
**Technology, Energy &
Communications Committee**

HB 1160

Brief Description: Addressing activities to promote green highways in the energy freedom program.

Sponsors: Representatives B. Sullivan, Linville, Morris, Hankins, P. Sullivan, Chase, Uptegrove, Dickerson, Lovick, Sells, Hudgins, Kenney, Ormsby, Schual-Berke, Simpson, Goodman, Springer, Kagi, Moeller, Green and Haler.

Brief Summary of Bill

- Expands the Energy Freedom Program to include grants and loans for refueling projects.
- Creates the Green Energy Incentive Sub-account.
- Designates I-5, I-82, and I-90 as "green highways."

Hearing Date: 1/30/07

Staff: Kara Durbin (786-7133).

Background:

Energy Freedom Program

In 2006, the Legislature created the \$17 million Energy Freedom Loan Program (Program) within the Department of Agriculture. The purpose of the Program is to support projects that convert agricultural waste into energy. Five alternative energy projects (totaling \$10.25 million) were earmarked by the Legislature as part of the 2006 supplemental capital budget. The remaining funds (\$6.75 million) were allocated according to a competitive loan process. Six projects were selected. Four loans were awarded to support oilseed processing for biodiesel, and the remaining two loans were awarded to support anaerobic digestion.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

In addition to the Energy Freedom Loan Program, the Legislature passed in 2006 Engrossed Substitute Senate Bill 6508, which created minimum renewable fuel content requirements and fuel quality standards for biodiesel and ethanol.

Availability of Alternative Fuels

Flexible-fuel vehicles (FFVs) are vehicles designed to operate on E-85 or 100 percent gasoline. There are approximately 100,000 FFVs in the state. Of the 103 alternative fueling stations in Washington, only 5 of them are E-85 stations. Twenty-four of those stations are biodiesel fueling stations, and the remaining stations offer either compressed natural gas or liquified petroleum gas.

Summary of Bill:

Energy Freedom Program

The Energy Freedom program is expanded to include grants or loans for refueling projects. The director of the Department of Agriculture may award a grant or a loan if the proposed refueling project meets the following criteria:

- It will offer alternative fuel to the motoring public;
- It will not require continued state support;
- It is located within a green highway zone;
- It will contribute towards an efficient and adequately spaced alternative fuel refueling network along I-5, I-82, and I-90.
- It will increase access to alternative fueling infrastructure for the motoring public along I-5, I-82 and I-90.

The director may award up to \$50,000 per project. The grant or loan award amount cannot exceed 50 percent of the total project cost.

Funding

The Green Energy Incentive Sub-account is created as a sub-account to the Energy Freedom Account. Moneys deposited in the Green Energy Incentive Sub-account may only be used for the following types of projects:

- refueling projects;
- pilot projects for plug-in hybrids;
- programs to reduce truck stop idling; and
- certain demonstration projects.

Prioritization of Applications

If the total requested amount of funds exceeds the amount of funds available in the Green Energy Incentive Sub-account, project applications must be prioritized based on the following criteria:

- The extent to which the project will reduce dependence on petroleum fuel and imported energy;
- The extent to which the project will reduce air and water pollution;
- The extent to which the project will establish a viable bioenergy production capacity in Washington;
- The extent to which the project will make biofuels more accessible;
- The benefits to Washington farmers; and
- The economic benefits created by the project.

Cap on Appropriation

Moneys deposited in the Green Energy Incentive Sub-account shall not exceed \$1 million.

Designation of Green Highways

Interstate 5, interstate 82, and interstate 90 are designated as Washington's green highways.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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