system is certified,  
38 whichever date is later. For purposes of this subsection, the  
39 Washington State University extension energy program must define when  
40 a renewable energy system commences operation and provide notice of

1 such date to the recipient and the utility serving the situs of the  
2 system. Certification may not be retroactively changed except to  
3 correct later discovered errors that were made during the original  
4 application or certification process.

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

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

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

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

20 (12) The Washington State University extension energy program  
21 must determine the total incentive rate for ~~((a new renewable energy  
22 system certification by adding to the base rate any applicable made-  
23 in-Washington bonus rate))~~ renewable energy systems, other than a  
24 community solar project, certified through June 30, 2020, and for  
25 community solar and shared commercial projects precertified as of  
26 June 30, 2020, and certified through December 31, 2021, as provided  
27 in this subsection. A made-in-Washington bonus rate is provided for a  
28 renewable energy system or a community solar project certified  
29 through June 30, 2019, with solar modules made in Washington or with  
30 a wind turbine or tower that is made in Washington. Both the base  
31 rates and bonus rate vary, depending on the fiscal year in which the  
32 system is certified and the type of renewable energy system being  
33 certified, as provided in the following table:

34 Fiscal year	Base rate -	Base rate -	Base rate -	Base rate - shared	Made in
35 of system	residential-scale	commercial-scale	community solar	commercial solar	Washington
36 certification					bonus
37 2018	\$0.16	\$0.06	\$0.16	\$0.06	\$0.05
38 2019	\$0.14	\$0.04	\$0.14	\$0.04	\$0.04

1	2020	\$0.12	\$0.02	\$0.12	\$0.02	(\$0.03)
2	2021	(\$0.10)	(\$0.02)	\$0.10	(\$0.02)	(\$0.02)

(13) 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) If the Washington State University extension energy program ceases issuing new certifications during a fiscal year or biennium as provided in subsection (13) 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) 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) 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

1 disclosed, along with an explanation of the limitations on incentive  
2 payments contained in this subsection (15), in the contractual  
3 agreement with the shared commercial solar project participants.

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

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

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

30 (19) Annually, the utility must report electronically to the  
31 Washington State University extension energy program the amount of  
32 gross kilowatt-hours generated by each renewable energy system since  
33 the prior annual report. For the purposes of this section, to report  
34 electronically means to submit statistical or factual information in  
35 alphanumeric form through a web site established by the Washington  
36 State University extension energy program or in a list, table,  
37 spreadsheet, or other nonnarrative format that can be digitally  
38 transmitted or processed. The utility may instead opt to report by  
39 mail or require program participants to report individually, but if  
40 the utility exercises one or more of these options it must negotiate

1 with the Washington State University extension energy program the  
2 fee-for-service arrangement described in subsection (5)(b) of this  
3 section.

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

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

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

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

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

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

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

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

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

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

22 (26) No certification may be issued under this section by the  
23 Washington State University extension energy program for any  
24 renewable energy system, other than a community solar project, after  
25 June 30, ((2021)) 2020. No certification may be issued under this  
26 section for any community solar or shared commercial project after  
27 December 31, 2021.

28 (27) The Washington State University extension energy program  
29 must collect a one-time fee for applications submitted under  
30 subsection (1) of this section of one hundred twenty-five dollars per  
31 applicant. The Washington State University extension energy program  
32 must deposit all revenue generated by this fee into the state general  
33 fund. The Washington State University extension energy program must  
34 administer and budget for the program established in RCW 82.16.120,  
35 this section, and RCW 82.16.170 in a manner that ensures its  
36 administrative costs through June 30, 2022, are completely met by the  
37 revenues from this fee. If the Washington State University extension  
38 energy program determines that the fee authorized in this subsection  
39 is insufficient to cover the administrative costs through June 30,  
40 2022, the Washington State University extension energy program must

1 report to the legislature on costs incurred and fees collected and  
2 demonstrate why a different fee amount or funding mechanism should be  
3 authorized.

4 (28) The Washington State University extension energy program  
5 may, through a public process, develop any program requirements,  
6 policies, and processes necessary for the administration or  
7 implementation of this section, RCW 82.16.120, 82.16.155, and  
8 82.16.170. The department is authorized, in consultation with the  
9 Washington State University extension energy program, to adopt any  
10 rules necessary for administration or implementation of the program  
11 established under this section and RCW 82.16.170.

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

16 (30)(a) By November 1, 2019, and in compliance with RCW  
17 43.01.036, the Washington State University extension energy program  
18 must submit a report to the legislature that includes the following:

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

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

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

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

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

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

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



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

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

7 (b) By December 31, 2019, the legislature must review the report  
8 submitted under (a) of this subsection and determine whether the  
9 credit limit established under RCW 82.16.130(2) should be increased  
10 to two percent of a light and power business's taxable power sales  
11 generated in calendar year 2014 and due under RCW 82.16.020(1)(b) or  
12 two hundred fifty thousand dollars, whichever is greater, in order to  
13 achieve the legislative intent under section 1, chapter 36, Laws of  
14 2017 3rd sp. sess.

15 (31) This section expires June 30, 2031.

16 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.16  
17 RCW to read as follows:

18 (1) The definitions in this section apply throughout this section  
19 and section 7 of this act unless the context clearly requires  
20 otherwise.

21 (a) "Administrator" means the utility, nonprofit, or other local  
22 housing authority that organizes and administers a community solar  
23 project as provided in section 7 of this act and RCW 82.16.170.

24 (b) "Certification" means the authorization issued by the  
25 Washington State University extension energy program establishing a  
26 community solar project administrator's eligibility to receive a low-  
27 income community solar incentive payment from the electric utility  
28 serving the site of the community solar project, on behalf of, and  
29 for the purpose of providing direct benefits to, its low-income  
30 subscribers, low-income service provider subscribers, and tribal and  
31 public agency subscribers.

32 (c) "Community solar project" means a solar energy system that:

33 (i) Has an alternating current nameplate capacity that is greater  
34 than twelve kilowatts but no greater than one hundred ninety-nine  
35 kilowatts;

36 (ii) Has, at minimum, either two subscribers or one low-income  
37 service provider subscriber; and

38 (iii) Meets the applicable eligibility requirements in section 7  
39 of this act and RCW 82.16.170.

