

**SHB 1427 - H AMD 227**

By Representative Mena

**NOT CONSIDERED 01/02/2024**

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

3 **"Sec. 1.** RCW 80.60.020 and 2019 c 235 s 2 are each amended to  
4 read as follows:

5 (1) An electric utility:

6 (a) Shall offer to make net metering, pursuant to RCW 80.60.030,  
7 available to eligible customer-generators on a first-come, first-  
8 served basis until the earlier of either: (i) (~~June 30~~) December  
9 31, 2029; or (ii) the first date upon which the cumulative generating  
10 capacity of net metering systems equals four percent of the utility's  
11 peak demand during 1996. Not less than one-half of the utility's 1996  
12 peak demand available for net metering systems shall be reserved for  
13 the cumulative generating capacity attributable to net metering  
14 systems that generate renewable energy. Nothing in this section  
15 prohibits an electric utility from continuing to make net metering  
16 available after the conditions in this subsection are met. An  
17 electric utility must continue to make net metering available for  
18 low-income households after the conditions in this subsection are  
19 met. An electric utility that has not adopted a standard rate or  
20 tariff schedule that deviates from RCW 80.60.030 for eligible  
21 customer-generators upon the effective date of this section is  
22 prohibited from doing so until the work group process set forth in  
23 section 5(3) of this act has concluded. For the purposes of this  
24 subsection, "low-income" has the same meaning as defined in RCW  
25 19.405.020;

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

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

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

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

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

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

23 (d) Must enter a contract, which must be no shorter than 25  
24 years, with any person interested in becoming an eligible customer-  
25 generator. If the person interested in becoming an eligible customer-  
26 generator, or an existing customer-generator, and the electric  
27 utility both agree to the terms of the contract, they must enter into  
28 the contract. The contract must be transferable to any future  
29 customer-generator at the electric meter, in the case of changing  
30 system ownership, for the remainder of the contract term.

31 (2) If a production meter and software is required by the  
32 electric utility to provide meter aggregation under RCW 80.60.030(4),  
33 the customer-generator is responsible for the purchase of the  
34 production meter and software.

35 (3) (a) (i) A consumer-owned utility may develop a standard rate or  
36 tariff schedule that deviates from RCW 80.60.030 for eligible  
37 customer-generators to take effect at the earlier of either: (A)  
38 (~~June 30~~) December 31, 2029; or (B) the first date upon which the  
39 cumulative generating capacity of net metering systems equals four  
40 percent of the utility's peak demand during 1996.

1 (ii) An electrical company may submit a filing with the  
2 commission to develop a standard tariff schedule that deviates from  
3 RCW 80.60.030 for eligible customer-generators. The commission must  
4 approve, reject, or approve with conditions a net metering tariff  
5 schedule pursuant to this subsection within one year of an electrical  
6 company filing. If the commission approves the filing with  
7 conditions, the investor-owned utility may choose to accept the  
8 tariff schedule with conditions or file a new tariff schedule with  
9 the commission.

10 (b) An approved standard rate or tariff schedule under this  
11 subsection applies to any customer-generator subject to an  
12 interconnection agreement entered into: (i) After (~~June 30~~)  
13 December 31, 2029, or (ii) the first date upon which the cumulative  
14 generating capacity of net metering systems pursuant to RCW 80.60.030  
15 equals four percent of the utility's peak demand during 1996,  
16 whichever is earlier, unless the commission or governing body  
17 determines that a customer-generator is eligible for net metering  
18 under a rate or tariff schedule pursuant to RCW 80.60.030.

19 (c) (i) A consumer-owned utility must notify the Washington State  
20 University extension energy program (~~sixty~~) 60 days in advance of  
21 when a standard rate for an eligible customer-generator is first  
22 placed on the agenda of the governing body.

23 (ii) Each electric utility must give notice by July 31, 2020, and  
24 semiannually thereafter, to the Washington State University extension  
25 energy program of the status of meeting the cumulative generating  
26 capacity available to net metering systems pursuant to subsection  
27 (1)(a) of this section.

28 (iii) The Washington State University extension energy program  
29 must make available on its website a list of the following:

30 (A) Each electric utility's progress on reaching the cumulative  
31 generating capacity available to net metering systems pursuant to  
32 subsection (1)(a) of this section;

33 (B) Electric utilities that have provided notice of a rate or  
34 tariff schedule under this subsection; and

35 (C) Electric utilities that have adopted a standard rate or  
36 tariff schedule under this subsection.

