
**Technology, Energy &
Communications Committee**

HB 1035

Brief Description: Addressing the purchase of anaerobic digestion power.

Sponsors: Representatives Morris, Hudgins, Eickmeyer, Linville and B. Sullivan.

Brief Summary of Bill

- Requires state agencies to purchase all available anaerobic digester power from their local utility at a rate no less than the retail price that the local electric utility charges that customer.
- Requires the local utility to pay the anaerobic digester producer an amount no less than the retail price that the utility charges a state agency, minus administrative costs that do not exceed 5 percent of that amount.

Hearing Date: 1/17/07

Staff: Scott Richards (786-7156).

Background:

Anaerobic Digestion

Anaerobic digestion is the bacterial breakdown of organic materials in the absence of oxygen. This biological process produces biogas, which is principally composed of methane and carbon dioxide. Biogas is typically produced from feedstocks such as sewage sludge, livestock manure, and wet organic materials. Anaerobic digesters are devices that use the natural process of anaerobic digestion to treat waste, produce energy, or both.

Voluntary Green Power Program

All electric utilities in the state, other than small electric utilities, are required to offer their customers the option to purchase electricity generated from qualified alternative energy resources. A "qualified alternative energy resource" is electricity produced from wind; solar energy; geothermal energy; landfill gas; wave or tidal action; gas produced during the treatment

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of wastewater; qualified hydropower; or biomass energy based on animal waste or solid organic fuels from wood, forest or field residues, or certain types of dedicated energy crops.

Utilities provide their customers with qualified alternative energy resources in one of two ways: green power –the actual electricity produced by green power resources – or green tags. Green tags, often called "renewable energy credits," are a type of currency used in the electricity industry to represent the environmental and social benefits of clean electricity production. Green tags are separated from the electricity produced and sold as a distinct product.

Summary of Bill:

A state agency that is served by either a private or public utility must purchase all available anaerobic digestion power from the local electric utility when the producer of power sends a written purchase request to the agency. Purchases by a state agency must not exceed the agency's annual electricity consumption. A state agency shall pay for anaerobic digestion power at no less than the retail price that the local electric utility charges that customer.

A state agencies is exempt from the purchase requirement if the local electric utility is exempt from offering a qualified alternative energy resource as defined in RCW 19.29A.090.

To the extent that a local electric utility purchases power from an anaerobic digestion power producer in its service territory, the utility must pay the producer an amount no less than the retail price that the utility charges a state agency in this section, minus administrative costs that do not exceed 5 percent of that amount.

Anaerobic digestion power means the electricity generated from an in-state facility that processes manure or other organic substrates into biogas using microorganisms in a decomposition process within a closed, oxygen-free container.

Appropriation: None.

Fiscal Note: Requested on January 15, 2007.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.