

HB 1427 -- Redline

Substitute to Bill -- Concerning on-premises energy generation.

Deletions ~~struck~~ · Insertions underlined

~~H-1147, H-0567.1~~ 1 ~~SUBSTITUTE~~ HOUSE BILL 1427 State of Washington 68th Legislature 2023 Regular Session By House Environment & Energy (originally sponsored by Representatives Mena, Doglio, Ramel, Street, Berry, Duerr, Hackney, Reed, Fosse, Cortes, Lekanoff, and ~~Peterson~~) Peterson ~~READ~~ Read ~~FIRST~~ first ~~TIME~~ time ~~02/14/23, 01/18/23.~~

Referred to Committee on Environment & Energy.

1 ~~SHB~~ HB 1427 (4) "Customer-generator" means a user of a net metering system.

(a) Has an electrical generating AC capacity of ((not more than one hundred kilowatts)) up to ~~one~~ 200 ~~megawatt~~ kilowatts for a system in the service territory of a consumer-owned utility.

~~A consumer-owned consumer-owned utilities utility may is allow not required to approve a net metering system for larger the than sole 200 reason kilowatts that in the their system service conflict territory; with the Bonneville power administration's definition of a small generator;~~

(b) Has an electrical generating AC capacity of up to ~~one~~ two ~~megawatt~~ megawatts for a system in the service territory of an investor-owned utility.

Investor-owned utilities may allow a net metering system larger than ~~one~~ two ~~megawatt~~ megawatts in their service territory;

2 ~~SHB~~ HB 1427 (((c))) (d) Operates in parallel with the electric utility's transmission and distribution facilities and is connected to the electric utility's distribution system;

(i) ((June ~~30~~) 30, 2029) December 31, ~~2029~~ 2035;

or (ii) the first date upon which the cumulative generating capacity of net metering systems equals ((four)) ~~six~~ 12 percent of the utility's peak demand during 1996.

Not less than ~~one-half~~ one-half of the utility's 1996 peak demand available for net metering systems shall be reserved for the cumulative generating capacity attributable to net metering systems that generate renewable ~~energy~~ energy;

~~Nothing (b) in shall this allow section net prohibits metering an systems electric to utility be from interconnected continuing using to a make standard net kilowatt-hour metering meter available capable after of registering the conditions flow in of this p. subsection are met.~~

p-3 HB 1427 electricity in two directions, unless the commission, in the case of an electrical company, or the appropriate governing body, in the case of other electric utilities, determines, after appropriate notice and opportunity for comment:

3 ~~SHB 1427 An electric utility must continue to make net metering available for low-income households after the conditions in this subsection are met.~~

~~For the purposes of this subsection, "low-income" has the same meaning as defined in RCW 19.405.020;~~

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

The contract must be transferable to any future customer-generator at the electric meter, in the case of changing system ownership, for the remainder of the contract ~~term~~ term;

(e) Must develop a standard rate or tariff schedule that is expressed as a percentage of the utility's retail rate.

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

4 ~~SHB~~ HB 1427 ~~((2))~~ (3) ~~(a)~~ (i) ~~If a consumer-owned production utility meter may and develop software a is standard required rate by or the tariff electric schedule utility that to deviates provide from meter RCW aggregation 80.60.030 under for RCW eligible 80.60.030(4), customer-generators the to customer-generator take is effect responsible at for the purchase earlier of the either: production meter and software.~~

~~((3))~~ (a) ~~(i)~~ (A) ~~A ((June consumer-owned 30, utility 2029)) may December develop 31, a 2035; standard rate or tariff schedule that deviates from RCW 80.60.030 for eligible customer-generators to take effect at the earlier of either:~~

(A) or ((June (B) 30)) the December first 31, date 2029, upon which the cumulative generating capacity of net metering systems equals ((four)) 12 percent of the utility's peak demand during 1996.