- 1 (d) "Consumer-owned utility" has the same meaning as in RCW  
2 19.280.020.
- 3 (e) "Electric utility" or "utility" means a consumer-owned  
4 utility or investor-owned utility as those terms are defined in RCW  
5 19.280.020.
- 6 (f) "Energy assistance" has the same meaning as provided in RCW  
7 19.405.020.
- 8 (g) "Energy burden" has the same meaning as provided in RCW  
9 19.405.020.
- 10 (h) "Governing body" has the same meaning as provided in RCW  
11 19.280.020.
- 12 (i) "Low-income" has the same meaning as provided in RCW  
13 19.405.020.
- 14 (j) "Low-income service provider" includes, but is not limited  
15 to, a local community action agency or local community service agency  
16 designated by the department of commerce under chapter 43.63A RCW,  
17 local housing authority, tribal housing authority, low-income tribal  
18 housing program, affordable housing provider, food bank, or other  
19 nonprofit organization that provides services to low-income  
20 households.
- 21 (k) "Multifamily residential building" means a building  
22 containing more than two sleeping units or dwelling units where  
23 occupants are primarily permanent in nature.
- 24 (l) "Person" means an individual, firm, partnership, corporation,  
25 company, association, agency, or any other legal entity.
- 26 (m) "Public agency" means any political subdivision of the state  
27 including, but not limited to, municipal and county governments,  
28 special purpose districts, and local housing authorities, but does  
29 not include state agencies.
- 30 (n)(i) Except as otherwise provided in (n)(ii) of this  
31 subsection, "qualifying subscriber" means a low-income subscriber,  
32 low-income service provider subscriber, tribal agency subscriber, or  
33 public agency subscriber.
- 34 (ii) For tribal agency subscribers and public agency subscribers,  
35 only the portion of their subscription to a community solar project  
36 that is demonstrated to benefit low-income beneficiaries, including  
37 low-income service providers and services provided to low-income  
38 citizens or households, is to be considered a qualifying subscriber.
- 39 (o) "Subscriber" means a retail electric customer of an electric  
40 utility who owns or is the beneficiary of one or more units of a

1 community solar project directly interconnected with that same  
2 utility.

3 (p) "Subscription" means an agreement between a subscriber and  
4 the administrator of a community solar project.

5 (2) This section expires June 30, 2036.

6 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.16  
7 RCW to read as follows:

8 (1) Beginning July 1, 2020, through June 30, 2031, an  
9 administrator of a community solar project meeting the eligibility  
10 requirements described in this section and RCW 82.16.170(3) may  
11 submit an application to the Washington State University extension  
12 energy program to receive a precertification for a community solar  
13 project. Projects with precertification applications approved by the  
14 Washington State University extension energy program have two years  
15 to complete their projects and apply for certification. By certifying  
16 qualified projects pursuant to the requirements of this section and  
17 RCW 82.16.170(3), the Washington State University extension energy  
18 program authorizes the utility serving the site of a community solar  
19 project in the state of Washington to remit a one-time low-income  
20 community solar incentive payment to the community solar project  
21 administrator, who accepts the payment on behalf of, and for the  
22 purpose of providing direct benefits to, the project's qualifying  
23 subscribers.

24 (2) A one-time low-income community solar incentive payment  
25 remitted to a community solar project administrator for a project  
26 certified under this section equals the sum of the following:

27 (a) An amount, not to exceed twenty thousand dollars per  
28 community solar project, equal to the community solar project's  
29 administrative costs related to the administrative start-up of the  
30 project for qualifying subscribers; and

31 (b) An amount that does not exceed one hundred percent of the  
32 proportional cost of the share of the community solar project that  
33 provides direct benefits to qualifying subscribers.

34 (3) No new certification may be issued under this section to an  
35 applicant who receives an annual incentive payment for a community  
36 solar project that was certified under RCW 82.16.120 or 82.16.165, or  
37 for a community solar project served by a utility that has elected  
38 not to participate in the incentive program provided in this section.

1 (4) Community solar projects that are under precertification  
2 status under RCW 82.16.165 as of June 30, 2020, may not apply for  
3 precertification of that same project for the one-time low-income  
4 community solar incentive payment provided in this section.

5 (5)(a) In addition to the one-time low-income community solar  
6 incentive payment under subsection (2) of this section, a  
7 participating utility must also provide the following compensation  
8 for the generation of electricity from the certified project:

9 (i) For a community solar project that has an alternating current  
10 nameplate capacity greater than twelve kilowatts but no greater than  
11 one hundred kilowatts, and that is connected behind the electric  
12 service meter, compensation must be determined in accordance with RCW  
13 80.60.020 and provided to the metered customer receiving service at  
14 the situs of the meter.

15 (ii) For all other community solar projects, compensation must be  
16 determined at a value set by the participating utility and paid to  
17 the administrator or subscribers according to the agreement between  
18 the project and the utility.

19 (iii) An administrator may deduct ongoing administrative costs  
20 from compensation provided from power generation, provided those  
21 costs are identified in the subscription agreement.

22 (b) If the utility provides compensation for the generation of  
23 electricity to the administrator, the administrator of a community  
24 solar project must provide that compensation to the project  
25 subscribers. For ten years after certification, and by March 1st of  
26 each year following certification, the provider of compensation for  
27 the generation of electricity to the subscriber, whether the utility  
28 or the administrator, but not both, must provide the Washington State  
29 University extension energy program with signed statements of the  
30 following for the preceding year:

31 (i) The energy production for the period for which compensation  
32 is to be provided;

33 (ii) Each subscriber's units of the project;

34 (iii) The amount disbursed to each subscriber for the period; and

35 (iv) The date and amount disbursed to each subscriber.

36 (6) A utility's participation in the incentive program provided  
37 in this section is voluntary.

38 (a) A utility electing to participate in the incentive program  
39 must notify the Washington State University extension energy program  
40 of such election in writing by January 1st of each year.

1 (b) The utility may terminate its voluntary participation in the  
2 program by providing notice in writing to the Washington State  
3 University extension energy program to cease accepting new  
4 applications for precertification for community solar projects that  
5 would be served by that utility. Such notice of termination of  
6 participation is effective after fifteen days, at which point the  
7 Washington State University extension energy program may not accept  
8 new applications for precertification for community solar projects  
9 that would be served by that utility.

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

15 (d) A utility that has terminated participation in the program  
16 may resume participation upon filing a notice with the Washington  
17 State University extension energy program.

