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## SENATE BILL 6113

State of Washington

68th Legislature

2024 Regular Session

By Senator Lovick

- 1 AN ACT Relating to fair access to community solar; amending RCW
- 2 80.28.370, 80.28.375, and 82.16.182; adding new sections to chapter
- 3 80.28 RCW; and creating a new section.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- <u>NEW SECTION.</u> **Sec. 1.** (1) The legislature finds that stimulating 5 6 local investment in solar projects continues to be an important part 7 of the state energy strategy by helping to increase energy independence from fossil fuels, reduce energy burden, promote 8 economic development, hedge against the effects of climate change, 9 10 create more energy equity, and attain environmental benefits. The 11 legislature finds that the vast majority of Washingtonians still do 12 not have access to the benefits of solar energy. The legislature intends to stimulate the deployment of community solar projects for 13 the benefit of all Washingtonians. 14
  - (2) The legislature intends to facilitate community solar bill crediting options that can help the state cost-effectively meet the mandates in the Washington state energy code and that are consistent with the goals of the state energy strategy.
- 19 (3) The legislature intends to enable and incentivize community 20 solar development in the built environment and on preferred sites,

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which can reduce transmission and distribution system infrastructure costs and clean energy siting conflicts.

- (4) The legislature finds that participation of low-income customers in solar projects is consistent with the goals and intent of the energy assistance provisions of chapter 19.405 RCW, the Washington clean energy transformation act.
- (5) The legislature finds that offering energy assistance through renewable energy programs, including community solar, at a discount to low-income customers is consistent with the goal and intent of RCW 80.28.068.
- (6) The legislature finds that participation of low-income customers in community solar projects will support the state by capitalizing on the opportunity created by the federal inflation reduction act. The federal inflation reduction act modifies and extends federal solar tax credits through 2035 and structures them to incentivize investment in disadvantaged and low-income communities and ensure newly created jobs are good paying jobs. This policy is intended to ensure the full benefits of the federal inflation reduction act's provisions for low-income inclusion are realized by enabling fair access to community solar to all Washingtonians.
- **Sec. 2.** RCW 80.28.370 and 2017 3rd sp.s. c 36 s 10 are each 22 amended to read as follows:

The definitions in this section apply throughout this section and RCW 80.28.375 <u>and sections 3 through 6 of this act</u> unless the context clearly requires otherwise.

- (1) (("Community solar company" means a person, firm, or corporation, other than an electric utility or a community solar cooperative, that owns a community solar project and provides community solar project services to project participants.
- (2) "Community solar project" means a solar energy system that has a direct current nameplate generating capacity that is no larger than one thousand kilowatts.
- (3) "Community solar project services" means the provision of electricity generated by a community solar project, or the provision of the financial benefits associated with electricity generated by a community solar project, to multiple project participants, and may include other services associated with the use of the community solar project such as system monitoring and maintenance, warranty provisions, performance guarantees, and customer service.

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1 (4) "Electric utility" means a consumer-owned utility or investor-owned utility as those terms are defined in RCW 19.280.020.

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- (5) "Project participant" means a customer who enters into a lease, power purchase agreement, loan, or other financial agreement with a community solar company in order to obtain a beneficial interest in, other than direct ownership of, a community solar project.
- (6) "Solar energy system" means any device or combination of devices or elements that rely upon direct sunlight as an energy source for use in the generation of electricity.)) "Community solar bill credit" means a monetary credit for electricity generated by a community solar project, in proportion to a community solar project subscriber's portion of the community solar project's kilowatt-hour output, and allocated to a community solar project subscriber's electricity bill on the utility's monthly billing cycle.
- (2) (a) "Community solar program" means a program that allows for the development of community solar projects and provide customers of a utility with the option of accessing the benefits produced by the community solar projects.
- (b) "Community solar program" includes the programs established in section 3 of this act and others developed by electric utilities.
  - (3) (a) "Community solar project" means one or more solar photovoltaic energy systems that provides project subscribers a community solar bill credit and:
  - (i) Has an alternating current nameplate generating capacity that is no larger than 5,000 kilowatts unless a larger size is approved by the utility serving the site of the project;
- 28 <u>(ii) Is located in the state and is directly connected to an</u> 29 electric utility's distribution system;
- (iii) Has a minimum of three subscribers and a single customer does not own or subscribe to more than 49 percent of the generating capacity of the project;
- (iv) Is not located on the same parcel as another community solar project, unless the parcel is considered a preferred site.
- 35 (b) Projects with an alternating current nameplate capacity
  36 larger than 1,000 kilowatts must utilize prevailing wage labor for
  37 their construction.
- 38 <u>(4) "Community solar project manager" means an entity that owns</u> 39 <u>or operates one or more community solar projects.</u>

