

Multiple Agency Fiscal Note Summary

Bill Number: 2248 HB	Title: Expanding equitable access to the benefits of renewable energy through community solar projects.
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Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Revenue	0	0	(341,000)	(341,000)	(1,025,000)	(1,025,000)
Washington State University	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Total \$	0	0	(341,000)	(341,000)	(1,025,000)	(1,025,000)

Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Revenue	.2	159,300	159,300	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Washington State University	.4	133,833	133,833	.7	210,080	210,080	.7	226,817	226,817
Total \$	0.6	293,133	293,133	0.7	210,080	210,080	0.7	226,817	226,817

Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Washington State University	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Rachel Knutson, OFM	Phone: (360) 902-0550	Date Published: Final 1/17/2020
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Department of Revenue Fiscal Note

Bill Number: 2248 HB	Title: Expanding equitable access to the benefits of renewable energy through community solar projects.	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2020	FY 2021	2019-21	2021-23	2023-25
GF-STATE-State 01 - Taxes 35 - Public Utilities Tax				(341,000)	(1,025,000)
Total \$				(341,000)	(1,025,000)

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.3	0.2		
Account					
GF-STATE-State 001-1		159,300	159,300		
Total \$		159,300	159,300		

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☒ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Nikkole Hughes	Phone: 360-786-7156	Date: 01/07/2020
Agency Preparation: Marianne McIntosh	Phone: 360-534-1505	Date: 01/14/2020
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 01/14/2020
OFM Review: Rachel Knutson	Phone: (360) 902-0550	Date: 01/15/2020

Request # 2248-1-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

CURRENT LAW:

RCW 82.16.165 allows Washington State University Energy Extension Program (WSU) to certify renewable energy systems. The time period to issue certifications began on July 1, 2017, and ends when the overall program incentive payment cap of \$110 million is met, or by June 30, 2021, whichever is earlier. On June 14, 2019, WSU ceased certifying new systems because the program had met the incentive payment cap.

Eligible participants receive incentive payments for the program term based on the number of kilowatt-hours (kWh) of electricity generated by the renewable energy system. The program term is the earlier of 8 years or until cumulative incentive payments equal 50 percent of the total system price including sales tax.

For systems certified in Fiscal Year 2018, base rates for incentive payments are \$0.16 per kWh for residential-scale systems, \$0.06 per kWh for commercial-scale and shared-commercial systems, and \$0.16 per kWh for community solar systems. A bonus rate of \$0.05 per kWh is provided for made-in-Washington solar modules, wind turbines or towers. The base and bonus rates decline each fiscal year.

RCW 82.16.130 allows a participating utility to take a Renewable Energy System Cost Recovery Credit against the public utility tax (PUT) for incentive payments made under the program and any fees paid by a utility to WSU to collect electricity production data from the utility or its customers. A participating utility's credit limit for a fiscal year is the greater of 1.5 percent of a utility's Calendar Year 2014 taxable power sales or \$250,000. Credits under the incentive program must be earned by June 30, 2029; credits may not be claimed after June 30, 2030.

Information about incentive payments, system certifications, and total tax credit claimed is subject to disclosure and not confidential taxpayer information.

PROPOSAL:

This bill expands the Renewable Energy System Cost Recovery Credit by allowing participating utilities to receive an additional credit each fiscal year of the greater of 0.25 percent of their 2014 taxable power or \$50,000, for incentive payments made to qualifying community solar projects. To qualify for this additional credit, incentive payments must be made during the applicable program term to community solar projects that meet the following requirements:

- The administrator of the project must apply for precertification on or after July 1, 2020;
- The community solar project must have a direct current nameplate capacity less than 1,000 kilowatts;
- At least forty percent of the project must be subscribed to by any combination of low- to moderate-income household subscribers and low income service provider organizations. The low income service provider organization may not be an administrator of the same project;
- No single subscriber may subscribe to more than forty percent of the project;
- At least forty percent of the project must have subscribers with less than a twenty kilowatt subscription; and
- Projects must be completed and certified with WSU within two years of the precertification date or by June 30, 2026 whichever is earlier.

