## **SHB 2289** - H AMD **161**

By Representative Chandler

## SCOPE AND OBJECT 03/06/2009

- On page 1, line 8, after "funding" insert "to support the
- 2 deployment of renewable energy and energy efficiency improvements, and
- 3 development of new water supply storage facilities in the Columbia
- 4 river basin"
- 5 On page 3, line 31, after "geothermal systems." insert "For
- 6 purposes of this act, hydroelectric generators installed at a water
- 7 supply storage facility developed under chapter 90.90 RCW shall be
- 8 <u>considered a renewable energy improvement.</u>"
- 9 On page 4, line 3, after "coproducts." insert the following:
- "(18) "Water supply storage facility" means a water supply storage
- 11 facility developed under the Columbia river basin water supply program
- 12 established in chapter 90.90 RCW."
- On page 6, line 8, after "(6)" insert "The director, in
- 14 consultation with the director of the department of ecology, may award
- 15 a grant or a loan to an applicant for a project to develop a water
- supply storage facility under chapter 90.90 RCW.
- 17 (7)"
- 18 Renumber the remaining subsections consecutively and correct any
- 19 internal references accordingly.
- 20 On page 6, line 20, after "industry" insert ", or new water supply
- 21 storage facilities"
- On page 8, line 8, after "section." insert the following:
- "(c) Repayments of principal and interest from loans made to water
- 24 supply storage facility projects as defined in RCW 43.325.010 must be

- 1 <u>used only for financial assistance to further funding of projects</u>
- 2 defined under RCW 43.325.010."

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- On page 9, line 23, after "immediately." insert the following:
- 4 "Sec. 9. RCW 19.285.030 and 2007 c 1 s 3 (Initiative Measure No.
- 5 937) are each amended to read as follows:
  - The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 8 (1) "Attorney general" means the Washington state office of the 9 attorney general.
- 10 (2) "Auditor" means: (a) The Washington state auditor's office or 11 its designee for qualifying utilities under its jurisdiction that are 12 not investor-owned utilities; or (b) an independent auditor selected by 13 a qualifying utility that is not under the jurisdiction of the state 14 auditor and is not an investor-owned utility.
- 15 (3) "Commission" means the Washington state utilities and 16 transportation commission.
- 17 (4) "Conservation" means any reduction in electric power 18 consumption resulting from increases in the efficiency of energy use, 19 production, or distribution.
- 20 (5) "Cost-effective" has the same meaning as defined in RCW 21 80.52.030.
- 22 (6) "Council" means the Washington state apprenticeship and 23 training council within the department of labor and industries.
- 24 (7) "Customer" means a person or entity that purchases electricity 25 for ultimate consumption and not for resale.
- 26 (8) "Department" means the department of community, trade, and 27 economic development or its successor.
- 28 (9) "Distributed generation" means an eligible renewable resource 29 where the generation facility or any integrated cluster of such 30 facilities has a generating capacity of not more than five megawatts.
  - (10) "Eligible renewable resource" means:
- 32 (a) Electricity from a generation facility powered by a renewable 33 resource other than fresh water that commences operation after March 34 31, 1999, where: (i) The facility is located in the Pacific Northwest; 35 or (ii) the electricity from the facility is delivered into Washington

state on a real-time basis without shaping, storage, or integration services; or

- (b) Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest or to hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest, where the additional generation in either case does not result in new water diversions or impoundments.
- 10 (c) Electricity produced from a generation facility located at a
  11 water supply storage facility developed under chapter 90.90 RCW.
- 12 (11) "Investor-owned utility" has the same meaning as defined in RCW 19.29A.010.
- 14 (12) "Load" means the amount of kilowatt-hours of electricity 15 delivered in the most recently completed year by a qualifying utility 16 to its Washington retail customers.
  - (13) "Nonpower attributes" means all environmentally related characteristics, exclusive of energy, capacity reliability, and other electrical power service attributes, that are associated with the generation of electricity from a renewable resource, including but not limited to the facility's fuel type, geographic location, vintage, qualification as an eligible renewable resource, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of carbon dioxide and other greenhouse gases.
  - (14) "Pacific Northwest" has the same meaning as defined for the Bonneville power administration in section 3 of the Pacific Northwest electric power planning and conservation act (94 Stat. 2698; 16 U.S.C. Sec. 839a).
- 28 Sec. 839a).

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- 29 (15) "Public facility" has the same meaning as defined in RCW 30 39.35C.010.
- 31 (16) "Qualifying utility" means an electric utility, as the term
  32 "electric utility" is defined in RCW 19.29A.010, that serves more than
  33 twenty-five thousand customers in the state of Washington. The number
  34 of customers served may be based on data reported by a utility in form
  35 861, "annual electric utility report," filed with the energy
  36 information administration, United States department of energy.
- 37 (17) "Renewable energy credit" means a tradable certificate of 38 proof of at least one megawatt-hour of an eligible renewable resource

where the generation facility is not powered by fresh water, the certificate includes all of the nonpower attributes associated with that one megawatt-hour of electricity, and the certificate is verified by a renewable energy credit tracking system selected by the department.

- (18) "Renewable resource" means: (a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or tidal power; (g) gas from sewage treatment facilities; (h) biodiesel fuel as defined in RCW 82.29A.135 that is not derived from crops raised on land cleared from old growth or first-growth forests where the clearing occurred after December 7, 2006; and (i) biomass energy based on animal waste or solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include (i) wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; (ii) black liquor byproduct from paper production; (iii) wood from old growth forests; or (iv) municipal solid waste.
- 18 (19) "Rule" means rules adopted by an agency or other entity of 19 Washington state government to carry out the intent and purposes of 20 this chapter.
- 21 (20) "Year" means the twelve-month period commencing January 1st 22 and ending December 31st."
- 23 Correct the title.

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EFFECT: Defines hydroelectric generators installed at a water supply storage facility developed under chapter 90.90 RCW as a renewable energy improvement. Authorizes the DCTED Director, in consultation with the DOE Director, to award a grant or a loan under the energy freedom program to an applicant for a project to develop a water supply storage facility under chapter 90.90 RCW. Adds new water supply storage facilities as a possible project to be funded from the energy freedom fund.

Requires repayments of principal and interest from loans out of the energy freedom fund for water supply storage facility projects to be used only for financial assistance to further funding of additional energy freedom program projects.

Includes Electricity produced from a generation facility located at a water supply storage facility developed under chapter 90.90 RCW as an eligible renewable resource under I-937 provisions.