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(5) "Community solar project services" means the provision of the financial benefits associated with electricity generated by a community solar project, to multiple project subscribers, and may include other services associated with the use of the community solar project such as leasing land, system monitoring and maintenance, warranty provisions, performance guarantees, accounting, reporting, and customer service.

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- (6) "Community solar subscription manager" means an entity that:
- 9 <u>(a) Markets community solar projects or otherwise provides</u>
  10 <u>community solar-related services under its own brand name;</u>
  - (b) Performs any administrative actions to connect or enroll customers with community solar projects; or
  - (c) Manages interactions relating to subscribers between a community solar project manager and an electric utility.
  - (7) "Consumer-owned utility" means a municipal electric utility formed under Title 35 RCW, a public utility district formed under Title 54 RCW, an irrigation district formed under chapter 87.03 RCW, a cooperative association formed under chapter 23.86 RCW, or a mutual corporation or association formed under chapter 24.06 RCW, that is engaged in the business of distributing electricity to more than one retail electric customer in the state.
- 22 <u>(8) "Electric utility" means a consumer-owned utility or</u> 23 investor-owned utility as those terms are defined in RCW 19.280.020.
- 24 (9) "Low-income" means household incomes as defined by the 25 commission, provided that the definition may not exceed the higher of 80 percent of area median household income or 200 percent of the 26 27 federal poverty level, adjusted for household size, and subscribers 28 may be considered low income for the purposes of this program if they are a retail electric customer that is enrolled in a low-income 29 30 program facilitated by the state or federal government, or enrolled in a low-income energy program facilitated by the electric utility, 31 or enrolled in a federal, state, or local income assistance program, 32 or are verifiable low-income multifamily housing, or as determined by 33 the commission, or any verification method authorized by the United 34 States department of treasury for the qualified low-income economic 35 benefit project investment tax credit adder under P.L. 117-169 36 37 section 13103(2)(c).
- 38 <u>(10) "Low-income service provider" has the same meaning as</u> 39 <u>defined in RCW 82.16.182.</u>

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- 1 (11) "Net-crediting" means the process in which an electric 2 utility includes both the community solar subscription cost and the 3 community solar bill credit on the subscriber's electric bill.
- (12) "Preferred site" means rooftops, parking structures, 4 existing impervious surfaces, landfills, brownfields, previously 5 6 developed sites, irrigation canals and ponds, stormwater collection ponds, industrial areas, solid waste facilities, land or structures 7 owned by a metropolitan housing authority, solar projects that 8 intentionally integrate with agricultural operations, projects owned 9 10 by tribes, the department of natural resources properties identified for solar development, and other sites that do not displace critical 11 habitat or productive farmland as defined by state and county 12 13 planning processes.
- 14 <u>(13) "Prevailing wage" means the wage rate as identified in</u> 15 <u>chapter 39.12 RCW.</u>
- 16 (14) "Renewable energy credit" has the same meaning as defined in RCW 19.285.030.
- 18 <u>(15) "Solar photovoltaic energy system" means any device or</u> 19 <u>combination of devices or elements that rely upon direct sunlight as</u> 20 <u>an energy source for use in the generation of electricity.</u>

