

HOUSE BILL REPORT

HB 2664

As Reported by House Committee On:
Technology, Energy & Communications

Title: An act relating to the voluntary option to purchase qualified energy resources.

Brief Description: Concerning the voluntary option to purchase qualified energy resources.

Sponsors: Representative Morris.

Brief History:

Committee Activity:

Technology, Energy & Communications: 1/27/12 [DPS].

Brief Summary of Substitute Bill

- Modifies the definition of "qualified alternative energy resource" to include thermal energy produced from certain generation facilities.

HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives McCoy, Chair; Eddy, Vice Chair; Crouse, Ranking Minority Member; Short, Assistant Ranking Minority Member; Anderson, Billig, Carlyle, Dahlquist, Haler, Harris, Hasegawa, Kelley, Liias, McCune, Morris, Nealey and Wylie.

Staff: Scott Richards (786-7156).

Background:

Electric utilities must provide to their retail electricity customers a voluntary option to purchase qualified alternative energy resources. On at least a quarterly basis, electric utilities must include with their retail customers regular billing statement a voluntary option to purchase qualified alternative energy resources. A utility may provide qualified alternative energy resource options through either resources it owns or contracts for, or the purchase of credits issued by a clearinghouse, or other system.

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.

Qualified alternative energy resource is defined to mean the electricity produced from generation facilities that are fueled by: (a) wind; (b) solar energy; (c) geothermal energy; (d) landfill gas; (e) wave or tidal action; (f) gas produced during the treatment of wastewater; (g) qualified hydropower; or (h) biomass energy based on animal waste or solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic.

Summary of Substitute Bill:

The definition of "qualified alternative energy resource" is modified to include thermal energy produced from certain generation facilities. Consumer-owned utilities are required to provide annual reports to the Department of Commerce and investor-owned utilities are required to provide annual reports to the Utilities and Transportation Commission by October 1, 2014.

Substitute Bill Compared to Original Bill:

The date is changed for when consumer-owned utilities are required to provide annual reports to the Department of Commerce and investor-owned utilities are required to provide annual reports to the Utilities and Transportation Commission from October 1, 2012, to October 1, 2014.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) No one envisioned that when this policy was put in statute years ago that thermal energy using alternative fuels such as solar energy would not qualify for use. This bill would allow thermal energy produced by renewable resources to qualify for Renewable Energy Credits. This bill could encourage large-scale private investment and help to diversify the energy resources in Washington. Thermal energy produced by excess renewable electricity can provide energy storage to balance periods of excess wind and hydro generation, protecting the state from negative pricing. The proposed changes in the bill represent the first step in many by the State of Washington that recognizes thermal energy for its energy efficiency and sustainability goals.

(Opposed) None.

Persons Testifying: Chuck Collins, Cascade Power Group; Stan Gent, Seattle Steam Company; and Christine Brewer, AVISTA Corporation.

Persons Signed In To Testify But Not Testifying: None.