The program term during which incentive payments to eligible community solar projects may be made by participating utilities is the shorter of the following timeframes:

- Eight years; or
- Until cumulative incentive payments reach:
 - 100 percent of the project costs, including sales tax, prorated in proportion to subscriptions of low-to-moderate income households and low income service provider organizations; and

- No more than 50 percent of the prorated project costs, including sales tax, for all other subscribers.

The total incentives paid to all participating community solar projects may not exceed \$20 million.

The right for participating utilities to earn credits expires June 30, 2034, and no credit may be claimed after June 30, 2035. A participating utility may require community solar project participants to purchase equipment necessary for net metering or pay a share of the cost of any required billing system enhancement.

WSU administers the certification program and may collect an application fee of \$500 per applicant for this program. The base incentive payment rate for eligible community solar projects is \$0.10 per kWh with an additional \$0.10 per kWh for low income participants.

The bill also expands the definition of "Administrator" of a community solar project to include tribal housing authorities.

The bill updates the incentive rate table for the current program by removing the incentive rates after June 30, 2020, and provides an end date of June 30, 2020, for the current program. This is because the statewide cap under the current program has been met.

EFFECTIVE DATE:

This bill contains an emergency clause and takes effect immediately upon the Governor's approval.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS

- The Public Utility Tax (PUT) credit for incentive payments issued on a new installation is taken during the fiscal year following the fiscal year in which the system is installed and certified.
- To adjust for systems installed throughout a fiscal year, 50 percent of the projected installed systems were used to calculate the payments made immediately after the fiscal year in which the system was installed.
- Per GreenBiz.com article, a vast majority of Community Solar Program (CSP) participants are "businesses, universities, government agencies and higher-earning households. Less than half of U.S. CSPs have any participation from low-income households. Of projects that do, only 5 percent involve a sizable share or more than 10 percent."
- The 40 percent subscriber requirement will be met mainly by low income service providers due to the low participation rate from low-income households.
- Based on historical data, 2 large CSP systems greater than 100 kilowatts (kW) and 6 smaller CSP systems less than 100 kW will be certified in each Fiscal Year beginning in 2021 through 2026.

DATA SOURCES

- Washington State University Energy Extension Program, renewable energy repayment program data
- GreenBiz.com "Energy equity: bringing solar power to low-income communities" May 23, 2019

REVENUE ESTIMATES

This bill decreases state revenues by an estimated \$85,000 in the first year of impacted collections in Fiscal Year 2022 and by \$256,000 in Fiscal Year 2023.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2020 -	\$	0
FY 2021 -	\$	0

FY 2022 - (\$ 85)
FY 2023 - (\$ 256)
FY 2024 - (\$ 427)
FY 2025 - (\$ 598)

Local Government, if applicable (cash basis, \$000): None

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS:

- This proposal affects 50 taxpayers.
- Washington State University will administer the application/certification process, determine eligibility and provide financial information in determining when the cap has been reached.
- No annual tax performance report is required.

FIRST YEAR COSTS:

The Department will not incur any costs in Fiscal Year 2020.

SECOND YEAR COSTS:

The Department will incur total costs of \$159,300 in Fiscal Year 2021. These costs include:

Labor Costs - Time and effort equates to 0.3 FTE.

- Answer additional phone calls and counter inquiries on tax questions and tax return preparation from businesses, individuals, and accountants.
- Create a Special Notice and identify publications and information that needs to be created or updated on the Department's website.
- Respond to letter ruling requests, email inquiries, and more difficult call backs from the telephone information center.

Object Costs - \$132,000.

- Contract computer system programming to expire the current credit and create a new credit for the Public Utility Tax reporting addendum and a new credit worksheet. Reports and other systems will be updated as needed.

ONGOING COSTS:

There are no ongoing costs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.3	0.2		
A-Salaries and Wages		16,700	16,700		
B-Employee Benefits		5,000	5,000		
C-Professional Service Contracts		132,000	132,000		
E-Goods and Other Services		3,600	3,600		
J-Capital Outlays		2,000	2,000		
Total \$		\$159,300	\$159,300		

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
TAX INFO SPEC 1	42,132		0.1	0.1		
TAX INFO SPEC 4	62,460		0.2	0.1		
Total FTEs			0.3	0.2		

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

NONE

None.

