

# HOUSE BILL REPORT

## HB 1184

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### As Passed Legislature

**Title:** An act relating to modifying the loan repayment period for conservation projects funded by municipal utilities and public utility districts.

**Brief Description:** Extending the loan repayment period for conservation projects funded by municipal utilities and public utility districts.

**Sponsors:** Representative Chase.

#### **Brief History:**

##### **Committee Activity:**

Technology, Energy & Communications: 1/28/09, 2/4/09 [DP].

##### **Floor Activity:**

Passed House: 3/9/09, 91-4.

Senate Amended.

Passed Senate: 4/14/09, 42-0.

House Concurred.

Passed House: 4/18/09, 94-3.

Passed Legislature.

#### **Brief Summary of Bill**

- Extends the time period during which a customer of a municipal utility must repay any loan given for the purposes of increasing energy efficiency from 120 months to 240 months.
- Extends the period during which a customer of a public utility district must repay any loan given for the purpose of water conservation or more efficient use of water from 120 months to 240 months.

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### HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

**Majority Report:** Do pass. Signed by 15 members: Representatives McCoy, Chair; Crouse, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Carlyle, Condotta, Eddy, Finn, Hasegawa, Herrera, Hudgins, Jacks, McCune, Morris, Takko and Van De Wege.

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*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.*

**Staff:** Scott Richards (786-7156)

**Background:**

Municipal Electric Utility Financing of Energy Conservation Projects.

Municipalities that generate, sell, or distribute electricity are authorized, within limits, to assist homeowners with the purchase and installation of materials that increase energy efficiency. Municipal assistance must be limited to conservation purposes in existing structures.

Municipalities may provide an inspection of a house or facility to identify potential conservation projects, provide a list of businesses capable to selling and installing materials needed for a conservation project, arrange to have conservation materials installed by a private contractor, and arrange or provide financing for the purchase and installation of conservation materials.

If a municipality provides financing for the purchase and installation of conservation materials for one of its utility customers, the municipality must be reimbursed by incremental additions to the utility bill. All loans provided by a municipality must be repaid in this manner within 120 months.

Public Utility District Financing of Water Conservation Project.

Public utility districts are authorized to assist the owners of structures in financing the acquisition and installation of fixtures, systems, and equipment for the conservation or more efficient use of water in the structures under a water conservation plan adopted by a district. Loans shall not exceed 120 months in length.

**Summary of Bill:**

The period during which a customer of a municipal utility must repay any loan for increasing energy efficiency is increased from 120 months to 240 months. The period during which a customer of a public utility district must repay any loan for the conservation or more efficient use of water is extended from 120 months to 240 months.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) Market solutions represent an answer for the economic challenges presented by climate change. The bill is a work in progress. Incentives are important for establishing locally created and installed solar energy facilities. The incentives will spur local investment and create jobs. The bill serves as a guide for the future inclusion of other renewable resources. Past initiatives have dealt well with residential customers, and this effort will

expand that success to the commercial market. The legislative stamp of approval on solar energy gives the industry legitimacy.

(In support with concerns) The incentives should be developed to encourage the purchasing of Washington-made materials, and not imported materials with a larger carbon footprint. The incentive level in the bill may be set at a level that will overheat the economy and not lead to long-term job creation. The application process should be simpler, and the effective dates of the bill should be for a longer time period.

(Opposed) None.

**Persons Testifying:** (In support) Representative Chase, prime sponsor.

(In support with concerns) Gary Shaver, Silicon Energy, LLC.

**Persons Signed In To Testify But Not Testifying:** None.