
**Technology, Energy &
Communications Committee**

HB 1062

Brief Description: Streamlining the implementation and coordination of state energy policies and programs.

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

Brief Summary of Bill

- The Legislature intends to centralize state energy programs and certain regulatory functions into one central office called the Sustainable Energy Office.

Hearing Date: 1/12/07

Staff: Scott Richards (786-7156).

Background:

In 1996, the Legislature dismantled the Washington State Energy Office and divided the office's duties among three state-based entities: the Energy Policy Division of the Department of Community, Trade and Economic Development; the Washington State University Energy Extension Program; and the Department of General Administration.

Energy Policy Division

The Department of Community, Trade, and Economic Development's (CTED) Energy Policy Division is charged with supervising and administrating energy-related activities in the state, as well as advising the Governor and the Legislature with respect to energy matters affecting the state.

Also, the Energy Policy Division:

- Develops contingency plans for energy shortages or emergencies.
- Serves as the official state agency responsible for coordinating implementation of the state energy strategy.

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- Carries out energy programs assigned by the Governor or the Legislature, adopting rules to carry out the powers and duties.
- Coordinates federal energy programs appropriate for state-level implementation.
- Serves as a central repository for collection of existing data on energy resources.
- Provides office space and other support for state's representatives to the Northwest Power and Conservation Council. The Council develops and maintains a regional power plan and a fish and wildlife program to balance the Northwest's environment and energy needs.
- Provides administrative support to the Energy Facility Site Evaluation Council.
- Provides support for increasing cost-effective energy conservation and development of cost-effective energy resources.

Washington State University Energy Extension Program

In 1996, the Legislature transferred energy education, applied research, and technology transfer programs from the State Energy Office to Washington State University (WSU). The WSU Energy Extension Program receives project funding from federal government agencies, federal power marketing agencies, the nonprofit Northwest Energy Efficiency Alliance, and several other sources. The WSU Energy Extension Program maintains a staff of 60 working in Olympia, in Spokane and at other satellite locations. Clients of the WSU Energy Extension Program range from industrial plants, to private consulting firms, businesses, government agencies, and utilities.

Specific programs transferred in 1996 from the State Energy Office to WSU's Energy Extension Program include:

- Renewable energy;
- Energy software;
- Industrial energy efficiency;
- Education and information;
- Energy ideas clearinghouse; and
- Telecommunications (now part of the WSU Center to Bridge the Digital Divide).

Also, WSU's Energy Extension Program currently maintains the following programs in support of their mission.

- Applied Building Science Team
- Northwest Combined Heat and Power Applications Center
- Motor Resource Center
- Information and support for resource efficiency management
- Northwest Solar Center
- Pacific Northwest Extension Energy Initiative
- Energy and ventilation code support for residential construction
- Climate Change and Rural Energy Development Center

The Department of General Administration

In 1996, the Legislature transferred powers, duties, and functions of the State Energy Office related to energy efficiency in public buildings to the Department of General Administration.

The Department maintains responsibilities in the following state agency-focused energy efficiency programs:

- Life-cycle cost analysis guidelines for state agencies;

- Green building rating standards;
- Conservation and cogeneration in state facilities;
- Energy audits at state facilities; and
- Energy saving performance contracting.

In addition to the energy efficiency programs, GA is responsible for state renewable fuel contracts and agency renewable fuel usage reporting. The GA also assists state agencies in the purchase of fuel cells as backup power generation.

Washington State Department of Agriculture

The Washington State Department of Agriculture carries out more than 25 distinct programs that support the agricultural community and promote consumer and environmental protection.

Bioenergy Program

The Department of Agriculture is responsible for adopting rules that implement the state renewable fuel content standard passed by the Legislature in 2006. Senate Bill 6508 requires that by the end of 2008 at least two percent of the gasoline sold in the state be an ethanol blend and at least two percent of the diesel sold in the state be a biodiesel blend.

Also, the Department of Agriculture oversees the Energy Freedom Fund. To date, the Department of Agriculture has approved low-interest loans totaling \$6.75 million to assist seven energy projects through the competitive-bid Energy Freedom Loan program. In addition, five public entities received a total of \$10.25 million in non-competitive loans as directed by the 2006 Legislature.

Washington State Department of Ecology

The Department of Ecology has the authority to manage and develop Washington's air and water resources and to carry out a coordinated program of pollution control.

Power Plant Carbon Dioxide (CO₂) Emissions Mitigation

The Department of Ecology sites thermal power plants of less than 350 megawatts where the applicant is not seeking an order of approval from a local air pollution control authority. For plants over 350 megawatts, site certification must be sought under the Energy Facility Site Evaluation Council.

Current law requires fossil-fueled thermal power plants with a generating capacity of 25 megawatts or more to mitigate for 20 percent of the CO₂ emissions produced by the plant over a period of 30 years. This requirement applies to new power plants seeking site certification and existing plants that increase the production of CO₂ emissions by 15 percent or more.

Utilities and Transportation Commission (UTC)

The UTC regulates in the public interest, the rates, services and practices of investor-owned utilities and transportation companies, including electric, telecommunications, natural gas, water, and solid waste collection companies, pipeline safety, private commercial ferries, buses, and motor carriers. By law, the UTC must set rates that are fair, just, reasonable, and sufficient.

Summary of Bill:

The Legislature finds that the state has passed legislation in recent years that promotes the use and manufacturing of renewable energy technologies, requires energy efficiency and conservation,

supports consumption of biofuels and the growth of state biofuel feedstocks, and reduces greenhouse gas emissions from new power plants and automobiles.

Various state agencies and institutions have been designated to execute sustainable energy policies and programs. These agencies include:

- The Energy Policy Division of the Department of Community, Trade, and Economic Development;
- Washington State University Energy Extension Program;
- The Utilities and Transportation Commission;
- The Department of General Administration;
- The Department of Agriculture; and
- The Department of Ecology.

The Legislature finds that the implementation of Washington's sustainable energy agenda is impeded due to the fragmented division of responsibilities among these state-based energy agencies and institutions and the lack of a central coordinating agency that ensures cooperation and the execution of a strategic plan.

The Legislature intends to centralize state energy programs and certain regulatory functions that are currently spread throughout state government into one central office called the Sustainable Energy Office.

In creating the Sustainable Energy Office, the Legislature intends to integrate state sustainable energy functions, make certain staffing resources are allocated in the most efficient and effective manner possible, eliminate the duplication of services, and ensure the execution of policy adopted by the Legislature.

Appropriation: None.

Fiscal Note: Requested on January 11, 2007.

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