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- (16) "Subscriber" means a retail customer of an electric utility who enters into a contractual agreement for part of a community solar project or who has an ownership interest in a community solar project that results in community solar bill credits being applied to that customer's electricity bill.
- 26 (17) "Subscription" means a portion of the output from or 27 capacity of a community solar project located in an electric 28 utility's territory purchased from a community solar project manager.
- 29 (18) "Unsubscribed energy" means the bill credits not allocated 30 to a subscriber that accrue if a community solar project is not fully 31 subscribed in any given month.
- NEW SECTION. Sec. 3. A new section is added to chapter 80.28 RCW to read as follows:
- 34 (1) A community solar project manager or community solar 35 subscription manager must:
- 36 (a) Collect information regarding the financial benefits realized 37 by low-income subscribers and low-income service provider 38 subscribers;

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(b) Administer the project in a transparent manner that allows for fair and nondiscriminatory opportunities for participation; and

- (c) Provide each subscriber with a disclosure form containing all material terms and conditions of participation in the project.
- (2) (a) Each subscriber's monthly community solar bill credit must be applied to the subscriber's next retail electric bill and may offset all costs on the monthly retail electric bill. Any unused bill credit must be rolled forward on the subscriber's utility account until fully allocated to the subscriber's bill or the termination of the subscriber's utility account.
- (b) If the community solar project manager or community solar subscription manager amends the community solar project's subscriber list, the changes must be reflected on the following month's retail electric bills.
- (3) Electric utilities must reasonably allow for the transfer and portability of subscriptions, including allowing a subscriber to retain a subscription if the subscriber moves within the same electric utility's service territory.
- (4) Electric utilities may not change a subscriber's applicable customer class because of the subscriber's subscription to a community solar project.
- (5) A community solar project manager may enter into a net-crediting program on behalf of an eligible customer. The net-crediting agreement should outline payment terms from the electric utility to the community solar project manager. The electric utility may impose a net-crediting fee on the community solar project manager, capped at one percent of the subscription fee. Retail electric bills subjected to net-crediting must display the subscriber's subscription fee and furnish the subscriber with a net-credit equivalent to the total bill credit value for the generation period, deducting the subscription fee.
- (6) At least 50 percent of each electric utility's community solar generating capacity must be subscribed by low-income subscribers, low-income service provider subscribers, or both low-income subscribers and low-income service provider subscribers.
- (a) The commission or a consumer-owned utility's governing board may amend the required low-income subscriber level no sooner than 10 years after the adoption of program rules, provided that the percentage is not less than the utility's percentage of low-income ratepayers at the time of the most recent United States census.

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- 1 (b) Community solar capacity or generation allocated to low-2 income subscribers and low-income service provider subscribers are 3 exempt from community solar program-related administrative fees.
  - (c) Community solar projects that receive the low-income credit rate adder must maintain their low-income subscriber threshold for the project's lifetime.
  - (7) Renewable energy credits associated with the generation of electricity by a community solar project must be retired on behalf of the subscriber.
- 10 (8)(a) The commission must adopt a community solar bill credit 11 valuation methodology that recognizes and incorporates the factors 12 that community solar projects bring to the electrical grid, 13 including:
  - (i) The value of the electricity;

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- (ii) The value of the project to transmission and distribution capacity, deferred transmission and distribution investments, deferred generation investments and added generation capacity, voltage, reduced system losses, reduced line losses, and ancillary services;
- 20 (iii) The value of the project to grid reliability and 21 resilience;
- (iv) The value of environmental attributes, greenhouse gas emissions reductions, methane leakage reductions, public health, and energy security; and
  - (v) Other factors associated with locally produced electricity as determined by the commission.
    - (b) The community solar bill credit valuation must provide additional value for community solar projects when: (i) The majority of the project's nameplate capacity is subscribed by low-income subscribers or low-income service provider subscribers; (ii) the project is owned by or serves tribal communities; and (iii) the project incorporates energy storage.
      - (9) The community solar bill credit valuation must:
- 34 (a) Ensure the ability to finance, develop, and maintain 35 community solar projects;
- 36 (b) Maximize the value that ratepayers, subscribers, and host 37 communities receive from projects;
  - (c) Be updated annually or biannually; and
  - (d) Include an annual escalator.

