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HOUSE BILL 1693

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State of Washington

61st Legislature

2009 Regular Session

By Representatives Halper, Klippert, McCune, and Crouse

Read first time 01/27/09. Referred to Committee on Technology, Energy & Communications.

1 AN ACT Relating to creating a waiver from renewable energy targets  
2 related to integration into the electrical grid; and amending RCW  
3 19.285.060.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 19.285.060 and 2007 c 1 s 6 are each amended to read  
6 as follows:

7 (1) Except as provided in subsection (2) of this section, a  
8 qualifying utility that fails to comply with the energy conservation or  
9 renewable energy targets established in RCW 19.285.040 shall pay an  
10 administrative penalty to the state of Washington in the amount of  
11 fifty dollars for each megawatt-hour of shortfall. Beginning in 2007,  
12 this penalty shall be adjusted annually according to the rate of change  
13 of the inflation indicator, gross domestic product-implicit price  
14 deflator, as published by the bureau of economic analysis of the United  
15 States department of commerce or its successor.

16 (2) A qualifying utility that does not meet an annual renewable  
17 energy target established in RCW 19.285.040(2) is exempt from the  
18 administrative penalty in subsection (1) of this section for that year  
19 if:

1       (a) The commission for investor-owned utilities or the auditor for  
2 all other qualifying utilities determines that the utility complied  
3 with RCW 19.285.040(2) (d) or (i) or 19.285.050(1); or

4       (b) The commission for investor-owned utilities or the auditor for  
5 all other qualifying utilities determines that a waiver should be  
6 granted to a qualifying utility that demonstrates that:

7       (i) Integration into the electrical grid of eligible renewable  
8 resources that were otherwise secured under contract will jeopardize  
9 the reliability of the electrical system; and

10       (ii) The qualifying utility has undertaken all reasonable steps to  
11 mitigate the reliability concerns.

12       (3) A qualifying utility must notify its retail electric customers  
13 in published form within three months of incurring a penalty regarding  
14 the size of the penalty and the reason it was incurred.

15       (4) The commission shall determine if an investor-owned utility may  
16 recover the cost of this administrative penalty in electric rates, and  
17 may consider providing positive incentives for an investor-owned  
18 utility to exceed the targets established in RCW 19.285.040.

19       (5) Administrative penalties collected under this chapter shall be  
20 deposited into the energy independence act special account which is  
21 hereby created. All receipts from administrative penalties collected  
22 under this chapter must be deposited into the account. Expenditures  
23 from the account may be used only for the purchase of renewable energy  
24 credits or for energy conservation projects at public facilities, local  
25 government facilities, community colleges, or state universities. The  
26 state shall own and retire any renewable energy credits purchased using  
27 moneys from the account. Only the director of general administration  
28 or the director's designee may authorize expenditures from the account.  
29 The account is subject to allotment procedures under chapter 43.88 RCW,  
30 but an appropriation is not required for expenditures.

31       (6) For a qualifying utility that is an investor-owned utility, the  
32 commission shall determine compliance with the provisions of this  
33 chapter and assess penalties for noncompliance as provided in  
34 subsection (1) of this section.

35       (7) For qualifying utilities that are not investor-owned utilities,  
36 the auditor is responsible for auditing compliance with this chapter

1 and rules adopted under this chapter that apply to those utilities and  
2 the attorney general is responsible for enforcing that compliance.

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