37 (d) If the commission does not approve an electrical company's  
38 tariff schedule under (a)(ii) of this subsection, the commission may  
39 determine the alternative cumulative generating capacity available to  
40 net metering systems pursuant to RCW 80.60.030.

1 (4) (a) An electric utility must continue to credit a customer-  
2 generator pursuant to RCW 80.60.030 if:

3 (i) The customer-generator takes service under net metering prior  
4 to the earlier of: (A) (~~June 30~~) December 31, 2029; or (B) the  
5 first date upon which the cumulative generating capacity of net  
6 metering systems reaches four percent of the utility's peak demand in  
7 1996; and

8 (ii) The customer-generator's existing interconnection agreement  
9 for the net metering system remains valid.

10 (b) The commission, in the case of electrical companies, and a  
11 governing body, in the case of consumer-owned utilities, must  
12 determine as part of a standard rate or tariff schedule under this  
13 subsection when customer-generators become ineligible for credit  
14 pursuant to RCW 80.60.030.

15 (c) Upon adoption of a standard rate or tariff schedule by the  
16 commission or governing body pursuant to subsection (3)(a) of this  
17 section, the electric utility is exempt from requirements under  
18 subsection (1)(c) of this section and RCW 80.60.030 for new  
19 interconnection agreements.

20 **Sec. 2.** RCW 80.60.030 and 2019 c 235 s 3 are each amended to  
21 read as follows:

22 Consistent with the other provisions of this chapter, the net  
23 energy measurement, billed charges for kilowatt-hour consumption, and  
24 credits for excess kilowatt-hour generation by a net metered system,  
25 must be calculated in the following manner:

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

29 (2) If the electricity supplied by the electric utility exceeds  
30 the electricity generated by the customer-generator's net metering  
31 system and fed back to the electric utility during the billing  
32 period, the customer-generator shall be billed for the net  
33 electricity supplied by the electric utility, in accordance with  
34 normal metering practices.

35 (3) If excess electricity generated by the net metering system  
36 during a billing period exceeds the electricity supplied by the  
37 electric utility during the same billing period, the customer-  
38 generator:

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

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

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

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

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

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

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

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

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

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

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

1 (5) On March 31st of each calendar year, any remaining unused  
2 credits for kilowatt-hours accumulated during the previous year shall  
3 be granted to the electric utility, without any compensation to the  
4 customer-generator, for distribution to low-income customers through  
5 an energy assistance program. It is the intent of the legislature  
6 that this be in addition to existing funds used for this purpose.

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

12 (7) Nothing in this section prohibits the owner of multifamily  
13 residential facility from installing a net metering system as defined  
14 in RCW 80.60.010 assigned to a single designated meter located on the  
15 premises of the multifamily residential facility where the tenants  
16 are not individually metered customers of the utility and  
17 distributing any benefits of the net metering to tenants of the  
18 facility where the net metering system is located. The utility must  
19 measure the net energy produced and provide credit to the single  
20 designated meter to which the net metering system is assigned in  
21 accordance with subsections (1) through (3) of this section or under  
22 the terms of a standard rate or tariff schedule established under RCW  
23 80.60.020(3). The distribution of benefits to tenants of such a  
24 system, if any, is the responsibility of the owner of the net  
25 metering system and not the responsibility of the utility.

26 NEW SECTION. Sec. 3. A new section is added to chapter 19.86  
27 RCW to read as follows:

28 (1) A customer intending to purchase the installation of a system  
29 producing electricity with solar energy must have a contract with a  
30 solar energy contractor unless the customer installs the system  
31 without a solar energy contractor.

32 (2) A solar energy contract must be in writing. A copy of the  
33 contract must be given to the customer at the time the customer signs  
34 the contract. The contract must be typed or printed legibly and  
35 contain the following provisions:

- 36 (a) An itemized list or summary of work to be performed;  
37 (b) The model and brand name of system components to be used. If  
38 system components change throughout the duration of the contract,  
39 those changes must be documented and their quality must be equal or

1 greater to that of the original system components, unless agreed upon  
2 in writing by the customer;

3 (c) The warranty of each system component;

4 (d) The dollar amount of the contract;

5 (e) The solar energy system's first year annual production  
6 projections in kilowatt-hours and the methodology and the means, or  
7 name of the program or tool used to develop the projections;

8 (f) The name of the primary solar energy salesperson;

9 (g) The name, principal office mailing address, and Washington  
10 unified business identifier of the solar energy contractor;

11 (h) A statement as to whether all or part of the work is intended  
12 to be subcontracted to or performed by another person or entity other  
13 than the solar energy contractor's own workforce;

