

## Chapter 13.42

### RENEWABLE ENERGY COST RECOVERY INCENTIVE PROGRAM

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**13.42.010 Purpose.** The purpose of this Chapter is to establish procedures to enable Town of Steilacoom Electric Utility customers to qualify for benefits through the Washington State Renewable Energy System Cost Recovery Incentive program applicable to qualifying Renewable Energy generation facilities.

The provisions of this policy are intended to be consistent with the requirements of the portions of RCW 82.15 and WAC 458-20-273 that pertain to 2005 SSB 5101 as initially adopted, and or, subsequently amended. (Ord. 1496 §1(part), 2013).

**13.42.020 Policy.** It shall be the policy of the Town of Steilacoom, herein referred to as the Town, to participate in the Washington State Renewable Energy System Cost Recovery Incentive program as set forth in 2005 SSB 5101 as initially adopted, and or, subsequently amended for qualifying projects. . (Ord. 1496 §1(part), 2013).

**13.42.030 Responsibility.** The responsibility for implementation of this policy shall be the Town Administrator working through and with the Director of Public Works. . (Ord. 1496 §1(part), 2013).

#### **13.42.040 Definitions.**

*“Application”* means the Town of Steilacoom Application for Participation in the Renewable Energy System Cost Recovery Incentive program provided by the Applicant to the Town that initiates the process.

*“Certificate of Completion”* means the certificate furnished by the Town to be completed by the Applicant and the electrical inspector having jurisdiction over the installation of the facilities indicating completion of installation and inspection of the Generating Facility.

*“Certification”* means documentation verifying that the project is a Qualified Renewable Energy Project provided under the Washington State Renewable Energy System Cost Recovery Incentive Program as certified by the Washington State Department of Revenue.

*“Customer”* means any person, corporation, partnership, government agency, or other entity that pays for and takes service from the Town of Steilacoom Electric Utility.

- “*Customer in Good Standing*” means a new customer that has made all deposits required by SMC 13.36.080 and a customer that has had no delinquent penalties assessed in the preceding twelve (12) months.
- “*Electric System*” means all electrical wires, equipment, and other facilities owned or provided by the Town that are used to transmit electricity to Customers.
- “*Generating Facility*” means a source of electricity provided by a Qualified Renewable Energy Project owned by the Applicant that is located on the Applicant’s side of the meter, and all facilities ancillary and appurtenant thereto, including a meter base for a Town provided production meter that may or may not be interconnected with the Electric System.
- “*Incentive Payment*” means that subsidy provide by the Town to the Applicant for power generated between July 1 and June 30 of each year in the amount of fifteen cents per economic development kilowatt-hour, as defined in Section 2(2) of 2005 SSB 5101, amended by 2009 ESSB 6170, and or, subsequently amended multiplied by the applicable factors (if any) specified in Section 3(5) of 2005 SSB 5101, amended by 2009 ESSB 6170, and or, subsequently amended, provided that the total Renewable Incentive payments to the Customer shall not exceed \$5,000 in any fiscal year. Customer shall not be eligible for any payments for electricity generated prior to August 1, 2013, or after June 30, 2020.
- “*The Town*” shall mean the Town of Steilacoom.
- “*Qualified Renewable Energy Project*” – means a source of electricity provided by wind system, solar system, or certain type of anaerobic digester that processes manure from cattle into biogas and dried manure using microorganisms in a closed oxygen free container as set forth in REC 82.16 and WAC 458-20-273 pertaining to 2005 SSB 5101, amended by 2009 ESSB 6170, and or, subsequently amended, and is certified by the Washington State Department of Revenue as a qualifying project. . (Ord. 1496 §1(part), 2013)

**13.42.050 Application.**

- A. Applications under this Policy will only be accepted after the Customer provides verification that the project is a Qualified Renewable Energy Project provided under the Washington State Renewable Energy System Cost Recovery Program as certified by the Washington State Department of Revenue. Upon receipt of the necessary approved Certification from the Washington State Department of Revenue, the Town will accept completed Applications and begin review and processing. The Applicant seeking to participate in the program shall be a Customer in Good Standing who shall fill out and submit a signed Application. The Application must be complete and information must be accurate.
- B. The Town requires no fees with application at this time but reserves the rights to do so.
- C. All Applications made under this policy will be reviewed by the Town for compliance with this policy and all applicable rules. If the Town, in its sole discretion, finds that the Application does not comply with the provisions of this policy, the Town may reject the Application. . (Ord. 1496 §1(part), 2013)

**3.42.060 Provisions.** The general terms and conditions listed in this section shall apply to all Applicants and Projects.