18 (7) (a) The Washington State University extension energy program  
19 may issue certifications authorizing incentive payments under this  
20 section in a total statewide amount not to exceed twenty million  
21 dollars, and subject to the following biennial dollar limits:

22 (i) For fiscal year 2021, three hundred thousand dollars; and

23 (ii) For each biennium beginning on or after July 1, 2021, five  
24 million dollars.

25 (b) The Washington State University extension energy program will  
26 attempt to equitably distribute incentive funds throughout the state.  
27 Considerations for equitable fund distribution, based on  
28 precertification applications received from administrators served by  
29 utilities voluntarily participating in the program, may include  
30 measures to reserve or allocate available funds based on the  
31 proportion of public utility taxes collected, the proportion of the  
32 state's low-income customers served by each utility based on low-  
33 income home energy assistance program data at the department of  
34 commerce, and measures to achieve an equitable geographic  
35 distribution of community solar installations and a diversity of  
36 administrative models for community solar projects. If an equitable  
37 distribution of funds is not feasible due to a lack of  
38 precertification applications, the Washington State University  
39 extension energy program may allocate funds based on (a) of this  
40 subsection on a first-come, first-served basis.

1 (c) The Washington State University extension energy program  
2 shall regularly publish and update guidelines for how it will manage  
3 the allocation of available funding, based on the evaluation of  
4 applications and the factors specified in (b) of this subsection.

5 (8) (a) Prior to obtaining certification under this section, the  
6 administrator of a community solar project must apply for  
7 precertification against the funds available for incentive payments  
8 under subsection (7) of this section in order to be guaranteed an  
9 incentive payment under this section. The application for  
10 precertification must include, at a minimum:

11 (i) A demonstration of how the project will deliver continuing  
12 direct benefits to low-income subscribers. A direct benefit can  
13 include credit for the power generation for the community solar  
14 project, from sales of renewable energy credits, or other mechanisms  
15 that lower the energy burden of a low-income subscriber; and

16 (ii) Any other information the Washington State University  
17 extension energy program deems necessary in determining eligibility  
18 for precertification.

19 (b) The administrator of a community solar project must complete  
20 an application for certification in accordance with the requirements  
21 of subsection (9) of this section within less than two years of being  
22 approved for precertification status. The administrator must submit a  
23 project update to the Washington State University extension energy  
24 program after one year in precertification status.

25 (9) To obtain certification for the one-time community solar  
26 incentive payment provided under this section, a project  
27 administrator must submit to the Washington State University  
28 extension energy program an application, including, at a minimum:

29 (a) A signed statement that the applicant has not previously  
30 received a notice of eligibility from the department under RCW  
31 82.16.120 or the Washington State University extension energy program  
32 under RCW 82.16.165 entitling the applicant to receive annual  
33 incentive payments for electricity generated by the community solar  
34 project at the same meter location;

35 (b) A signed statement of the costs paid by the administrator  
36 related to administering the project for qualifying subscribers;

37 (c) A signed statement of the total project costs, including the  
38 proportional cost of the share of the community solar project that  
39 provides direct benefits to qualifying subscribers;

1 (d) A signed statement describing the amount of the upfront  
2 incentive and the timing, method, and distribution of estimated  
3 benefits to qualifying subscribers. The statement must describe any  
4 estimated energy burden reduction associated with the direct  
5 benefits.

6 (e) Available system operation data, such as global positioning  
7 system coordinates, tilt, estimated shading, and azimuth;

8 (f) Any other information the Washington State University  
9 extension energy program deems necessary in determining eligibility  
10 and incentive levels or administering the program;

11 (g)(i) Except as provided in (g)(ii) of this subsection (9), the  
12 date that the community solar project received its final electrical  
13 inspection from the applicable local jurisdiction, as well as a copy  
14 of the permit or, if the permit is available online, the permit  
15 number or other documentation deemed acceptable by the Washington  
16 State University extension energy program;

17 (ii) The Washington State University extension energy program may  
18 waive the requirement in (g)(i) of this subsection (9), accepting an  
19 application and granting provisional certification prior to proof of  
20 final electrical inspection. Provisional certification expires one  
21 hundred eight days after issuance, unless the applicant submits proof  
22 of the final electrical inspection from the applicable local  
23 jurisdiction or the Washington State University extension energy  
24 program extends certification, for a term or terms of thirty days,  
25 due to extenuating circumstances;

26 (h) Confirmation of the number of qualifying subscribers; and

27 (i) Any other information the Washington State University  
28 extension energy program deems necessary in determining eligibility  
29 and incentive levels or administering the program.

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

34 (11)(a) The Washington State University extension energy program  
35 must review each project for which an application for certification  
36 is submitted in accordance with subsection (8) of this section for  
37 reasonable cost and financial structure, with a targeted cost of  
38 three dollars per watt of installed system capacity that is  
39 designated for a community solar project's qualifying subscribers.  
40 The Washington State University extension energy program may approve

1 an application for a project that costs more or less than three  
2 dollars per watt of installed system capacity based on a review of  
3 the project, documents submitted by the project applicant, and  
4 available data. Project cost evaluations must exclude costs  
5 associated with energy storage systems. Applicants may petition the  
6 Washington State University extension energy program to approve a  
7 higher cost per watt for unusual circumstances, except that such  
8 costs may not include costs associated with energy storage systems.

9 (b) The Washington State University extension energy program may  
10 review the cost per watt target under (a) of this subsection prior to  
11 each fiscal biennium and is authorized to determine a new cost per  
12 watt target.

13 (12)(a) Within thirty days of receipt of an application for  
14 certification, the Washington State University extension energy  
15 program must notify the applicant and, except when a utility is the  
16 applicant, the utility serving the site of the community solar  
17 project, by mail or electronically, whether certification has been  
18 granted. The certification notice must state the total dollar amount  
19 of the low-income community solar incentive payment for which the  
20 applicant is eligible under this section.

21 (b) Within sixty days of receipt of a notification under (a) of  
22 this subsection, the utility serving the site of the community solar  
23 project must remit the applicable one-time low-income community solar  
24 incentive payment to the project administrator, who accepts the  
25 payment on behalf of, and for the purpose of providing direct  
26 benefits to, the project's qualifying subscribers.