14 (i) The link address to the Washington state labor and industries  
15 contractor verification tool;

16 (j) The contract must require the customer to disclose whether  
17 the customer intends to obtain a loan in order to pay for all or part  
18 of the amount due under the contract;

19 (k) If the customer indicates that he or she intends to obtain a  
20 loan to pay for a portion of the contract, the contract must clearly  
21 provide a recommendation that the customer wait until receiving  
22 financial approval before signing the solar energy contract, and the  
23 customer must sign below the recommendation provision acknowledging  
24 they have read and understand the recommendation provision;

25 (l) The contract must provide the following recommendation in  
26 capital letters:

27 "IF YOU INTEND TO OBTAIN A LOAN TO PAY FOR ALL OR PART OF THE  
28 CONTRACT, IT IS RECOMMENDED THAT YOU WAIT UNTIL RECEIVING FINANCIAL  
29 APPROVAL BEFORE SIGNING THIS SOLAR ENERGY CONTRACT.";

30 (m) The contract must provide notice of the right to cancel that  
31 allows the customer to cancel the solar energy contract within three  
32 business days of contract signing and the contract must require the  
33 customer to sign below the notice provision acknowledging they have  
34 read and understand the notice provision;

35 (n) The contract must provide the following notice in capital  
36 letters:

37 "CUSTOMER'S RIGHT TO CANCEL: YOU HAVE THE RIGHT TO CANCEL YOUR  
38 SOLAR ENERGY CONTRACT WITHIN THREE BUSINESS DAYS OF CONTRACT  
39 SIGNING.";

1 (o) The contract must state that the addition of a solar  
2 generation system may affect the value of the structure as determined  
3 by the county assessor and any change in value may be reflected in  
4 annual property taxes; and

5 (p) The contract must state that a solar generation system will  
6 automatically island the customer-generator from the utility grid in  
7 the event of a power outage to protect utility repair personnel from  
8 a risk of electric shock from the electricity that could otherwise  
9 flow into the utility distribution system from the solar generation  
10 system. This provision may be omitted if the solar generation system  
11 includes grid forming inverters, battery back-up equipment, or other  
12 equipment that satisfies UL1741 standards.

13 (3) If the customer indicates that they intend to obtain a loan  
14 to pay for all or part of the cost of the solar energy contract, the  
15 solar energy contractor or their subcontractor may not begin work  
16 until after the customer's rescission rights provided in this section  
17 have expired. If the solar energy contractor or their subcontractor  
18 commences work under the contract before the customer's rescission  
19 rights have expired, the solar energy contractor is prohibited from  
20 enforcing the terms of the contract, including claims for labor or  
21 materials, in a court of law and must terminate any security interest  
22 or statutory lien created under the transaction within 20 days of  
23 receiving written rescission of the contract from the customer.

24 (4) A person or entity who purchases or is otherwise assigned a  
25 solar energy contract is subject to all claims and defenses with  
26 respect to the contract that the customer could assert against the  
27 solar energy contractor or subcontractor. A person or entity who  
28 sells or otherwise assigns a solar energy contract must include a  
29 prominent notice of the potential liability under this section.

30 (5) The legislature finds and declares that a violation of this  
31 chapter substantially affects the public interest and is an unfair  
32 and deceptive act or practice and unfair method of competition in the  
33 conduct of trade or commerce as set forth under this chapter.

34 (6) A solar energy contractor or subcontractor who fails to  
35 comply with the requirements of this chapter is liable to the  
36 customer for any actual damages sustained by the person as a result  
37 of the failure. Nothing in this section limits any cause of action or  
38 remedy available under this section or chapter.

39 (7) The definitions in this subsection apply throughout this  
40 section unless the context clearly requires otherwise.



1 (a) "Annual production projections" means estimates of the energy  
2 production of a solar energy system over one calendar year.

3 (b) "System components" means the physical parts of a solar  
4 energy system including solar modules, direct current to alternating  
5 current inverters, solar module level electronics, and solar racking.

6 (c) "Solar energy contractor" means a person or business that  
7 installs, repairs, services, or replaces solar energy systems, or an  
8 entity that solicits, negotiates, executes, or otherwise endeavors to  
9 procure a contract with a homeowner or building owner to install  
10 solar energy systems on behalf of other solar energy contractors,  
11 individuals, or business entities.

12 NEW SECTION. **Sec. 4.** A new section is added to chapter 80.60  
13 RCW to read as follows:

14 An entity offering solar energy sales or installation services  
15 must offer a contract pursuant to section 3 of this act.

