
SENATE BILL 6367

State of Washington

62nd Legislature

2012 Regular Session

By Senator Chase

Read first time 01/19/12. Referred to Committee on Energy, Natural Resources & Marine Waters.

1 AN ACT Relating to allowing a qualifying utility to count certain
2 residential distributed generation at ten times the facility's output
3 for the purposes of meeting the utility's annual target under chapter
4 19.285 RCW, the energy independence act; and amending RCW 19.285.040.

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

6 **Sec. 1.** RCW 19.285.040 and 2007 c 1 s 4 are each amended to read
7 as follows:

8 (1) Each qualifying utility shall pursue all available conservation
9 that is cost-effective, reliable, and feasible.

10 (a) By January 1, 2010, using methodologies consistent with those
11 used by the Pacific Northwest electric power and conservation planning
12 council in its most recently published regional power plan, each
13 qualifying utility shall identify its achievable cost-effective
14 conservation potential through 2019. At least every two years
15 thereafter, the qualifying utility shall review and update this
16 assessment for the subsequent ten-year period.

17 (b) Beginning January 2010, each qualifying utility shall establish
18 and make publicly available a biennial acquisition target for cost-
19 effective conservation consistent with its identification of achievable

1 opportunities in (a) of this subsection, and meet that target during
2 the subsequent two-year period. At a minimum, each biennial target
3 must be no lower than the qualifying utility's pro rata share for that
4 two-year period of its cost-effective conservation potential for the
5 subsequent ten-year period.

6 (c) In meeting its conservation targets, a qualifying utility may
7 count high-efficiency cogeneration owned and used by a retail electric
8 customer to meet its own needs. High-efficiency cogeneration is the
9 sequential production of electricity and useful thermal energy from a
10 common fuel source, where, under normal operating conditions, the
11 facility has a useful thermal energy output of no less than thirty-
12 three percent of the total energy output. The reduction in load due to
13 high-efficiency cogeneration shall be: (i) Calculated as the ratio of
14 the fuel chargeable to power heat rate of the cogeneration facility
15 compared to the heat rate on a new and clean basis of a
16 best-commercially available technology combined-cycle natural gas-fired
17 combustion turbine; and (ii) counted towards meeting the biennial
18 conservation target in the same manner as other conservation savings.

19 (d) The commission may determine if a conservation program
20 implemented by an investor-owned utility is cost-effective based on the
21 commission's policies and practice.

22 (e) The commission may rely on its standard practice for review and
23 approval of investor-owned utility conservation targets.

24 (2)(a) Each qualifying utility shall use eligible renewable
25 resources or acquire equivalent renewable energy credits, or a
26 combination of both, to meet the following annual targets:

27 (i) At least three percent of its load by January 1, 2012, and each
28 year thereafter through December 31, 2015;

29 (ii) At least nine percent of its load by January 1, 2016, and each
30 year thereafter through December 31, 2019; and

31 (iii) At least fifteen percent of its load by January 1, 2020, and
32 each year thereafter.

33 (b)(i) Except for residential distributed generation as provided in
34 (b)(ii) of this subsection, a qualifying utility may count distributed
35 generation at double the facility's electrical output if the utility:
36 ((+i+)) (A) Owns or has contracted for the distributed generation and
37 the associated renewable energy credits; or ((+i+)) (B) has contracted
38 to purchase the associated renewable energy credits.

1 (ii) For residential distributed generation, a qualifying utility
2 may count the generation at ten times the facility's output if: (A)
3 The distributed generation facility is owned by the utility's
4 residential customer; (B) the facility is located on the customer's
5 residential property; (C) the customer owns or leases a plug-in hybrid
6 vehicle or electric vehicle that is regularly charged at the property;
7 and (D) the utility has contracted to purchase the associated renewable
8 energy credits. For the purposes of this subsection (2)(b)(ii), a
9 "plug-in hybrid vehicle" or "electric vehicle" must be registered under
10 chapter 46.16A RCW.

11 (c) In meeting the annual targets in (a) of this subsection, a
12 qualifying utility shall calculate its annual load based on the average
13 of the utility's load for the previous two years.

14 (d) A qualifying utility shall be considered in compliance with an
15 annual target in (a) of this subsection if: (i) The utility's weather-
16 adjusted load for the previous three years on average did not increase
17 over that time period; (ii) after December 7, 2006, the utility did not
18 commence or renew ownership or incremental purchases of electricity
19 from resources other than renewable resources other than on a daily
20 spot price basis and the electricity is not offset by equivalent
21 renewable energy credits; and (iii) the utility invested at least one
22 percent of its total annual retail revenue requirement that year on
23 eligible renewable resources, renewable energy credits, or a
24 combination of both.

25 (e) The requirements of this section may be met for any given year
26 with renewable energy credits produced during that year, the preceding
27 year, or the subsequent year. Each renewable energy credit may be used
28 only once to meet the requirements of this section.

29 (f) In complying with the targets established in (a) of this
30 subsection, a qualifying utility may not count:

31 (i) Eligible renewable resources or distributed generation where
32 the associated renewable energy credits are owned by a separate entity;
33 or

34 (ii) Eligible renewable resources or renewable energy credits
35 obtained for and used in an optional pricing program such as the
36 program established in RCW 19.29A.090.

37 (g) Where fossil and combustible renewable resources are cofired in
38 one generating unit located in the Pacific Northwest where the cofiring

1 commenced after March 31, 1999, the unit shall be considered to produce
2 eligible renewable resources in direct proportion to the percentage of
3 the total heat value represented by the heat value of the renewable
4 resources.

5 (h)(i) A qualifying utility that acquires an eligible renewable
6 resource or renewable energy credit may count that acquisition at one
7 and two-tenths times its base value:

8 (A) Where the eligible renewable resource comes from a facility
9 that commenced operation after December 31, 2005; and

10 (B) Where the developer of the facility used apprenticeship
11 programs approved by the council during facility construction.

12 (ii) The council shall establish minimum levels of labor hours to
13 be met through apprenticeship programs to qualify for this extra
14 credit.

15 (i) A qualifying utility shall be considered in compliance with an
16 annual target in (a) of this subsection if events beyond the reasonable
17 control of the utility that could not have been reasonably anticipated
18 or ameliorated prevented it from meeting the renewable energy target.
19 Such events include weather-related damage, mechanical failure,
20 strikes, lockouts, and actions of a governmental authority that
21 adversely affect the generation, transmission, or distribution of an
22 eligible renewable resource under contract to a qualifying utility.

23 (3) Utilities that become qualifying utilities after December 31,
24 2006, shall meet the requirements in this section on a time frame
25 comparable in length to that provided for qualifying utilities as of
26 December 7, 2006.

--- END ---