
SUBSTITUTE HOUSE BILL 2280

State of Washington

65th Legislature

2018 Regular Session

By House Technology & Economic Development (originally sponsored by Representatives Morris, Hudgins, Goodman, Santos, Slatter, Lytton, Tharinger, Senn, Frame, Kloba, Ryu, and Doglio)

1 AN ACT Relating to community solar gardens; and adding a new
2 chapter to Title 80 RCW.

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

4 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
5 establish a framework for community solar gardens to be created and
6 exist outside of tax-related subsidy programs. The legislature finds
7 that community solar gardens represent a lower-cost point of entry
8 for Washington consumers who want access to solar electricity
9 generated on their behalf, as well as for consumers who do not have
10 access to a sun regime that would make a residential solar energy
11 system viable.

12 NEW SECTION. **Sec. 2.** The definitions in this section apply
13 throughout this chapter unless the context clearly requires
14 otherwise.

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

17 (2) "Community solar garden" means a facility, including a
18 community solar project as defined in RCW 82.16.110 and 82.16.160,
19 that generates electricity by means of a ground-mounted or roof-
20 mounted solar photovoltaic device whereby subscribers receive a bill

1 credit for the electricity generated in proportion to the size of
2 their subscription, and has a capacity of no more than five hundred
3 kilowatts.

4 (3) "Electric utility" means any electrical company, public
5 utility district, irrigation district, port district, electric
6 cooperative, or municipal electric utility that is engaged in the
7 business of distributing electricity to retail electric customers in
8 the state.

9 (4) "Electrical company" has the same meaning as defined in RCW
10 80.04.010.

11 (5) "Subscriber" means a retail electric customer of an electric
12 utility who owns one or more subscriptions of a community solar
13 garden facility interconnected with that utility.

14 (6) "Subscriber organization" means any for-profit or nonprofit
15 entity that owns or operates one or more community solar gardens.

16 (7) "Subscription" means a contract between a subscriber and the
17 owner of a community solar garden.

18 NEW SECTION. **Sec. 3.** (1) A community solar garden:

19 (a) May not have fewer than five subscribers, with no single
20 subscriber having more than forty percent interest in the project;

21 (b) Must be located in the service territory and on the
22 distribution system of an electric utility such that the community
23 solar garden is located in an area that provides the most benefit on
24 the distribution system in accordance with the community solar garden
25 plan developed under section 4 of this act; and

26 (c) Must allocate not less than forty percent of project capacity
27 to residential and small business customers under twenty-five
28 kilowatts.

29 (2)(a) A subscriber must be located in the same electric utility
30 service territory as the community solar garden facility.

31 (b) A subscription must be sized to represent at least one
32 kilowatt of the generating capacity of the community solar garden and
33 may supply, when combined with other distributed generation resources
34 serving the premises, no more than one hundred five percent of the
35 average annual consumption of electricity by each subscriber at the
36 premises to which the subscription is attributed.

37 (3)(a) A subscriber organization must, on a monthly basis,
38 provide to the electric utility the total kilowatt-hours of
39 generation attributable to each of the utility's retail electric

1 customers participating in a community solar garden project in
2 accordance with the subscriber's share of the output of the community
3 solar garden. The subscriber organization shall electronically submit
4 the information and associated documentation to the utility monthly.

5 (b) An electric utility must provide a monetary credit or other
6 compensatory mechanism to a subscriber's monthly electric bill for
7 the proportional output of a community solar garden attributable to
8 that subscriber in the same form and manner as provided for utility-
9 owned community solar gardens. The monetary credit must reflect the
10 value per kilowatt-hour of the electric output of the community solar
11 garden as determined in accordance with the community solar garden
12 plan developed under section 4 of this act, and be provided for not
13 less than twenty-five years from the date the community solar garden
14 becomes interconnected and energized. Subscription credits that
15 exceed a subscriber's monthly bill must be carried over and applied
16 to the next month's bill.

17 (4) An electric utility must purchase all unsubscribed
18 electricity generated by a community solar garden in the electric
19 utility's service territory at a rate that reflects the value per
20 kilowatt-hour of the electric output of the community solar garden
21 and for a length of time as determined in accordance with the
22 community solar garden plan developed under section 4 of this act.

23 (5) The number or cumulative generating capacity of community
24 solar garden facilities is not limited under this section.

25 (6) All environmental attributes associated with a community
26 solar garden, including but not limited to renewable energy credits
27 under chapter 19.285 RCW, are considered property of the community
28 solar garden subscribers and may be distributed, sold, accumulated,
29 or retired at the discretion of the community solar garden
30 subscribers.

31 (7) A subscriber organization that is not subject to the
32 requirements under RCW 82.16.170 or 80.28.375 must have a process in
33 place for dispute resolution between the subscriber organization and
34 its subscribers.

35 NEW SECTION. **Sec. 4.** (1) An investor-owned utility must submit
36 a community solar garden plan to the commission by January 1, 2019,
37 in order to operate a community solar garden program. The commission
38 may approve, disapprove, or modify a community solar garden plan as
39 submitted by an investor-owned utility.