16 NEW SECTION. **Sec. 5.** A new section is added to chapter 80.60  
17 RCW to read as follows:

18 (1)(a) Upon the effective date of this section, the commission  
19 and the department of commerce must jointly begin to convene a work  
20 group focused on the future of net metering in Washington state. The  
21 work group must include representatives from consumer-owned  
22 utilities, investor-owned utilities, the commission, the rooftop  
23 solar industry, including the Washington solar energy industries  
24 association, agricultural farms in the business of producing crops  
25 for food and fermented beverages, environmental justice advocates,  
26 labor unions, consumer advocates, the department of labor and  
27 industries, rural communities including communities east of the crest  
28 of the Cascade mountains, and federally recognized Indian tribes.

29 (b) The work group must report recommendations to the commission  
30 and the department of commerce on what alternatives to net metering  
31 should be considered by the legislature and when it is reasonable for  
32 these alternatives to be implemented. The work group should take into  
33 account the findings of the cost shift study required in subsection  
34 (2) of this section in its recommendations.

35 (c) As part of its recommendations, the work group must consider  
36 the implications for the solar industry workforce, applicable labor  
37 standards to include prevailing wage and apprenticeship utilization,  
38 rate of deployment of consumer-owned solar and storage, future

1 electric load growth, reduction in utility income associated with  
2 different levels of net metering, net metering system size,  
3 appropriate timelines for notifying customers of rate or tariff  
4 changes, the value of distributed solar resources in Washington  
5 state, and equitable distribution of the benefits of consumer-owned  
6 solar and storage.

7 (d) The work group must provide an inventory of other states'  
8 deviation from net metering laws and the impact deviating from retail  
9 net metering had on solar installations, solar installers, utilities,  
10 utility customers, rural land, tribal land, and customer-generator  
11 payback periods.

12 (2)(a) The department of commerce, in consultation with the  
13 commission and the work group, must conduct a study to investigate  
14 the magnitude of any cost shifts among ratepayers associated with  
15 retail rate net metering in Washington state, under scenarios  
16 assuming total net metered generation capacity of six percent, eight  
17 percent, and 12 percent of 1996 peak power, and the value of  
18 distributed solar resources in Washington state. This study must  
19 consider the value of solar across utilities of various service  
20 territory and customer base sizes, expected solar insolation,  
21 population density and urbanization, topography, types of vegetation,  
22 and other characteristics the department of commerce, commission, or  
23 work group deem relevant. The study must be completed by July 1,  
24 2025.

25 (b) If the cost shift study is contracted to a third party, input  
26 from the work group convened in this section must inform any scope of  
27 work or request for proposals.

28 (3) The commission and the department of commerce must summarize  
29 the work group's recommendations and the findings of the cost shift  
30 study in a report and must deliver the report to the appropriate  
31 committees of the legislature by December 31, 2025.

32 (4) The intent of the legislature is for utilities to wait until  
33 the work group process has concluded before proposing or adopting  
34 alternatives to net metering.

35 NEW SECTION. **Sec. 6.** A new section is added to chapter 80.60  
36 RCW to read as follows:

37 (1) It is the intent of the legislature that the state's net  
38 metering policy is updated and implemented by January 1, 2030.

1 (2) Any rate or tariff schedule offered by an electric utility  
2 under a future net metering policy must:

3 (a) Compensate customer-generators at a rate that is different  
4 than the retail rate; and

5 (b) Allow for inclusion of time-of-use net metering rate  
6 structures for distributed storage systems.

7 NEW SECTION. **Sec. 7.** This act may be known and cited as the  
8 solar energy resiliency act."

9 Correct the title.

EFFECT: Restores the system size requirement for net metered systems to the current law size of 100 kilowatts for both consumer-owned and investor-owned utilities. Restores the cumulative generating capacity limit to the current law limit of four percent and adds language stating that a utility may not adopt a new rate until after the work group concludes and reports its recommendations to the legislature. Adds a definition for solar energy contractors. Removes a requirement that those employed to work on a net metered system must be paid a prevailing rate of wage for their occupation. Changes the start date of the work group to the effective date of this act, and the end date of the work group to December 31, 2025. Adds the department of labor and industries to the work group and makes various changes to the considerations that the work group is required to take into account in its recommendations. Changes the cost shift study to be conducted by the department of commerce in consultation with the work group and the utilities and transportation commission, removes the start date for the study, and adds that the study must be completed by July 2025. Removes a requirement that any rate developed under a future net metering policy must be communicated to customers with one year's notice before it would go into effect.

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