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2248 HB	Title: Expanding equitable access to the benefits of renewable energy through community solar projects.	Agency: 215-Utilities and Transportation Commission
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Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact: Nikkole Hughes	Phone: 360-786-7156	Date: 01/07/2020
Agency Preparation: Melissa Hamilton	Phone: 360 664-1158	Date: 01/09/2020
Agency Approval: Jon Noski	Phone: 360-664-1209	Date: 01/09/2020
OFM Review: Jenna Forty	Phone: (360) 902-0419	Date: 01/09/2020

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 5(13) Allows utility administrators to separately account for and offset administrative costs proportional to low-to-moderate-income households' and service providers' subscriptions in a community solar project. Utilities and Transportation Commission (UTC) assumes any impact from review of accounting petitions associated with energy assistance-related accounting will occur within the usual course of business.

Section 8(5) Allows a utility to pay the costs of a production meter, software, of billing system enhancements, and separately account for any expenditures that provide energy assistance to low-income households or low-income service providers. A utility may offset or discount the subscription costs of a low-income household if they retain the proportional environmental attributes of the project. UTC assumes any impact from review of accounting petitions associated with energy assistance-related accounting will occur within the usual course of business. UTC assumes any incremental staff review of energy assistance filings from utilities will occur within the normal course of business.

Sections 6-8 Extends net metering to community solar subscribers. Credits generated through community solar may be combined with other net-metering credits as long as the combined credits do not exceed the subscriber's annual electricity usage. The UTC assumes this will require three tariff filings within the usual course of UTC business.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No Cash Receipt Impact

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

No Expenditure Impact

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

No Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No Rule Changes Requires

Individual State Agency Fiscal Note

Bill Number: 2248 HB	Title: Expanding equitable access to the benefits of renewable energy through community solar projects.	Agency: 365-Washington State University
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.9	0.4	0.7	0.8
Account					
General Fund-State 001-1	0	133,833	133,833	210,080	226,817
Total \$	0	133,833	133,833	210,080	226,817

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Nikkole Hughes	Phone: 360-786-7156	Date: 01/07/2020
Agency Preparation: Chris Jones	Phone: 509-335-9682	Date: 01/10/2020
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 01/10/2020
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 01/15/2020

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

HB 2248 modifies the community solar incentive program. Section 4 (1) closes the existing program to new applicants effective June 30, 2020; and, Section 4 (2) allows for application to a modified program beginning July 1, 2020 and ending June 30, 2026.

Section 4 (9) describes application requirements for community solar project administrators, including the requirement to provide the number of potential low-to-moderate-income household or service provider subscribers; or, a plan to obtain low-to-moderate-income subscribers to meet the forty percent minimum subscription requirement to qualify for the incentive payment.

Section 4 (15) states that the Washington State University Energy Program must determine the total incentive rate for individual community solar project subscribers, including the award of the bonus rate for low- to moderate-income subscribers.

Section 4 (18) states that total incentive payments made for the community solar projects certified under the new program may not exceed \$20 million.

Section 4 (32) states that the WSU Energy Program must collect a one-time fee for applications submitted under Section 4 (2) of \$500 per applicant; these must be deposited into the General Fund.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

It is difficult to provide a precise estimate until interest in the community solar program can be gauged further, but for purposes of the fiscal note the WSU Energy Program is estimating to collect a total of \$25,000 over the course of the program from 50 applicants at the \$500 fee rate established in Section 4 (32).