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- (10) The commission or consumer-owned utility's governing body may adopt a rate for an electric utility to use in crediting a subscriber's electric bill other than the rate described in subsection (8) of this section if they have good cause to adopt the different rate.
- (11) The commission must adopt a valuation methodology for unsubscribed energy. Unsubscribed energy may be rolled forward on a community solar project account until the end of the following calendar year and allocated by a community solar project manager or community solar subscription manager to subscribers at any time during that period. At the end of that period, any undistributed bill credit must be compensated to the community solar project manager.
- 13 (12) Nothing in this section may be construed as intending to 14 preclude persons from investing in or possessing an ownership 15 interest in a community solar project or from applying for and 16 receiving federal investment tax credits.
- NEW SECTION. Sec. 4. A new section is added to chapter 80.28 RCW to read as follows:
  - (1) The commission shall host a minimum of two workshops with interested parties on the community solar program described in this act. The purpose of the workshops is to ensure consideration of relevant information and the expertise of interested parties in the adoption or amendment of rules necessary for the community solar program.
    - (2) The working group shall consist of:
- 26 (a) Investor-owned utilities;
  - (b) Solar industry representatives;
- 28 (c) Consumer advocates;

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- 29 (d) Members of, or organizations serving, overburdened 30 communities and vulnerable populations;
- 31 (e) People working for or with tribes on clean energy programs or 32 projects; and
- 33 (f) Other interested parties, such as legislators, legislative 34 staff, and staff of the governor's office.
- 35 (3) Before adopting rules for the community solar program, the 36 commission shall review, at a minimum, any recommendations, comments, 37 or relevant information submitted to the commission during the 38 workshops.

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(4) Not later than 18 months after the effective date of this section, the commission, with assistance from the working group, shall adopt rules to implement the community solar program, which shall include the following:

- (a) A methodology for valuing each subscriber's community solar bill credit rate as outlined in section 3 of this act;
- (b) A process for the certification of community solar facilities, which shall include rules to identify the community solar bill credit rate for each subscriber type within 60 days of their application;
- (c) Modifications of existing interconnection standards, fees, and processes as needed to facilitate the efficient and cost-effective interconnection of community solar projects so that the interconnection customer pays the reasonable costs and interconnections are designed, engineered, and completed in accordance with good utility practice;
- (d) A requirement for each investor-owned utility to efficiently connect a community solar project to its electrical distribution grid and not to discriminate against facilities or subscribers;
- (e) Consumer protections in accordance with existing laws and rules, including any protections against disconnection of service;
- (f) Robust consumer protections for subscribers, including at least the following:
- 24 (i) Standardizing a customer disclosure form for residential subscribers;
  - (ii) Prohibiting upfront sign-on fees or credit checks as a means of establishing eligibility for residential subscribers;
  - (iii) Preventing early termination charges to any residential subscriber who unsubscribes;
    - (g) A requirement for each community solar project manager to send a notice in a standardized format containing information related to subscriber enrollment to the investor-owned utility that services the area where the organization's community solar facility is sited;
  - (h) A requirement that no later than six months after the adoption of rules, each investor-owned utility must publish new tariffs or update existing tariffs to implement the community solar program;
- 38 (i) Opportunities for subscribers that receive utility 39 allowances; and

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- (j) Community solar program evaluations and consumer protections to ensure that subscribers are effectively and equitably receiving savings from participating in the community solar program.
- 4 <u>NEW SECTION.</u> **Sec. 5.** A new section is added to chapter 80.28 5 RCW to read as follows:
- 6 (1) The commission shall conduct reviews of the community solar 7 program described in this act once five years after the rules for the 8 program have been adopted and once 10 years after the rules for the 9 program have been adopted and submit a report to the legislature with 10 the following information:
- 11 (a) The number and location of operating community solar 12 facilities;
  - (b) The amount of nameplate capacity certified;