1 (2) A consumer-owned utility must submit a community solar garden
2 plan to its governing authority by January 1, 2019, in order to
3 operate a community solar garden program. The governing authority of
4 a consumer-owned utility may approve, disapprove, or modify a
5 community solar garden plan as submitted under this subsection.

6 (3) Any community solar garden plan approved by the commission or
7 the governing authority of a consumer-owned utility under this
8 section must:

9 (a) Reasonably allow for the creation, financing, and
10 accessibility of community solar gardens;

11 (b) Establish uniform standards, fees, and processes for the
12 interconnection of community solar garden facilities that allow the
13 utility to recover reasonable interconnection costs for each
14 community solar garden;

15 (c) Be consistent with the public interest;

16 (d) Identify the information that must be provided to potential
17 subscribers to ensure fair disclosure of future costs and benefits of
18 subscriptions;

19 (e) Include a program implementation schedule;

20 (f) Identify all proposed rules, fees, and charges;

21 (g) Identify the means by which the program will be promoted;

22 (h) Identify the value per kilowatt-hour of the electric output
23 of a community solar garden as calculated in accordance with the
24 principles of a plan developed under subsection (4) of this section;
25 and

26 (i) Include a description of the system used to apply credit to
27 each subscriber's monthly bill.

28 (4) In order to develop a community solar garden plan, the
29 electric utility must first engage in a distributed energy resources
30 planning process that accomplishes the following:

31 (a) Identifies the data gaps that impede a robust planning
32 process as well as any upgrades, such as but not limited to advanced
33 metering and grid monitoring equipment, needed to obtain data that
34 would allow the electric utility to quantify the locational and
35 temporal value of resources on the distribution system;

36 (b) Proposes monitoring and metering upgrades that are supported
37 by a business case identifying how those upgrades will be leveraged
38 to provide net benefits for customers;

39 (c) Identifies potential programs and tariffs to fairly
40 compensate customers for the value of their distributed energy

1 resources, which may both produce and consume electricity and
2 capacity from the distribution system individually or in groups, and
3 ensure their optimal usage, including programs targeted at low-income
4 customers;

5 (d) Forecasts, using probabilistic models, the growth of
6 distributed energy resources on the utility's distribution system;

7 (e) Provides, at a minimum, a ten-year plan for distribution
8 system investments and an analysis of nonwires alternatives for major
9 investments. This plan should include a process whereby near-term
10 assumptions regularly inform and adjust the long-term projections of
11 the plan. The goal of the plan should be to provide the most
12 affordable investments for all customers and avoid reactive
13 expenditures to accommodate unanticipated growth in distributed
14 energy resources. An analysis that fairly considers wire-based and
15 nonwires alternatives on equal terms is foundational to achieving
16 this goal. The electric utility should be indifferent to the
17 technology that is used to meet a particular resource need. The
18 distribution system investment planning process should utilize a
19 transparent approach that involves opportunities for stakeholder
20 input and feedback;

21 (f) Competitively procures the distributed energy resources needs
22 identified in the plan through detailed requests for proposals that
23 identify the specific needs at each identified location. Competitive
24 procurements that are tailored to solve specific needs, rather than
25 to procure a specific resource, increase an electric utility's
26 ability to identify the lowest cost, most efficient means of meeting
27 distribution system needs. If the projected cost of a procurement is
28 more than the calculated system net benefit, the electric utility
29 should then establish a pilot process that mimics the efficiencies of
30 a competitive procurement;

31 (g) Includes the distributed energy resources identified in the
32 plan in the electric utility's integrated resource plan developed
33 under this chapter. Distribution system plans should be used as
34 inputs to the integrated resource planning process. Distributed
35 energy resources may be used to meet system needs when they are not
36 needed to meet a local distribution need. Including select
37 distributed energy resources in the integrated resource planning
38 process allows those resources to displace or delay system resources
39 in the integrated resource plan;

1 (h) Includes a high level discussion of how the electric utility
2 is adapting cybersecurity and data privacy practices to the changing
3 distribution system and the internet of things, including an
4 assessment of the costs associated with ensuring customer privacy;

5 (i) Includes a discussion of lessons learned from the planning
6 cycle and identify process and data improvements planned for the next
7 cycle.

8 (5) Within one hundred eighty days of approval of a community
9 solar garden plan under this section, an electric utility must begin
10 crediting subscriber accounts of each community solar garden facility
11 in its service territory.

12 (6) The commission may adopt rules as necessary to implement this
13 chapter.

14 (7) A subscriber or subscriber organization may not be considered
15 an electric utility solely as a result of participation in a
16 community solar garden program.

17 NEW SECTION. **Sec. 5.** Any community solar garden interconnected
18 and energized before the effective date of this section is excluded
19 from the requirements of this chapter. The requirements of this
20 chapter apply if the community solar garden issues new subscriptions
21 after the effective date of this section.

22 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act
23 constitute a new chapter in Title 80 RCW.

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