27 (13)(a) Certification follows the community solar project if the  
28 following conditions are met using procedures established by the  
29 Washington State University extension energy program:

30 (i) The community solar project is transferred to a new owner who  
31 notifies the Washington State University extension energy program of  
32 the transfer;

33 (ii) The new owner provides an executed interconnection agreement  
34 with the utility serving the site of the community solar project; and

35 (iii) The new owner agrees to provide equivalent ongoing benefits  
36 to qualifying subscribers as the current owner.

37 (b) In the event that a qualifying subscriber terminates their  
38 participation in a community solar project, the system certification  
39 follows the project and participation must be transferred to a new  
40 qualifying subscriber.



1 (14) Beginning January 1, 2021, the Washington State University  
2 extension energy program must post on its web site and update at  
3 least monthly a report, by utility, of:

4 (a) The number of certifications issued for community solar  
5 projects; and

6 (b) An estimate of the amount of credit that has not yet been  
7 allocated for low-income community solar incentive payments under  
8 each utility's credit limit and that remains available for new  
9 community solar project certifications in the state.

10 (15) Persons receiving incentive payments under this section must  
11 keep and preserve, for a period of five years for the duration of the  
12 consumer contract, suitable records as may be necessary to determine  
13 the amount of incentive payments applied for and received.

14 (16) The nonpower attributes of the community solar project  
15 belong to the individual subscribers, and must be kept, sold, or  
16 transferred at a subscriber's discretion, unless a contract between  
17 the subscriber and administrator clearly specifies that the  
18 attributes will be transferred to the administrator. If the nonpower  
19 attributes are sold or transferred, the utility to which the project  
20 is interconnected has the first right of refusal to procure the  
21 nonpower attributes at their fair market value.

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

26 (18) The Washington State University extension energy program  
27 must collect a one-time fee for precertification applications  
28 submitted under this section of five hundred dollars per applicant.  
29 The Washington State University extension energy program must deposit  
30 all revenue generated by this fee into the state general fund.

31 (19) The Washington State University extension energy program  
32 may, through a public process, develop program requirements,  
33 policies, and processes necessary for the administration or  
34 implementation of this section.

35 (20) Applications, certifications, requests for incentive  
36 payments under this section, and the information contained therein  
37 are not deemed tax information under RCW 82.32.330 and are subject to  
38 disclosure.

1 (21) No certification may be issued under this section by the  
2 Washington State University extension energy program for a community  
3 solar project after June 30, 2033.

4 (22) This section expires June 30, 2036.

5 **Sec. 8.** RCW 82.16.170 and 2017 3rd sp.s. c 36 s 7 are each  
6 amended to read as follows:

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

11 (2) ~~((A))~~ In order to receive certification for the incentive  
12 payment provided under RCW 82.16.165(1) by December 31, 2021, a  
13 community solar project must have a direct current nameplate capacity  
14 that is no more than one thousand kilowatts and must have at least  
15 ten participants or one participant for every ten kilowatts of direct  
16 current nameplate capacity, whichever is greater. A community solar  
17 project that has a direct current nameplate capacity greater than  
18 five hundred kilowatts must be subject to a standard interconnection  
19 agreement with the utility serving the situs of the community solar  
20 project. Except for community solar projects authorized under  
21 subsection ~~((9))~~ (10) of this section, each participant must be a  
22 customer of the utility providing service at the situs of the  
23 community solar project.

24 (3) In order to receive certification for the incentive payment  
25 provided under section 7 of this act beginning July 1, 2020, a  
26 community solar project must meet the following requirements:

27 (a) The administrator of the community solar project must be a  
28 utility, nonprofit, or other local housing authority. The  
29 administrator of the community solar project must apply for  
30 precertification under section 7 of this act on or after July 1,  
31 2020;

32 (b) The community solar project must have an alternating current  
33 nameplate capacity that is greater than twelve kilowatts but no  
34 greater than one hundred ninety-nine kilowatts, and must have at  
35 least two subscribers or one low-income service provider subscriber;

36 (c) The administrator of the community solar project must provide  
37 a verified list of qualifying subscribers;

38 (d) Verification that an individual household subscriber meets  
39 the definition of low-income must be provided to the administrator by

1 an entity with authority to maintain the confidentiality of the  
2 income status of the low-income subscriber. If the providing entity  
3 incurs costs to verify a subscriber's income status, the  
4 administrator must provide reimbursement of those costs;

5 (e) Except for community solar projects authorized under  
6 subsection (10) of this section, each subscriber must be a customer  
7 of the utility providing service at the site of the community solar  
8 project;

9 (f) In the event that a low-income subscriber in a community  
10 solar project certified under section 7 of this act moves from the  
11 household premises of the subscriber's current subscription to  
12 another, the subscriber may continue the subscription, provided that  
13 the new household premises is served by the utility providing service  
14 at the site of the community solar project. In the event that a  
15 subscriber is no longer served by that utility or the subscriber  
16 terminates participation in a community solar project certified under  
17 section 7 of this act, the certification follows the system and  
18 participation may be transferred by the administrator to a new  
19 qualifying subscriber;

20 (g) The administrator must include in the application for  
21 precertification a project prospectus that demonstrates how the  
22 administrator intends to provide direct benefits to qualifying  
23 subscribers for the duration of their subscription to the community  
24 solar project; and

25 (h) The length of the subscription term for low-income  
26 subscribers must be the same length as for other subscribers, if  
27 applicable.

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

32 ~~((4))~~ (5) The administrator of a community solar project may  
33 establish a reasonable fee to cover costs incurred in organizing and  
34 administering the community solar project. Project participants,  
35 prior to making the commitment to participate in the project, must be  
36 given clear and conspicuous notice of the portion of the incentive  
37 payment that will be used for this purpose.

38 ~~((5))~~ (6) The administrator of a community solar project must  
39 maintain and update annually through June 30, 2030, the following  
40 information for each project it operates or administers:

- 1 (a) Ownership information;
- 2 (b) Contact information for technical management questions;
- 3 (c) Business address;
- 4 (d) Project design details, including project location, output
- 5 capacity, equipment list, and interconnection information; and
- 6 (e) Subscription information, including rates, fees, terms, and
- 7 conditions.

8 ~~((6))~~ (7) The administrator of a community solar project must

9 provide the information required in subsection ~~((5))~~ (6) of this

10 section to the Washington State University extension energy program

11 at the time it submits the applications allowed under RCW

12 82.16.165(1) and section 7 of this act.

