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ENGROSSED SENATE BILL 5575

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State of Washington

62nd Legislature

2011 Regular Session

By Senators Hatfield, Delvin, Eide, Schoesler, Haugen, Shin, Kilmer, Hobbs, Becker, Honeyford, Conway, and Sheldon

Read first time 01/31/11. Referred to Committee on Agriculture & Rural Economic Development.

1 AN ACT Relating to promoting and sustaining investment and  
2 employment in economically distressed communities dependent on  
3 agricultural or natural resource industries by recognizing certain  
4 biomass energy facilities constructed before March 31, 1999, as an  
5 eligible renewable resource; amending RCW 19.285.030; and creating new  
6 sections.

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

8 NEW SECTION. **Sec. 1.** (1) The legislature finds that pulping  
9 liquors are a source of renewable energy, and that paper mills using  
10 these liquors can reduce harmful water emissions and become nearly  
11 energy self-sufficient. The legislature also finds that biomass is a  
12 renewable fuel for generating electricity. The legislature further  
13 finds that biomass facilities and pulp and paper mills are typically  
14 located in communities that are disproportionately affected by economic  
15 downturns.

16 (2) By promoting the generation of renewable energy from pulping  
17 liquors and biomass in economically distressed communities, the  
18 legislature intends to ensure greater economic stability for these

1 communities that have suffered heavy job losses and have experienced  
2 chronic unemployment.

3 **Sec. 2.** RCW 19.285.030 and 2009 c 565 s 20 are each amended to  
4 read as follows:

5 The definitions in this section apply throughout this chapter  
6 unless the context clearly requires otherwise.

7 (1) "Attorney general" means the Washington state office of the  
8 attorney general.

9 (2) "Auditor" means: (a) The Washington state auditor's office or  
10 its designee for qualifying utilities under its jurisdiction that are  
11 not investor-owned utilities; or (b) an independent auditor selected by  
12 a qualifying utility that is not under the jurisdiction of the state  
13 auditor and is not an investor-owned utility.

14 (3) "Commission" means the Washington state utilities and  
15 transportation commission.

16 (4) "Conservation" means any reduction in electric power  
17 consumption resulting from increases in the efficiency of energy use,  
18 production, or distribution.

19 (5) "Cost-effective" has the same meaning as defined in RCW  
20 80.52.030.

21 (6) "Council" means the Washington state apprenticeship and  
22 training council within the department of labor and industries.

23 (7) "Customer" means a person or entity that purchases electricity  
24 for ultimate consumption and not for resale.

25 (8) "Department" means the department of commerce or its successor.

26 (9) "Distributed generation" means an eligible renewable resource  
27 where the generation facility or any integrated cluster of such  
28 facilities has a generating capacity of not more than five megawatts.

29 (10) "Eligible renewable resource" means:

30 (a) Electricity from a generation facility powered by a renewable  
31 resource other than fresh water that commences operation after March  
32 31, 1999, where: (i) The facility is located in the Pacific Northwest;  
33 or (ii) the electricity from the facility is delivered into Washington  
34 state on a real-time basis without shaping, storage, or integration  
35 services; or

36 (b) Incremental electricity produced as a result of efficiency  
37 improvements completed after March 31, 1999, to hydroelectric

1 generation projects owned by a qualifying utility and located in the  
2 Pacific Northwest or to hydroelectric generation in irrigation pipes  
3 and canals located in the Pacific Northwest, where the additional  
4 generation in either case does not result in new water diversions or  
5 impoundments; and

6 (c) Qualified biomass energy.

7 (11) "Investor-owned utility" has the same meaning as defined in  
8 RCW 19.29A.010.

9 (12) "Load" means the amount of kilowatt-hours of electricity  
10 delivered in the most recently completed year by a qualifying utility  
11 to its Washington retail customers.