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- 14 (c) The number of subscribers, how much energy was subscribed to 15 by those subscribers, and the types of customer classes that 16 subscribed;
  - (d) The number of low-income subscribers and low-income service providers, how much energy was subscribed to by those subscribers, and the types of customer classes that subscribed;
    - (e) Whether savings were achieved by subscribers; and
- 21 (f) Any other metrics identified by the commission or stakeholder 22 working group.
- (2) The commission may adopt rules to require community solar organizations and electric utilities to provide the commission with a report containing the relevant information described in subsection (1) of this section.
- NEW SECTION. Sec. 6. A new section is added to chapter 80.28 RCW to read as follows:
- (1) A consumer-owned utility may voluntarily adopt the commission's new community solar program rules or develop their own, provided they meet the requirements of section 3 of this act. A consumer-owned utility that does not voluntarily adopt the commission's program rules or develop their own is not subject to the requirements in section 3 of this act.
- 35 (2) A consumer-owned utility may voluntarily adopt the 36 commission's community solar credit rate valuation methodology, or 37 develop their own, provided they meet the requirements of section 3 38 of this act.

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(3) A participating consumer-owned utility must efficiently connect a community solar project to its electrical distribution grid and not discriminate against facilities or subscribers.

- (4) A consumer-owned utility is not required to approve a community solar project if the system conflicts with the Bonneville power administration's definition of a small generator.
- (5) A consumer-owned utility's program rules must establish community solar program reporting and consumer protections to ensure that subscribers are effectively and equitably receiving savings from participating in the community solar program.
- **Sec. 7.** RCW 80.28.375 and 2017 3rd sp.s. c 36 s 11 are each 12 amended to read as follows:
  - (1) No community solar ((company)) project manager or their contracted agents, affiliates, or electric service providers may engage in business in this state except in accordance with the provisions of this chapter unless they are an established electric utility. Engaging in business ((as a community solar company)) includes advertising, soliciting, offering, or entering into an agreement to own a community solar project and provide community solar project services to ((electric utility)) customers.
  - (2) A community solar ((eompany)) project manager must register with the commission before engaging in business in this state ((exapplying for certification from the Washington State University extension energy program under RCW 82.16.165(1). Registration with the commission as a community solar company must occur on an annual basis)). The registration must be on a form prescribed by the commission and contain that information as the commission may by rule require, but must include at a minimum:
- 29 (a) The name and address of the community solar ((company)) 30 project manager;
- 31 (b) The name and address of the community solar ((company's))
  32 project manager's registered agent, if any;
  - (c) ((The name, address, and title of each officer or director;
- 34 (d))) The community solar ((company's most current balance 35 sheet)) project manager's proof of insurance;
- 36 ((<del>(e)</del>)) <u>(d)</u> The community solar ((<del>company's</del>)) <u>project manager's</u> 37 latest annual report, if any, <u>which should be filed confidential</u>ly;

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1  $((\frac{f}{f}))$  (e) A description of the services the community solar ((company)) project manager offers or intends to offer((, including 3 financing models)); and

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 $((\frac{g}{g}))$  (f) Disclosure of any pending litigation against it.

- (3) As a precondition to registration, the commission may require the procurement of a performance bond or other mechanism sufficient to cover any advances or deposits the community solar ((company)) project manager may collect from ((project participants)) subscribers or order that the advances or deposits be held in escrow or trust. Required performance bonds must be of a size commensurate with the scope of the projects offered and may not be set in such a manner as to preclude nonprofits, individuals, and small businesses from participating as community solar project managers.
- (4) The commission may deny registration to any community solar ((company)) project manager that:
  - (a) Does not provide the information required by this section; or
- (b) Fails to provide a performance bond or other mechanism, if required((+
- (c) Does not possess adequate financial resources to provide the proposed service; or
- (d) Does not possess adequate technical competency to provide the proposed service)).
- (5) The commission must take action to approve or issue a notice hearing concerning any application for registration within ((thirty)) 30 days after receiving the application. The commission may approve an application with or without a hearing. Should 30 days pass since an application has been filed and the commission has not acted, the application is deemed approved. The commission may deny an application after a hearing.
- (6) The commission may charge a community solar ((company)) project manager an ((annual)) application fee to recover the cost of processing applications for registration under this section. The fee must not be set in such a manner as to preclude nonprofits, individuals, and small businesses from participating as community solar project managers.
- (7) The commission may adopt rules that describe the manner by which it will register a community solar ((company)) project manager, ensure that the terms and conditions of community solar projects or community solar project services comply with the requirements of chapter 36, Laws of 2017 3rd sp. sess., establish the community solar