13 ~~((7))~~ (8) The administrator of a community solar project must

14 provide each project participant with a disclosure form containing

15 all material terms and conditions of participation in the project,

16 including but not limited to the following:

17 (a) Plain language disclosure of the terms under which the

18 project participant's share of any incentive payment will be

19 calculated by the Washington State University extension energy

20 program ~~((over the life of the contract))~~;

21 (b) Contract provisions regulating the disposition or transfer of

22 the project participant's interest in the project, including any

23 potential costs associated with such a transfer;

24 (c) All recurring and nonrecurring charges;

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

26 (e) A description of any compensation to be paid in the event of

27 project underperformance;

28 (f) Current production projections and a description of the

29 methodology used to develop the projections;

30 (g) Contact information for questions and complaints; and

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

32 the administrator.

33 ~~((8))~~ (9) A utility may not adopt rates, terms, conditions, or

34 standards that unduly or unreasonably discriminate between utility-

35 administered community solar projects and those administered by

36 another entity.

37 ~~((9))~~ (10) A public utility district that is engaged in

38 distributing electricity to more than one retail electric customer in

39 the state and a joint operating agency organized under chapter 43.52

40 RCW on or before January 1, 2017, may enter into an agreement with

1 each other to construct and own a community solar project that is  
2 located on property owned by a joint operating agency or on property  
3 that receives electric service from a participating public utility  
4 district. Each participant of a community solar project under this  
5 subsection must be a customer of at least one of the public utility  
6 districts that is a party to the agreement with a joint operating  
7 agency to construct and own a community solar project.

8 ~~((10))~~ (11) The Washington utilities and transportation  
9 commission must publish, without disclosing proprietary information,  
10 a list of the following:

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

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

16 ~~((11))~~ (12) If a consumer-owned utility opts to provide a  
17 community solar program or contracts with a nonutility administrator  
18 to offer a community solar program, the governing body of the  
19 consumer-owned utility must publish, without disclosing proprietary  
20 information, a list of the nonutility administrators contracted by  
21 the utility as part of its community solar program.

22 ~~((12))~~ (13) Except for parties engaged in actions and  
23 transactions regulated under laws administered by other authorities  
24 and exempted under RCW 19.86.170, a violation of this section  
25 constitutes an unfair or deceptive act in trade or commerce in  
26 violation of chapter 19.86 RCW, the consumer protection act. Acts in  
27 violation of chapter 36, Laws of 2017 3rd sp. sess. are not  
28 reasonable in relation to the development and preservation of  
29 business, and constitute matters vitally affecting the public  
30 interest for the purpose of applying the consumer protection act,  
31 chapter 19.86 RCW.

32 ~~((13))~~ (14) Nothing in this section may be construed as  
33 intending to preclude persons from investing in or possessing an  
34 ownership interest in a community solar project, or from applying for  
35 and receiving federal investment tax credits.

36 (15) This section expires June 30, 2036.

37 **Sec. 9.** RCW 82.16.110 and 2011 c 179 s 2 are each amended to  
38 read as follows:

1 (1) The definitions in this section apply throughout this chapter  
2 unless the context clearly requires otherwise.

3 ~~((1))~~ (a) "Administrator" means an owner and assignee of a  
4 community solar project as defined in ~~((subsection—(2)(a)(i)))~~  
5 (b)(i)(A) of this ~~((section))~~ subsection that is responsible for  
6 applying for the investment cost recovery incentive on behalf of the  
7 other owners and performing such administrative tasks on behalf of  
8 the other owners as may be necessary, such as receiving investment  
9 cost recovery incentive payments, and allocating and paying  
10 appropriate amounts of such payments to the other owners.

11 ~~((2)(a))~~ (b)(i) "Community solar project" means:

12 ~~((i))~~ (A) A solar energy system that is capable of generating  
13 up to seventy-five kilowatts of electricity and is owned by local  
14 individuals, households, nonprofit organizations, or nonutility  
15 businesses that is placed on the property owned by a cooperating  
16 local governmental entity that is not in the light and power business  
17 or in the gas distribution business;

18 ~~((ii))~~ (B) A utility-owned solar energy system that is capable  
19 of generating up to seventy-five kilowatts of electricity and that is  
20 voluntarily funded by the utility's ratepayers where, in exchange for  
21 their financial support, the utility gives contributors a payment or  
22 credit on their utility bill for the value of the electricity  
23 produced by the project; or

24 ~~((iii))~~ (C) A solar energy system, placed on the property owned  
25 by a cooperating local governmental entity that is not in the light  
26 and power business or in the gas distribution business, that is  
27 capable of generating up to seventy-five kilowatts of electricity,  
28 and that is owned by a company whose members are each eligible for an  
29 investment cost recovery incentive for the same customer-generated  
30 electricity as provided in RCW 82.16.120.

31 ~~((b))~~ (ii) For the purposes of "community solar project" as  
32 defined in ~~((a))~~ (b)(i) of this subsection:

33 ~~((i))~~ (A) "Company" means an entity that is:

34 ~~((A))~~ (I) A limited liability company; ~~((II—A))~~ a cooperative  
35 formed under chapter 23.86 RCW; or ~~((III—A))~~ a mutual corporation  
36 or association formed under chapter 24.06 RCW; and

37 ~~((B))~~ (II) Not a "utility" as defined in this subsection  
38 ~~((2)(b))~~ (1)(b)(ii); and

1       ~~((+ii))~~ (B) "Nonprofit organization" means an organization  
2 exempt from taxation under 26 U.S.C. Sec. 501(c)(3) of the federal  
3 internal revenue code of 1986, as amended, as of January 1, 2009; and

4       ~~((+iii))~~ (C) "Utility" means a light and power business, an  
5 electric cooperative, or a mutual corporation that provides  
6 electricity service.

7       ~~((+3))~~ (c) "Customer-generated electricity" means a community  
8 solar project or the alternating current electricity that is  
9 generated from a renewable energy system located in Washington and  
10 installed on an individual's, businesses', or local government's real  
11 property that is also provided electricity generated by a light and  
12 power business. Except for community solar projects, a system located  
13 on a leasehold interest does not qualify under this definition.  
14 Except for utility-owned community solar projects, "customer-  
15 generated electricity" does not include electricity generated by a  
16 light and power business with greater than one thousand megawatt-  
17 hours of annual sales or a gas distribution business.

