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**SUBSTITUTE HOUSE BILL 1140**

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**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** House Committee on Technology, Energy & Communications (originally sponsored by Representatives McCoy, Crouse, Grant and Blake)

READ FIRST TIME 02/20/07.

1       AN ACT Relating to net meter aggregation of electricity; and  
2 amending RCW 80.60.010, 80.60.020, and 80.60.030.

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

4       **Sec. 1.** RCW 80.60.010 and 2006 c 201 s 1 are each amended to read  
5 as follows:

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

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

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

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

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

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

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

1       (7) "Meter aggregation" means the administrative combination of  
2 readings from and billing for all meters, regardless of the rate class,  
3 on premises owned or leased by a customer-generator located within the  
4 service territory of a single electric utility.

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

7       (~~(8)~~) (9) "Net metering" means measuring the difference between  
8 the electricity supplied by an electric utility and the electricity  
9 generated by a customer-generator over the applicable billing period.

10       (~~(9)~~) (10) "Net metering system" means a fuel cell, a facility  
11 that produces electricity and used and useful thermal energy from a  
12 common fuel source, or a facility for the production of electrical  
13 energy that generates renewable energy, and that:

14       (a) Has an electrical generating capacity of not more than one  
15 hundred kilowatts;

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

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

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

21       (~~(10)~~) (11) "Premises" means any residential property, commercial  
22 real estate, or lands, owned or leased by a customer-generator within  
23 the service area of a single electric utility.

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

27       (~~(11)~~) (13) "Public utility district" means a district authorized  
28 by chapter 54.04 RCW.

29       (~~(12)~~) (14) "Renewable energy" means energy generated by a  
30 facility that uses water, wind, solar energy, or biogas from animal  
31 waste as a fuel.

32       **Sec. 2.** RCW 80.60.020 and 2006 c 201 s 2 are each amended to read  
33 as follows:

34       (1) An electric utility:

35       (~~(1)~~) (a) Shall offer to make net metering available to eligible  
36 customers-generators on a first-come, first-served basis until the  
37 cumulative generating capacity of net metering systems equals 0.25

1 percent of the utility's peak demand during 1996. On January 1, 2014,  
2 the cumulative generating capacity available to net metering systems  
3 will equal 0.5 percent of the utility's peak demand during 1996. Not  
4 less than one-half of the utility's 1996 peak demand available for net  
5 metering systems shall be reserved for the cumulative generating  
6 capacity attributable to net metering systems that generate renewable  
7 energy;

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

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

19 ~~((+b))~~ (ii) How the cost of purchasing and installing an  
20 additional meter is to be allocated between the customer-generator and  
21 the utility;

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

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

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

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

1       **Sec. 3.** RCW 80.60.030 and 2006 c 201 s 3 are each amended to read  
2 as follows:

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

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

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

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

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

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

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

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

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

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

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