~~or (B) the first date upon which the cumulative generating capacity of net metering systems equals ((four)) six percent of the utility's peak demand during 1996.~~

(i) After ((June ~~30~~) 30, 2029) December 31, ~~2029~~ 2035, or (ii) the first date upon which the cumulative

generating capacity of net metering systems pursuant to RCW 80.60.030 equals ((four)) ~~six~~¹² percent of the utility's peak demand during 1996, whichever is earlier, unless the commission or governing body determines that a customer-generator is eligible for net metering under a rate or tariff schedule pursuant to RCW 80.60.030.

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

~~5 SHB 1427 (A) Each electric utility's progress on reaching the cumulative generating capacity available to net metering systems pursuant to subsection (1)(a) of this section;~~

~~and (C)p. Electric utilities that have adopted a standard rate or tariff schedule under this subsection.~~

5 HB 1427 (C) Electric utilities that have adopted a standard rate or tariff schedule under this subsection.

(A) ((June ~~30~~))30, 2029) December 31, ~~2029~~²⁰³⁵;

or (B) the first date upon which the cumulative generating capacity of net metering systems reaches ((four)) ~~six~~¹² percent of the utility's peak demand in 1996;

(5)(a) An electric utility may offer net metering that incorporates time-of-use net metering rates to eligible customer- generators, consistent with the other provisions of this chapter.

(b) An electric utility offering time-of-use net metering rates is encouraged to create incentive plans for distributed energy storage.

(c) Any time-of-use net metering rate offered by an electric utility must be optional for customer- generators.

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

~~6 SHBHB 1427 (2)(1) IfThe the electricity supplied by the electric utility exceedsshall themeasure electricity generated by the customer-generator's net meteringelectricity systemproduced andor fedconsumed back to the electric utility during the billing period, the customer-generator shall be billed for the net electricity supplied by the electric utility,~~ in accordance with normal metering practices.

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

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

~~p.~~7 HB 1427 shall be credited by the electric utility for kilowatt-hour charges due at the aggregated meter at the applicable rate of the aggregated meter.

~~7 SHB 1427~~(f) If credits generated in any billing period exceed total consumption for that billing period at both meters that are part of an aggregated arrangement, credits are retained pursuant to subsections (3) and (5) of this section.

(5) On March 31st of each calendar year, any remaining unused credits for kilowatt-hours accumulated during the previous year shall be granted to the electric utility, without any compensation to the ~~customer-generator, customer-generator~~, for distribution to low-income customers through a utility energy assistance program.

~~NEWp. SECTION.~~

8 HB 1427 NEW SECTION.

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

~~8 SHB 1427 (1) A customer intending to purchase the installation of a system producing electricity with solar energy must have a contract with a solar energy contractor unless the customer installs the system without a solar energy contractor.~~

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

~~(1) The contract must provide the following recommendation in capital letters:~~

~~9 SHBHB 1427 "IF(1) YOUThe INTENDcontract TOmust OBTAINprovide Athe LOANfollowing TOrecommendation PAYin FORcapital ALLletters: OR PART OF THE CONTRACT, IT IS RECOMMENDED THAT YOU WAIT UNTIL RECEIVING FINANCIAL APPROVAL BEFORE SIGNING THIS SOLAR ENERGY CONTRACT."~~

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

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

YOU HAVE THE RIGHT TO CANCEL YOUR SOLAR ENERGY CONTRACT WITHIN THREE BUSINESS DAYS OF CONTRACT SIGNING." SIGNING." (3) If the customer indicates that they intend to obtain a loan to pay for all or part of the cost of the solar energy contract, the solar energy contractor or their subcontractor may not begin work until after the customer's rescission rights provided in this section have expired.

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

and (p) The contract must state that a solar generation system will automatically island the customer generator from the utility grid in the event of a power outage to protect utility repair personnel from a risk of electric shock from the electricity that could otherwise flow into the utility distribution system from the solar generation system.

This provision may be omitted if the solar generation system includes grid forming inverters, battery back-up equipment, or other equipment that satisfies UL1741 standards.