18       ~~((+4))~~ (d) "Economic development kilowatt-hour" means the actual  
19 kilowatt-hour measurement of customer-generated electricity  
20 multiplied by the appropriate economic development factor.

21       ~~((+5))~~ (e) "Local governmental entity" means any unit of local  
22 government of this state including, but not limited to, counties,  
23 cities, towns, municipal corporations, quasi-municipal corporations,  
24 special purpose districts, and school districts.

25       ~~((+6))~~ (f) "Photovoltaic cell" means a device that converts  
26 light directly into electricity without moving parts.

27       ~~((+7))~~ (g) "Renewable energy system" means a solar energy  
28 system, an anaerobic digester as defined in RCW 82.08.900, or a wind  
29 generator used for producing electricity.

30       ~~((+8))~~ (h) "Solar energy system" means any device or combination  
31 of devices or elements that rely upon direct sunlight as an energy  
32 source for use in the generation of electricity.

33       ~~((+9))~~ (i) "Solar inverter" means the device used to convert  
34 direct current to alternating current in a solar energy system.

35       ~~((+10))~~ (j) "Solar module" means the smallest nondivisible self-  
36 contained physical structure housing interconnected photovoltaic  
37 cells and providing a single direct current electrical output.

38       ~~((+11))~~ (k) "Stirling converter" means a device that produces  
39 electricity by converting heat from a solar source utilizing a  
40 stirling engine.

1        (2) This section expires June 30, 2031.

2        **Sec. 10.** RCW 82.16.120 and 2017 3rd sp.s. c 36 s 3 are each  
3 amended to read as follows:

4        (1)(a) Any individual, business, local governmental entity, not  
5 in the light and power business or in the gas distribution business,  
6 or a participant in a community solar project may apply to the light  
7 and power business serving the situs of the system, each fiscal year  
8 beginning on July 1, 2005, and ending June 30, 2017, for an  
9 investment cost recovery incentive for each kilowatt-hour from a  
10 customer-generated electricity renewable energy system.

11        (b) In the case of a community solar project as defined in RCW  
12 82.16.110(~~((2)(a)(i))~~) (1)(b)(i)(A), the administrator must apply for  
13 the investment cost recovery incentive on behalf of each of the other  
14 owners.

15        (c) In the case of a community solar project as defined in RCW  
16 82.16.110(~~((2)(a)(iii))~~) (1)(b)(i)(C), the company owning the  
17 community solar project must apply for the investment cost recovery  
18 incentive on behalf of each member of the company.

19        (2)(a) Before submitting for the first time the application for  
20 the incentive allowed under subsection (4) of this section, the  
21 applicant must submit to the department of revenue and to the climate  
22 and rural energy development center at the Washington State  
23 University, established under RCW 28B.30.642, a certification in a  
24 form and manner prescribed by the department that includes, but is  
25 not limited to, the information described in (c) of this subsection.

26        (b) The department may not accept certifications submitted to the  
27 department under (a) of this subsection after September 30, 2017.

28        (c) The certification must include:

29        (i) The name and address of the applicant and location of the  
30 renewable energy system.

31        (A) If the applicant is an administrator of a community solar  
32 project as defined in RCW 82.16.110(~~((2)(a)(i))~~) (1)(b)(i)(A), the  
33 certification must also include the name and address of each of the  
34 owners of the community solar project.

35        (B) If the applicant is a company that owns a community solar  
36 project as defined in RCW 82.16.110(~~((2)(a)(iii))~~) (1)(b)(i)(C), the  
37 certification must also include the name and address of each member  
38 of the company;

39        (ii) The applicant's tax registration number;



1 (iii) That the electricity produced by the applicant meets the  
2 definition of "customer-generated electricity" and that the renewable  
3 energy system produces electricity with:

4 (A) Any solar inverters and solar modules manufactured in  
5 Washington state;

6 (B) A wind generator powered by blades manufactured in Washington  
7 state;

8 (C) A solar inverter manufactured in Washington state;

9 (D) A solar module manufactured in Washington state;

10 (E) A stirling converter manufactured in Washington state; or

11 (F) Solar or wind equipment manufactured outside of Washington  
12 state;

13 (iv) That the electricity can be transformed or transmitted for  
14 entry into or operation in parallel with electricity transmission and  
15 distribution systems; and

16 (v) The date that the renewable energy system received its final  
17 electrical inspection from the applicable local jurisdiction.

18 (d) Within thirty days of receipt of the certification the  
19 department of revenue must notify the applicant by mail, or  
20 electronically as provided in RCW 82.32.135, whether the renewable  
21 energy system qualifies for an incentive under this section. The  
22 department may consult with the climate and rural energy development  
23 center to determine eligibility for the incentive. System  
24 certifications and the information contained therein are not  
25 confidential tax information under RCW 82.32.330 and are subject to  
26 disclosure.

27 (3)(a) By August 1st of each year through August 1, 2017, the  
28 application for the incentive must be made to the light and power  
29 business serving the situs of the system by certification in a form  
30 and manner prescribed by the department that includes, but is not  
31 limited to, the following information:

32 (i) The name and address of the applicant and location of the  
33 renewable energy system.

34 (A) If the applicant is an administrator of a community solar  
35 project as defined in RCW 82.16.110(~~((2)(a)(i))~~) (1)(b)(i)(A), the  
36 application must also include the name and address of each of the  
37 owners of the community solar project.

38 (B) If the applicant is a company that owns a community solar  
39 project as defined in RCW 82.16.110(~~((2)(a)(iii))~~) (1)(b)(i)(C), the

1 application must also include the name and address of each member of  
2 the company;

3 (ii) The applicant's tax registration number;

4 (iii) The date of the notification from the department of revenue  
5 stating that the renewable energy system is eligible for the  
6 incentives under this section; and

7 (iv) A statement of the amount of kilowatt-hours generated by the  
8 renewable energy system in the prior fiscal year.

9 (b) Within sixty days of receipt of the incentive certification  
10 the light and power business serving the situs of the system must  
11 notify the applicant in writing whether the incentive payment will be  
12 authorized or denied. The business may consult with the climate and  
13 rural energy development center to determine eligibility for the  
14 incentive payment. Incentive certifications and the information  
15 contained therein are not confidential tax information under RCW  
16 82.32.330 and are subject to disclosure.