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Expenditure costs consist of the staffing needed to develop and implement the modified community solar program. Additional goods and services costs consist of IT system support and rental space. Costs support the administration of up to \$20 million in additional incentive payments. Project activities include developing procedures, creating and/or modifying administrative and project tracking systems, answering questions from potential project developers, and reviewing specific projects for eligibility and program rule compliance.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	133,833	133,833	210,080	226,817
Total \$			0	133,833	133,833	210,080	226,817

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.9	0.4	0.7	0.8
A-Salaries and Wages		61,486	61,486	97,481	106,349
B-Employee Benefits		38,306	38,306	60,731	66,255
C-Professional Service Contracts					
E-Goods and Other Services		34,041	34,041	51,868	54,213
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	133,833	133,833	210,080	226,817

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Application Systems Analyst	82,988		0.2	0.1	0.2	0.2
Energy Professional	64,640		0.7	0.3	0.5	0.5
Manager	135,328		0.0	0.0	0.0	0.0
Total FTEs			0.9	0.4	0.7	0.8

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact**IV. A - Capital Budget Expenditures**

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2248 HB	Title: Expanding equitable access to the benefits of renewable energy through community solar projects.
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Part I: Jurisdiction—Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Municipal electric utilities
- ☐ Counties:
- ☒ Special Districts: Public utility districts
- ☐ Specific jurisdictions only:
- ☒ Variance occurs due to: Location of a community solar project

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: To participate in the proposed Washington State University Energy Program's Community Solar Expansion Program
- ☒ Key variables cannot be estimated with certainty at this time: How many utilities would opt for solar gardens; how many subscribers would participate; how much electricity the solar gardens would harvest; how much electricity would be sent to each subscriber household; whether current electrical grid systems would need to be updated as a result of establishing community solar gardens; what the subscription rate for gardens would be and whether part of this fee would go towards PUDs

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Ellen Hatleberg	Phone: 360-725-3086	Date: 01/15/2020
Leg. Committee Contact: Nikkole Hughes	Phone: 360-786-7156	Date: 01/07/2020
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/15/2020
OFM Review: Ramona Nabors	Phone: (360) 902-0547	Date: 01/16/2020

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

This legislation would provide \$20 million for the Washington State University Energy Program for community solar projects. The bill also would expand the definition of meter aggregation to all net metering for community solar projects.

DEFINITIONS:

A community solar project: A facility that generates electricity by means of a ground mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription.

Net metering: Net metering is a way of accounting for distributed generation that is produced on the consumer side of the utility meter (a rooftop for example), but not consumed directly by that customer at the time of production. The power goes instead onto the electricity grid to be purchased by someone else on the system. When excess power is transferred to the grid, the customer generating the power is credited for each kWh of production. The customer is then charged only for the “net” amount of energy they use, hence the term “net metering.”

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

POTENTIAL COSTS FOR UTILITIES THAT OPT INTO THE PROGRAM:

This legislation would result in indeterminate expenditure costs for public utility districts (PUDs) that opt into the program. These costs are indeterminate because it is unknown how many communities will opt for solar gardens, how many subscribers would participate, how much electricity the solar gardens would harvest, and how much electricity would be sent to each subscriber household. Therefore, the revenue loss by utilities is unknown.

Additionally, it is also unknown whether current electrical grid systems will need to be updated as a result of establishing community solar gardens in more areas. The grid may need to be updated to sustain the additional electricity running through it. Also, PUDs' billing systems may need to be updated in order to have the capacity to provide the proportionate monetary credit to subscribers for the electricity generated from the community solar garden.

This bill requires PUDs that opt into the program to maintain a website with information about each community solar garden within the utility's service area. This will be an additional cost to PUDs.

It is unknown what the subscription rate for gardens would be, and whether part of this fee would go towards PUDs.

Variance in fiscal impacts would occur depending on the location of the community solar project. It requires more financial resources to supply power to rural communities versus more dense cities. Eastern Washington is exposed to more sunlight than Western Washington, which would increase the amount of solar power their gardens generate.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

POTENTIAL INDETERMINATE REVENUE INCREASES FOR UTILITIES THAT OPT INTO THE PROGRAM:

Utilities that opt into the program would receive funds through the Washington State University Program. Revenue increases would vary based on the amount of funds allocated toward a project.

SOURCES:

Department of Commerce

Washington Association of Public Utility Districts

Snohomish Public Utility District