p. 12 SB 6113 ((company's)) project manager's responsibilities for responding to customer complaints and disputes, and adopt annual reporting requirements. In addition to the application fee authorized under subsection (6) of this section, the commission may adopt regulatory fees applicable to a community solar ((companies)) project manager pursuant to RCW 80.04.080, 80.24.010, and 80.24.020. Such fees may not exceed the cost of ensuring compliance with this chapter.

- (8) The commission may suspend or revoke a registration upon ((complaint by any interested party, or upon)) the commission's own motion after notice and opportunity for hearing, when it finds that a registered community solar ((company)) project manager or its agent has violated this chapter or the rules of the commission, or that the community solar ((company)) project manager or its agent has been found by a court or governmental agency to have violated the laws of a state or the United States.
- (9) For the purpose of ensuring compliance with this chapter, the commission may issue penalties against community solar ((companies)) project managers for violations of this chapter as provided for public service companies pursuant to chapter 80.04 RCW.
- (10) Upon request of the commission, a community solar ((company)) project manager registered under this section must provide information about its community solar projects or community solar project services.
- (11) A violation of this section constitutes an unfair or deceptive act in trade or commerce in violation of chapter 19.86 RCW, the consumer protection act. Acts in violation of chapter 36, Laws of 2017 3rd sp. sess. are not reasonable in relation to the development and preservation of business, and constitute matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW.
- (12) For the purposes of RCW 19.86.170, actions or transactions of a community solar ((company)) project manager may not be deemed otherwise permitted, prohibited, or regulated by the commission.
- (13) Community solar subscription managers must register with the commission before engaging in business in this state. The registration must be on a form prescribed by the commission and contain that information as the commission may by rule require, but must include at a minimum:
- 39 <u>(a) The name and address of the community solar subscription</u> 40 manager;

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- 1 (b) The name and address of the community solar subscription 2 manager's registered agent, if any;
- 3 (c) A description of the services the community solar 4 subscription manager offers or intends to offer;
- 5 (d) Disclosure of any pending litigation against the community 6 solar subscription manager;
- 7 <u>(e) The community solar subscription manager's proof of</u> 8 <u>insurance; and</u>
- 9 <u>(f) A copy of the standard community solar subscription agreement</u> 10 <u>the community solar subscription manager will utilize.</u>
- 11 **Sec. 8.** RCW 82.16.182 and 2022 c 212 s 4 are each amended to 12 read as follows:
- 13 (1) The definitions in this section apply throughout this section 14 and RCW 82.16.183 unless the context clearly requires otherwise.

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- (a) ((<del>(i)</del>)) "Administrator" means the utility, nonprofit, community solar project manager, tribal housing authority ((as provided in (a)(ii) of this subsection)), public agency, or other local housing authority that organizes and administers a community solar project as provided in RCW 82.16.183 and 82.16.170.
- (((ii) A tribal housing authority may only administer a community solar project on tribal lands or lands held in trust for a federally recognized tribe by the United States for subscribers who are tribal members.))
  - (b) "Certification" means the authorization issued by the Washington State University extension energy program establishing a community solar project administrator's eligibility to receive a low-income community solar incentive payment from the electric utility serving the site of the community solar project, on behalf of, and for the purpose of providing direct benefits to, its low-income subscribers, low-income service provider subscribers, and tribal and public agency subscribers.
- 32 (c)(i) "Community solar project" means a solar energy system 33 that:
- 34 (A) Has a direct current nameplate capacity ((that is greater than 12 kilowatts but no greater than 199 kilowatts;
- 36 (B) Has, at minimum, either two subscribers or one low-income 37 service provider subscriber; and
- 38 (C) Meets the applicable eligibility requirements in RCW 39 82.16.183)) no greater than 199 kilowatts, has, at minimum, two