12 (13) "Nonpower attributes" means all environmentally related  
13 characteristics, exclusive of energy, capacity reliability, and other  
14 electrical power service attributes, that are associated with the  
15 generation of electricity from a renewable resource, including but not  
16 limited to the facility's fuel type, geographic location, vintage,  
17 qualification as an eligible renewable resource, and avoided emissions  
18 of pollutants to the air, soil, or water, and avoided emissions of  
19 carbon dioxide and other greenhouse gases. For an anaerobic digester,  
20 its nonpower attributes may be separated into avoided emissions of  
21 carbon dioxide and other greenhouse gases, and into renewable energy  
22 credits.

23 (14) "Pacific Northwest" has the same meaning as defined for the  
24 Bonneville power administration in section 3 of the Pacific Northwest  
25 electric power planning and conservation act (94 Stat. 2698; 16 U.S.C.  
26 Sec. 839a).

27 (15) "Public facility" has the same meaning as defined in RCW  
28 39.35C.010.

29 (16) "Qualifying utility" means an electric utility, as the term  
30 "electric utility" is defined in RCW 19.29A.010, that serves more than  
31 twenty-five thousand customers in the state of Washington. The number  
32 of customers served may be based on data reported by a utility in form  
33 861, "annual electric utility report," filed with the energy  
34 information administration, United States department of energy.

35 (17) "Renewable energy credit" means a tradable certificate of  
36 proof of at least one megawatt-hour of an eligible renewable resource  
37 where the generation facility is not powered by fresh water, the  
38 certificate includes all of the nonpower attributes associated with

1 that one megawatt-hour of electricity, and the certificate is verified  
2 by a renewable energy credit tracking system selected by the  
3 department.

4 (18) "Renewable resource" means: (a) Water; (b) wind; (c) solar  
5 energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or  
6 tidal power; (g) gas from sewage treatment facilities; (h) biodiesel  
7 fuel as defined in RCW 82.29A.135 that is not derived from crops raised  
8 on land cleared from old growth or first-growth forests where the  
9 clearing occurred after December 7, 2006; ~~((and))~~ or (i) biomass energy  
10 ~~((based on animal waste or solid organic fuels from wood, forest, or  
11 field residues, or dedicated energy crops that do not include (i) wood  
12 pieces that have been treated with chemical preservatives such as  
13 creosote, pentachlorophenol, or copper-chrome-arsenic; (ii) black  
14 liquor by product from paper production; (iii) wood from old-growth  
15 forests; or (iv) municipal solid waste))~~).

16 (19) "Rule" means rules adopted by an agency or other entity of  
17 Washington state government to carry out the intent and purposes of  
18 this chapter.

19 (20) "Year" means the twelve-month period commencing January 1st  
20 and ending December 31st.

21 (21)(a) "Biomass energy" includes: (i) Organic by-products of  
22 pulping and the wood manufacturing process; (ii) animal waste; (iii)  
23 solid organic fuels from wood; (iv) forest or field residues; (v)  
24 wooden demolition or construction debris; (vi) food waste; (vii)  
25 liquors derived from algae and other sources; (viii) dedicated energy  
26 crops; (ix) biosolids; and (x) yard waste.

27 (b) "Biomass energy" does not include: (i) Wood pieces that have  
28 been treated with chemical preservatives such as creosote,  
29 pentachlorophenol, or copper-chrome-arsenic; (ii) wood from old growth  
30 forests; or (iii) municipal solid waste.

31 (22) "Qualified biomass energy" means electricity produced from a  
32 biomass energy facility that:

- 33 (a) Commenced commercial operation before March 31, 1999; and
- 34 (b) Is located in an economically distressed community on January  
35 1, 2011.

36 (23) "Economically distressed community" means a county in  
37 Washington: (a) That has a three-year average unemployment rate that

1 is equal to or greater than one hundred twenty percent of the state's  
2 unemployment rate; or (b) adjacent to a county identified in (a) of  
3 this subsection.

4 NEW SECTION. **Sec. 3.** The utilities and transportation commission  
5 shall not consider this act in any proceeding concerning a company's  
6 decision to acquire or construct an eligible renewable resource during  
7 the period of January 1, 2011, through December 21, 2013. "Eligible  
8 renewable resource" has the same meaning as defined in RCW 19.285.030.

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