- B. Application to the Town. Upon receipt of initial certification from the Washington State Department of Revenue that the project qualifies, the Applicant must file an Application with the Town meeting all requirements of Section 3(4)(a) of 2005 SSB 5101 as initially adopted, and or, subsequently amended.

C. Signed Agreement. Applicant must submit a signed Town of Steilacoom Agreement to Offer Incentive Payments pursuant to the Washington State Renewable Energy System Cost Recovery Incentive Program.

D. Annual Incentive Payments. For electricity produced after August 1, 2013, by a Qualified Renewable Energy Project that has received Certification; the Applicant must file a Renewable Energy System Cost Recovery Annual Incentive Payment Application for electricity generated from July to June with the Town by August 1<sup>st</sup> for each year thereafter until this program is discontinued. Failure to provide a Renewable Energy System Cost Recovery Incentive Payment Application by this date results in forfeiture of the incentive payments for this period. Within 60 days (pursuant to Section 3(4)(b) of 2005 SSB 5101 as initially adopted, and or, subsequently amended) of receipt of this renewal certification, the Town will notify the Customer regarding acceptance of applications for generation produced.

E. Incentive Payment Limitations. The amount of Incentive Payment requested by Customer will not exceed the amount that the Town has been authorized to pay under 2005 SSB 5101, amended by 2009 ESSB 6170, and or, subsequently amended. The issuing of Incentive Payments by the Town is limited by the greater of: (a) fifty one hundredths of one percent (0.50%) of the utilities taxable sales under Washington law; or (b) one hundred thousand dollars (\$100,000). This limitation applies to the cumulative total of all qualified Incentive Payments issued by the Town to Applicants in a given fiscal year. Should Incentive Payments owed by the Town in a fiscal year exceed this limitation; the Town will reduce the Applicant's Incentive Payment in the same proportion that it reduces all other qualified Incentive Payments owed in that fiscal year until the limitation is no longer exceeded.

G. Project Information. Applicant agrees to promptly furnish the Town with copies of such plans, specifications, records, and other information relating to the Generating Facility, as may be reasonably requested by the Town from time to time.

H. Project Compliance. The Applicant acknowledges their responsibility to protect its facilities, loads, and equipment and comply with the requirements of all appropriate standards, codes, statutes and authorities.

I. Ownership. Applicant must own the property upon which the Generating Facility is installed, and the energy is used. Applicant shall notify the Town prior to the sale or transfer of the Generating Facility, or the premises upon which the facilities are located. The Applicant shall not assign its rights or obligations under any agreement entered into pursuant to these rules. (Ord. 1496 §1(part), 2013)

**13.42.070 Certificate of Completion.**

Applicant must obtain an electrical permit and pass electrical inspection of its Generating Facility. Applicant shall provide written certification to the Town that the Generating Facility has been installed and inspected in compliance with the local building and/or electrical codes and/or the Town's Interconnection Requirements or Renewable Generating Requirements. This documentation must include a copy of the electrical inspection and Certification from the Department of Revenue regarding the project's qualification for Incentive Payments.

A. Production Meter. Upon the Town's receipt of the customer's Certificate of Completion the Town will provide and install, at the customer's expense, a Town-supplied production meter. (Ord. 1496 §1(part), 2013).

**13.42.080 Required Filings – Exceptions.**

- A. The Town shall maintain on file for inspection by Customers, the charges, terms and conditions required for application to receive the "Incentive Payments" as set forth in the Washington State Renewable Energy System Cost Recovery Incentive for Renewable Energy Program. This information will include the following documents and contracts:
1. Washington State Department of Revenue for Renewable Energy System Cost Recovery Certification Form.
  2. Application for Participation in the Renewable Energy System Incentive Payment Program. The Town Agreement to Offer Incentive Payments pursuant to the Washington State Renewable Energy System Cost Recovery Incentive Program.
  3. Certificate of Completion.
  4. Renewable Energy System Cost Recovery Annual Incentive Payment Application.
  5. Process Outline. (Ord. 1496 §1(part), 2013).