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- subscribers or one low-income service provider subscriber, and meets the applicable eligibility requirements in RCW 82.16.183; or
  - (B) Has the same meaning as defined in RCW 80.28.370.
- 4 (ii) A community solar project may include a storage system with 5 a solar energy system.
- 6 (d) "Consumer-owned utility" has the same meaning as in RCW 19.280.020.
- 8 (e) "Electric utility" or "utility" means a consumer-owned 9 utility or investor-owned utility as those terms are defined in RCW 10 19.280.020.
- 11 (f) "Energy assistance" has the same meaning as provided in RCW 19.405.020.
- 13 (g) "Energy burden" has the same meaning as provided in RCW 14 19.405.020.
- 15 (h) "Governing body" has the same meaning as provided in RCW 16 19.280.020.
- (i) (i) "Installed cost" includes only the renewable energy system components and fees that are integral and necessary for the generation and storage of electricity. Components and fees include:
  - (A) Solar modules and inverters;
- 21 (B) Battery systems;
- 22 (C) Balance of system, such as racking, wiring, switch gears, and 23 meter bases;
- (D) Nonhardware costs incurred up to the date of the final electrical inspection, such as fees associated with engineering, permitting, interconnection, and application;
  - (E) Labor; and
- 28 (F) Sales tax.

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- (ii) "Installed cost" does not include structures and fixtures that are not integral and necessary to the generation or storage of electricity, such as carports and roofing.
  - (j) "Interconnection customer" means the person, corporation, partnership, government agency, or other entity that proposes to interconnect, or has executed an interconnection agreement, with the electric utility.
- 36 (k) "Low-income" has the same meaning as provided in RCW 37 ((19.405.020)) 80.28.370.
- 38 (1) "Low-income service provider" includes, but is not limited 39 to, a local community action agency or local community service agency 40 designated by the department of commerce under chapter 43.63A RCW,

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- local housing authority, tribal housing authority, low-income tribal housing program, affordable housing provider, food bank, or other nonprofit organization that provides services to low-income households as part of their core mission.
  - (m) "Multifamily residential building" means a building containing more than two sleeping units or dwelling units where occupants are primarily permanent in nature.

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- (n) "Person" means an individual, firm, partnership, corporation, company, association, agency, or any other legal entity.
- (o) "Preferred sites" ((means rooftops, structures, existing impervious surfaces, landfills, brownfields, previously developed sites, irrigation canals and ponds, stormwater collection ponds, industrial areas, dual-use solar projects that ensure ongoing agricultural operations, and other sites that do not displace critical habitat or productive farmland as defined by state and county planning processes)) has the same meaning as defined in RCW 80.28.370.
- (p) "Public agency" means any political subdivision of the state including, but not limited to, municipal and county governments, special purpose districts, and local housing authorities, but does not include state agencies.
- (q)(i) Except as otherwise provided in (q)(ii) of this subsection, "qualifying subscriber" means a low-income subscriber, low-income service provider subscriber, tribal agency subscriber, or public agency subscriber.
- (ii) For tribal agency subscribers and public agency subscribers, only the portion of their subscription to a community solar project that is demonstrated to benefit low-income beneficiaries, including low-income service providers and services provided to low-income citizens or households, is to be considered a qualifying subscriber.
- 31 (r) "Retail electric customer" has the same meaning as in RCW 80.60.010.
- (s) "Subscriber" ((means a retail electric customer of an electric utility who owns or is the beneficiary of one or more units of a community solar project directly interconnected with that same utility)) has the same meaning as defined in RCW 80.28.370.
- 37 (t) "Subscription" ((means an agreement between a subscriber and the administrator of a community solar project)) has the same meaning as defined in RCW 80.28.370.

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- 1 <u>(u) "Community solar project manager" has the same meaning as</u>
  2 <u>defined in RCW 80.28.370.</u>
- 3 (2) This section expires June 30, 2038.

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