17 (c) (i) Persons, administrators of community solar projects, and  
18 companies receiving incentive payments must keep and preserve, for a  
19 period of five years, suitable records as may be necessary to  
20 determine the amount of incentive applied for and received. Such  
21 records must be open for examination at any time upon notice by the  
22 light and power business that made the payment or by the department.  
23 If upon examination of any records or from other information obtained  
24 by the business or department it appears that an incentive has been  
25 paid in an amount that exceeds the correct amount of incentive  
26 payable, the business may assess against the person for the amount  
27 found to have been paid in excess of the correct amount of incentive  
28 payable and must add thereto interest on the amount. Interest is  
29 assessed in the manner that the department assesses interest upon  
30 delinquent tax under RCW 82.32.050.

31 (ii) If it appears that the amount of incentive paid is less than  
32 the correct amount of incentive payable the business may authorize  
33 additional payment.

34 (4) Except for community solar projects, the investment cost  
35 recovery incentive may be paid fifteen cents per economic development  
36 kilowatt-hour unless requests exceed the amount authorized for credit  
37 to the participating light and power business. For community solar  
38 projects, the investment cost recovery incentive may be paid thirty  
39 cents per economic development kilowatt-hour unless requests exceed  
40 the amount authorized for credit to the participating light and power

1 business. For the purposes of this section, the rate paid for the  
2 investment cost recovery incentive may be multiplied by the following  
3 factors:

4 (a) For customer-generated electricity produced using solar  
5 modules manufactured in Washington state or a solar stirling  
6 converter manufactured in Washington state, two and four-tenths;

7 (b) For customer-generated electricity produced using a solar or  
8 a wind generator equipped with an inverter manufactured in Washington  
9 state, one and two-tenths;

10 (c) For customer-generated electricity produced using an  
11 anaerobic digester, or by other solar equipment or using a wind  
12 generator equipped with blades manufactured in Washington state, one;  
13 and

14 (d) For all other customer-generated electricity produced by  
15 wind, eight-tenths.

16 (5) (a) No individual, household, business, or local governmental  
17 entity is eligible for incentives provided under subsection (4) of  
18 this section for more than five thousand dollars per year.

19 (b) Except as provided in (c) through (e) of this subsection (5),  
20 each applicant in a community solar project is eligible for up to  
21 five thousand dollars per year.

22 (c) Where the applicant is an administrator of a community solar  
23 project as defined in RCW 82.16.110(~~((2)(a)(i))~~) (1)(b)(i)(A), each  
24 owner is eligible for an incentive but only in proportion to the  
25 ownership share of the project, up to five thousand dollars per year.

26 (d) Where the applicant is a company owning a community solar  
27 project that has applied for an investment cost recovery incentive on  
28 behalf of its members, each member of the company is eligible for an  
29 incentive that would otherwise belong to the company but only in  
30 proportion to each ownership share of the company, up to five  
31 thousand dollars per year. The company itself is not eligible for  
32 incentives under this section.

33 (e) In the case of a utility-owned community solar project, each  
34 ratepayer that contributes to the project is eligible for an  
35 incentive in proportion to the contribution, up to five thousand  
36 dollars per year.

37 (6) The climate and rural energy development center at Washington  
38 State University energy program may establish guidelines and  
39 standards for technologies that are identified as Washington

1 manufactured and therefore most beneficial to the state's  
2 environment.

3 (7) The environmental attributes of the renewable energy system  
4 belong to the applicant, and do not transfer to the state or the  
5 light and power business upon receipt of the investment cost recovery  
6 incentive.

7 (8) No incentive may be paid under this section for kilowatt-  
8 hours generated before July 1, 2005, or after June 30, 2017, except  
9 as provided in subsections (10) through (12) of this section.

10 (9) Beginning October 1, 2017, program management, technical  
11 review, and tracking responsibilities of the department under this  
12 section are transferred to the Washington State University extension  
13 energy program. At the earliest date practicable and no later than  
14 September 30, 2017, the department must transfer all records  
15 necessary for the administration of the remaining incentive payments  
16 due under this section to the Washington State University extension  
17 energy program.

18 (10) Participants in the renewable energy investment cost  
19 recovery program under this section will continue to receive payments  
20 for electricity produced through June 30, 2020, at the same rates  
21 their utility paid to participants for electricity produced between  
22 July 1, 2015, and June 30, 2016.

23 (11) In order to continue to receive the incentive payment  
24 allowed under subsection (4) of this section, a person or community  
25 solar project administrator who has, by September 30, 2017, submitted  
26 a complete certification to the department under subsection (2) of  
27 this section must apply to the Washington State University extension  
28 energy program by April 30, 2018, for a certification authorizing the  
29 utility serving the situs of the renewable energy system to annually  
30 remit the incentive payment allowed under subsection (4) of this  
31 section for each kilowatt-hour generated by the renewable energy  
32 system through June 30, 2020.

33 (12)(a) The Washington State University extension energy program  
34 must establish an application process and form by which to collect  
35 the system operation data described in RCW 82.16.165(7)(a)(iii) from  
36 each person or community solar project administrator applying for a  
37 certification under subsection (11) of this section. The Washington  
38 State University extension energy program must notify any applicant  
39 that providing this data is a condition of certification and that any

1 certification issued pursuant to this section is void as of June 30,  
2 2018, if the applicant has failed to provide the data by that date.

3 (b) Beginning July 1, 2018, the Washington State University  
4 extension energy program must, in a form and manner that is  
5 consistent with the roles and processes established under RCW  
6 82.16.165 (19) and (20), calculate for the year and provide to the  
7 utility the amount of the incentive payment due to each participant  
8 under subsection (11) of this section.

9 (13) This section expires June 30, 2031.

10 **Sec. 11.** RCW 82.16.150 and 2010 c 202 s 5 are each amended to  
11 read as follows:

12 (1) Owners of a community solar project as defined in RCW  
13 82.16.110 (~~((2) (a) (i) and (iii))~~) (1) (b) (i) (A) and (C) must agree to  
14 hold harmless the light and power business serving the situs of the  
15 system, including any employee, for the good faith reliance on the  
16 information contained in an application or certification submitted by  
17 an administrator or company. In addition, the light and power  
18 business and any employee is immune from civil liability for the good  
19 faith reliance on any misstatement that may be made in such  
20 application or certification. Should a light and power business or  
21 employee prevail upon the defense provided in this section, it is  
22 entitled to recover expenses and reasonable attorneys' fees incurred  
23 in establishing the defense.