(3) If the customer indicates that they intend to obtain a loan to pay for all or part of the cost of the solar energy contract, the solar energy contractor or their subcontractor may not begin work until after the customer's rescission rights provided in this section have expired.

A person or entity who ~~p-~~sells or otherwise assigns a solar energy contract must include a prominent notice of the potential liability under this section.

~~10 SHB 1427 sells or otherwise assigns a solar energy contract must include a prominent notice of the potential liability under this section.~~

(6) A solar energy contractor or subcontractor who fails to comply with the requirements of this chapter is liable to the customer for any actual damages sustained by the person as a result ~~of p. the failure.~~ 10 HB 1427 of the failure.

~~(1) An entity offering solar energy sales or installation services must offer a contract pursuant to section 4 of this act.~~

~~(2) A contractor who enters into a contract to perform work on a net metering system shall pay every worker, laborer, and mechanic employed in the execution of the work at least the prevailing rate of wage for their trade or occupation, except that an apprentice registered in an apprenticeship program approved by the Washington state apprenticeship and training council must be paid at least the applicable apprentice prevailing rate of wage.~~

(1)(a) By May 1, 2024, the ~~commission~~ Washington and State the University department extension of energy commerce program must ~~jointly~~ convene a work group focused on the future of net metering in Washington state.

The work group must include representatives from consumer-owned utilities, investor-owned utilities, the commission, the rooftop solar industry, including the Washington solar energy industries association, agricultural farms in the business of producing crops for food and fermented beverages, environmental justice advocates, labor unions, consumer advocates, rural communities including communities east of the crest of the Cascade mountains, and ~~federally recognized~~ Indian tribes.

(b) The work group must report recommendations to the ~~commission~~ Washington and State the University department extension of energy commerce program on what alternatives to net metering should be considered by the legislature and when it is reasonable for these alternatives to be implemented.

The work group should take into ~~p-~~account the findings of the cost shift study required in subsection (2) of this section in its recommendations.

~~11 SHB 1427 account the findings of the cost shift study required in subsection (2) of this section in its recommendations.~~

~~(2) The Bywork January group 31, must 2024, consider the whether department it of is commerce reasonable must for begin utilities to conduct count a consumer-owned study clean to energy investigate systems the magnitude of any cost shifts among ratepayers associated with retail rate net metering in Washington their state, service under territory scenarios toward assuming their total clean net energy metered transformation generation act capacity compliance of targets. six percent, eight percent, and 12 percent of 1996 peak power.~~

This p-study must consider the value of solar at utilities representing different levels of customer counts, expected solar insolation, population density and urbanization, topography, types of vegetation, and other characteristics the department of commerce deems relevant.

~~(3) 11 The HB commission 1427 and (2) By January 31, 2024, the department Washington of State commerce University extension energy program must summarize begin the to work conduct group's a recommendations study and to investigate the findings magnitude of the any cost shift shifts study among in ratepayers associated report with and retail must rate deliver net the metering report in to Washington the state, appropriate under committees scenarios assuming total net metered generation capacity of the six legislature percent, by 12 December percent, 1, and 2026-24 percent of 1996 peak power.~~

~~(4) (3) The intent Washington of State University extension energy program must summarize the legislature work is group's for recommendations utilities and to the wait findings until of the work cost~~

~~groupshift process~~ study has in concluded a before report proposing and or must adopting deliver
~~alternatives~~ the report to not the metering appropriate committees of the legislature by December 1, 2026.

(1) It is the intent of the legislature that the state's net metering policy is updated and implemented by January 1, ~~2030~~ 2035.

~~p-~~ (b) Be expressed as a percentage of the utility's retail rate;

~~12(c) SHB 1427 (b)~~ (c) SHB 1427 (b) Be communicated to customers with ~~one~~ three year's notice from when the rate or tariff schedule is first publicly proposed to before it would go into effect;

and ~~(c)~~ (d) Allow for inclusion of time-of-use net metering rate structures for distributed storage systems.

~~1312 SHB~~ 12 SHB 1427