SIW 2017 Legislative Team

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2017 Solar Legislators

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SB 5939

Sec 1 Declarations
- Local investment in renewables
- Increase program cost-effectiveness
- Opportunities for renters
- Community Solar Projects for utilities, non-profits, housing authorities

Sec 2 Tax Performance
- Reduce fossil fuel dependence
- Economic Development
- Sustainably increase clean energy jobs
- 115 MW by 6/30/2021
- Increased per capita solar related jobs
- Improved national ranking
- WSU to collect data
Sec 3 Amend and Close Old Program

- DOR hands program admin off to WSU
- Ends prorating incentive if oversubscribed
- Old program rates are locked in at 2016 levels
- Existing participants have ‘til 4/30/18 to re-apply
- Array tilt, azimuth, GPS, and shading data will be added
- WSU will calculate the incentives earned

Sec 4 Amend Tax Credit Limit

- PUT credit can include cost of program admin
- Credit = 1.5% of 2014 power sales (or $250K)
- ‘Soft’ limit (if oversold, will not be recaptured)
- PUT credits for old program end 6/30/2020
- PUT credits for new program end 6/30/2029
- Last credit accepted by DOR on 6/30/2030

Sec 5 Definitions

- Commercial scale solar > 12 kW
- Community Solar Project ≤ 1 MW
Sec 5  Definitions (cont’d)

- Customer Owner – Utility customer that occupies the premises
- Program Term = 8 years or until project cost is 50% recouped
- Residential Scale ≤ 12 kW
- Shared Commercial Solar Projects > 1 MW, ≤ 5 MW

Sec 6  New Program

- Opens 7/1/2017
- Annual limits: Resi = $5K, Commercial = $25K, SCSP = $35K
- No old program systems can be in new program
- New program system at same location as old program system is OK
- Expanding a system under new program is OK, but will earn rates in effect at expansion
- Utilities can opt in or out, but must keep existing participants in program
- WSU establishes a reporting and fee system
- Application includes tilt, azimuth, GPS, and shading + date of electrical permit final
- SCSP’s and CSP’s can pre-certify up to 1 year in advance of project
- WSU may have a reservation system for resi and commercial projects
- Certification is valid for program term and is attached to the system
### Sec 6 New Program (cont’d)

<table>
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<tr>
<th>Fiscal year of system certification</th>
<th>Base rate residential scale</th>
<th>Base rate commercial scale</th>
<th>Base rate community solar</th>
<th>Base rate shared commercial solar</th>
<th>Made in Washington Bonus</th>
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</table>

- Limits: CSP’s + SCSP’s = 50% of fund, Commercial = 25% of fund, fund limit = $110M
- SCSPs payments limited to difference between LCOE & customer utility rate
- Utility reports production
- WSU reports payments due
- Starting 1/1/18 WSU must report monthly:
  - Number of certifications
  - Estimate of remaining funds
- Incentive recipients must keep records for 5 years
- RECs stay with customer
Sec 6 New Program (cont’d)

- No certifications after 6/30/2021
- $125 fee for applicants to new program
- WSU may develop rules through public process, and DOR may adopt
- Incentive payments etc are not deemed tax info and may be disclosed
- Shared Commercial Solar Projects > 1 MW, ≤ 5 MW
- WSU must report by 11/1/19 program stats as of 7/1/19:
  - Number and types of systems
  - Utilities that are approaching or have reached limits
  - Share of threshold amount by system type
  - CSP deployment assessment
  - Evaluation of low-income deployment
  - Barriers to participation by nonprofits if any
  - Total dollar amount paid under new program
  - Total MW installed in new program
- By 12/21/19 Legislature must review and determine if PUT credit cap should be increased to 2%
**Sec 7 Community Solar Programs**

- No more than 1MW
- No less than 10 participants or one per 10 kW
- Participants must be in same utility district as project except…
- When utilities form joint operating agreement
- CSP admin may ask fee for service
- CSP admin keeps records, provides disclosures:
  - Terms of project
  - Billing and payment procedures
  - Compensation for underperformance, if any
  - Production projections and methodology
  - Contact info
- UTC must publish:
  - List of entities organizing and administering CSPs
  - List of IOU-owned CSPs
- COU boards must publish:
  - Non-utility administrators contracted to CSPs

**SB 5939**
Sec 8  Shared Commercial Solar Projects
- Purpose: For large customers to have solar without site limitations
- Must have at least 5 participants
- Must be $>1$ MW and $\leq 5$ MW
- Participant must be utility customer located in WA
- Admin may have fee for service, with proper notice
- Must submit plan to WSU
- Admin must disclose all details to participants
- Legislature prefers work to be done by WA contractors
- Documentation needed to justify use of out-of-state contractors

Sec 9  Disclosure of Tax Incentives Available
- Sellers of PV for use in a system in Washington must:
  - Provide current tax incentive information
  - Scheduled expiration dates
- Maximum term of benefits
Sec 10  Community Solar Company Definitions

- Community Solar Company (CSC) owns CSP and provides CSP services to participants
- Community Solar Projects provide electrical or financial benefits from CSP to participants
- Project Participant: Utility customer who enters into a lease, PPA, loan, etc. with CSC

Sec 11  Community Solar Companies

- Must register with the UTC
- UTC may require a performance bond
- UTC may charge an application fee
- UTC may adopt regulatory fees
- UTC may issue penalties

Sec 12  Recycling Program

- Department of Ecology to develop guidance
- Each manufacturer must submit a stewardship plan by 1/1/2020
- Manufacturers submit annual report, beginning 4/1/2022
Sec 12  Recycling Program (cont’d)
- Starting 1/1/2021 manufacturers must submit stewardship plan
- Ecology may assess fee
- A PV module recycling account will be created
- Ecology may adopt rules
- A National program can be used instead of stewardship plan

Sec 13  Assessment of Financing Tools
- Assess access to federal tax incentives by low and moderate income households
- UTC must assess and report to legislature by 12/31/17
- UTC may implement too to aggregate incentives if feasible

Sec 14  Sales Tax Exemption on > 10 kW
- Expires 9/30/17 except for > 500 kW

Sec 15  Sales Tax Exemption on ≤ 10 kW
- Expires 9/30/17
Sec 16 Use Tax Exemption on > 10 kW
- Expires 9/30/17 except for > 500 kW with 1st use after 9/30/17
- Expires on 12/31/19 for all others

Sec 17 Use Tax Exemption on ≤ 10 kW
- Expires 9/30/17

Sec 18 Section 12 is a new chapter in RCW 70

Sec 19 This Act Takes Effect Immediately
To Find the Bill

Go to www.leg.wa.gov

Click Find Bills, enter the bill number (5939)