24 (2) This section expires June 30, 2031.

25 **Sec. 12.** RCW 82.16.155 and 2017 3rd sp.s. c 36 s 2 are each  
26 amended to read as follows:

27 (1) This section is the tax preference performance statement for  
28 the tax preference and incentives created under (~~(RCW 82.16.130 and)~~)  
29 sections 4 and 6, chapter 36, Laws of 2017 3rd sp. sess. This  
30 performance statement is only intended to be used for subsequent  
31 evaluation of the tax preference and incentives. It is not intended  
32 to create a private right of action by any party or be used to  
33 determine eligibility for preferential tax treatment.

34 (2) The legislature categorizes the tax preference created under  
35 (~~(RCW 82.16.130)~~) section 4, chapter 36, Laws of 2017 3rd sp. sess.  
36 and incentive payments authorized in section 6, chapter 36, Laws of  
37 2017 3rd sp. sess. as intended to:

1 (a) Induce participating utilities to make incentive payments to  
2 utility customers who invest in renewable energy systems; and

3 (b) By inducing utilities, nonprofit organizations, and utility  
4 customers to acquire and install renewable energy systems, retain  
5 jobs in the clean energy sector and create additional jobs.

6 (3) The legislature's public policy objectives are to:

7 (a) Increase energy independence from fossil fuels; and

8 (b) Promote economic development through increasing and improving  
9 investment in, development of, and use of clean energy technology in  
10 Washington; and

11 (c) Increase the number of jobs in and enhance the sustainability  
12 of the clean energy technology industry in Washington.

13 (4) It is the legislature's intent to provide the incentives in  
14 sections 4 and 6, chapter 36, Laws of 2017 3rd sp. sess. (~~and RCW~~  
15 ~~82.16.130~~) in order to ensure the sustainable job growth and  
16 vitality of the state's renewable energy sector. The purpose of the  
17 incentive is to reduce the costs associated with installing and  
18 operating solar energy systems by persons or entities receiving the  
19 incentive.

20 (5) As part of its 2021 tax preference reviews, the joint  
21 legislative audit and review committee must review the tax  
22 preferences and incentives in sections 4 and 6, chapter 36, Laws of  
23 2017 3rd sp. sess. (~~and RCW 82.16.130.~~) The legislature intends for  
24 the legislative auditor to determine that the incentive has achieved  
25 its desired outcomes if the following objectives are achieved:

26 (a) Installation of one hundred fifteen megawatts of solar  
27 photovoltaic capacity by participants in the incentive program  
28 between July 1, 2017, and June 30, 2021; and

29 (b) Growth of solar-related employment from 2015 levels, as  
30 evidenced by:

31 (i) An increased per capita rate of solar energy-related jobs in  
32 Washington, which may be determined by consulting a relevant trade  
33 association in the state; or

34 (ii) Achievement of an improved national ranking for solar  
35 energy-related employment and per capita solar energy-related  
36 employment, as reported in a nationally recognized report.

37 (6) In order to obtain the data necessary to perform the review,  
38 the joint legislative audit and review committee may refer to data  
39 collected by the Washington State University extension energy program

1 and may obtain employment data from the employment security  
2 department.

3 (7) The Washington State University extension energy program must  
4 collect, through the application process, data from persons claiming  
5 the tax credit under ((RCW 82.16.130)) section 4, chapter 36, Laws of  
6 2017 3rd sp. sess. and persons receiving the incentive payments  
7 created in ((RCW 82.16.165)) section 6, chapter 36, Laws of 2017 3rd  
8 sp. sess., as necessary, and may collect data from other interested  
9 persons as necessary to report on the performance of chapter 36, Laws  
10 of 2017 3rd sp. sess.

11 (8) All recipients of tax credits or incentive payments awarded  
12 under this chapter must provide data necessary to evaluate the tax  
13 preference performance objectives in this section as requested by the  
14 Washington State University extension energy program or the joint  
15 legislative audit and review committee. Failure to comply may result  
16 in the loss of a tax credit award or incentive payment in the  
17 following year.

18 (9) This section expires June 30, 2031.

19 NEW SECTION. Sec. 13. The provisions of RCW 82.32.805 and  
20 82.32.808 do not apply to this act.

21 NEW SECTION. Sec. 14. This act is necessary for the immediate  
22 preservation of the public peace, health, or safety, or support of  
23 the state government and its existing public institutions, and takes  
24 effect immediately."

**ESHB 2248** - S COMM AMD  
By Committee on Ways & Means

**ADOPTED AS AMENDED 03/11/2020**

25 On page 1, line 2 of the title, after "projects;" strike the  
26 remainder of the title and insert "amending RCW 82.16.130, 82.16.160,  
27 82.16.165, 82.16.170, 82.16.110, 82.16.120, 82.16.150, and 82.16.155;  
28 adding new sections to chapter 82.16 RCW; creating new sections;  
29 providing expiration dates; and declaring an emergency."

EFFECT: (1) Allows precertified shared commercial projects as well as community solar projects under the Renewable Energy Production Incentive Program to continue in that status until they

are certified by the Washington State University (WSU) energy program by December 31, 2021.

(2) Clarifies that the compensation for the generation of electricity from a community solar project that is no greater than 100 hundred kilowatts must be provided to the metered customer receiving service at the situs of the meter.

(3) Clarifies that for all other community solar projects in the community solar incentive program (program), compensation must be determined at a value set by the participating utility and paid to the administrator or subscribers according to the project agreement.

(4) Requires that annually by March 1st, for 10 years after project certification, the provider of compensation for the generation of electricity to the subscriber—either the utility or the administrator—must provide the WSU energy program with specified information for the preceding year.

(5) Requires the WSU energy program to equally distribute incentive funds, and may consider measures to reserve or allocate available funds based on the proportion of public utility taxes collected, the proportion of the state's low-income customers' served by each utility, geographic distribution of community solar installations, and diversity of administrative models. If an equitable distribution of funds is not feasible due to lack of precertification applications, funds may be allocated on a first-come, first-served basis.

(6) Requires the WSU energy program to regularly publish and update guidelines for how it will manage the allocation of available funding.

(7) Requires that a project administrator's required signed statement must include the incentive amount and the distribution of estimated benefits to qualifying subscribers.

(8) Makes technical corrections.

--- END ---