
Environment Committee

HB 1426

Brief Description: Allowing utilities serving customers in Washington and in other states to use eligible renewable resources located within the western electricity coordinating council area to comply with chapter 19.285 RCW, the energy independence act.

Sponsors: Representatives Nealey, Morris, Chandler, Fey, Pike, Short and Crouse.

Brief Summary of Bill

- Allows qualifying utilities that serve retail customers in Washington and other states to use eligible renewable resources located within the geographic boundary of the United States portion of the Western Electricity Coordinating Council to meet their eligible renewable resource targets under the Energy Independence Act.

Hearing Date: 2/5/13

Staff: Scott Richards (786-7156).

Background:

The Energy Independence Act.

Approved by voters in 2006, the Energy Independence Act (EIA), also known as Initiative 937, requires electric utilities with 25,000 or more customers to meet targets for energy conservation and for using eligible renewable resources. Utilities that must comply with the EIA are called qualifying utilities.

Eligible Renewable Resource Targets and Compliance Dates.

Each qualifying utility must use eligible renewable resources or acquire equivalent renewable energy credits, or a combination of both, to meet the following annual targets:

- at least 3 percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;
- at least 9 percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and

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- at least 15 percent of its load by January 1, 2020, and each year thereafter.

Eligible Renewable Resource.

For a renewable resource to be considered an eligible renewable resource under the EIA, the electricity produced by the renewable resource must meet the following conditions:

- electricity produced from a renewable resource must be generated in a facility that started operating after March 31, 1999 and must either be located in the Pacific Northwest or the electricity from the facility must be delivered into the state on a real-time basis;
- electricity produced from a biomass energy facility that commenced operation before March 31, 1999, contributes to the qualifying utility's load, and is owned either by a qualifying utility or an industrial facility that is directly interconnected with electricity facilities that are owned by a qualifying utility and capable of carrying electricity at transmission voltage; or
- incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest or to hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest, where the additional generation in either case does not result in new water diversions or impoundments.

"Renewable resource" includes: (1) wind; (2) solar; (3) geothermal energy; (4) landfill and sewage gas; (5) wave, ocean, and tidal power; (6) water; and (7) certain biomass and biodiesel fuels. Biomass is classified as an eligible renewable resource if it is derived from: (1) organic by-products of pulping and the wood manufacturing process; (2) animal manure; (3) solid organic fuels from wood; (4) forest or field residues; (5) untreated wooden demolition or construction debris; (6) food waste and food processing residuals; (7) liquors derived from algae; (8) dedicated energy crops; and (9) yard waste. Biomass derived from the following is not considered an eligible renewable resource: wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; wood from old growth forests; and municipal solid waste.

The Pacific Northwest means the area consisting of the States of Oregon, Washington, and Idaho, the portion of the State of Montana west of the Continental Divide, and such portions of the States of Nevada, Utah, and Wyoming as are within the Columbia River drainage basin;

Renewable Energy Credit.

A renewable energy credit (REC) is a tradable certificate of proof, verified by the Western Renewable Energy Generation Information System, of at least one megawatt hour of an eligible renewable resource, where the generation facility is not powered by fresh water. Under the EIA, a REC represents all the nonpower attributes associated with the power. Renewable energy credits can be bought and sold in the marketplace, and they may be used during the year they are acquired, the previous year, or the subsequent year.

Western Electricity Coordinating Council.

The Western Electricity Coordinating Council (WECC) is a regional electric reliability council that coordinates and ensures the reliability of the Western Interconnection Bulk Power System. Its membership includes transmission operators, utilities, utility customers, and state and provincial regulators. The WECC's service territory extends from Canada to Mexico. It includes

the provinces of Alberta and British Columbia, the northern portion of Baja California, Mexico, and all or portions of the 14 Western states between.

Summary of Bill:

A qualifying utility that serves retail customers in Washington and other states may use eligible renewable resources located within the geographic boundary of the United States portion of the Western Electricity Coordinating Council (WECC) to meet its eligible renewable resource targets under the Energy Independence Act.

Appropriation: None.

Fiscal Note: Available.

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