

HOUSE BILL REPORT

HB 1950

As Reported by House Committee On:
Environment

Title: An act relating to designating certain hydroelectric generation from a generation facility located in irrigation pipes, irrigation canals, and wastewater pipes as an eligible renewable resource under chapter 19.285 RCW

Brief Description: Designating certain hydroelectric generation from a generation facility located in irrigation pipes, irrigation canals, and wastewater pipes as an eligible renewable resource under chapter 19.285 RCW.

Sponsors: Representative Haler.

Brief History:

Committee Activity:

Environment: 2/21/13 [DPS].

Brief Summary of Substitute Bill

- Classifies as an eligible renewable resource under the Energy Independence Act hydroelectric generation from a project completed after March 31, 1999, where the generation facility is located in irrigation pipes, irrigation canals, and wastewater pipes located in Washington where the generation does not result in new water diversions or impoundments.

HOUSE COMMITTEE ON ENVIRONMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Upthegrove, Chair; McCoy, Vice Chair; Short, Ranking Minority Member; Pike, Assistant Ranking Minority Member; Crouse, Farrell, Fey, Kagi, Liias, Morris, Nealey, Overstreet and Tharinger.

Staff: Scott Richards (786-7156).

Background:

Energy Independence Act.

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.

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

Eligible Renewable Resource.

The term eligible renewable resource means electricity generated from a resource such as wind, solar, geothermal energy, landfill and sewage gas, wave and tidal power, and certain biodiesel fuels. In addition, an eligible renewable resource must be generated in a facility that started operating after March 31, 1999, and the facility 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.

Incremental Hydroelectricity as an Eligible Renewable Resource.

Incremental electricity produced as a result of efficiency improvements to the following hydroelectric generation facilities may also count as an eligible renewable resource if the improvements do not result in new water diversions or impoundments, and the improvements are completed after March 31, 1999:

- hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest; and
- hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest.

Renewable Energy Credit.

A REC is a tradable certificate of proof of at least one megawatt hour of an eligible renewable resource where the generation facility is not powered by fresh water. Under the EIA, an REC represents all the nonpower attributes associated with the power. The RECs 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.

Irrigation Districts.

Irrigation districts are special purpose districts that, among other things, are authorized to provide for the irrigation of land, the generation of hydroelectricity, and the sale of hydroelectricity to other utilities in the state.

Summary of Substitute Bill:

The following is classified as an eligible renewable resource under the Energy Independence Act (EIA): hydroelectric generation from a project completed after March 31, 1999, where the generation facility is located in irrigation pipes, irrigation canals, and wastewater pipes located in Washington where the generation does not result in new water diversions or impoundments.

Substitute Bill Compared to Original Bill:

The substitute bill classifies as an eligible renewable resource under the Energy Independence Act (EIA) hydroelectric generation from a project completed after March 31, 1999, where the generation facility is located in irrigation pipes, irrigation canals, and wastewater pipes located in Washington where the generation does not result in new water diversions or impoundments. This classification as an eligible renewable resource is made under the statute relating to the Energy Independence Act (chapter 19.285 RCW), rather than the statute relating to irrigation districts (chapter 87.03 RCW).

Appropriation: None.

Fiscal Note: Available on HB 1415, which is identical to HB 1950 except for the title. New fiscal note requested on February 22, 2013.

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-from testimony on HB 1415, which is identical to HB 1950 except for the title, on 2/19/2013) The provisions in the bill will help recover some of the energy flowing through the irrigation canals in Washington that is currently wasted. The bill as drafted is seeking to change the Energy Independence (EIA) in the wrong chapter. The more appropriate place to make this change would be chapter 19.285 RCW. There is renewed interest in hydropower in irrigation projects. Energy costs for pumping water can be expensive and this bill seeks to recover some of the energy involved in irrigation. Under the EIA, there is some ambiguity about how to treat power generated by irrigation projects. There needs to be language to clarify its treatment. It is hoped that language is adopted that will clean up the ambiguity and encourage the development of hydroelectric projects in irrigation canals in Washington.

(In support with concerns-from testimony on HB 1415, which is identical to HB 1950 except for the title, on 2/19/2013) The approach taken in the bill could be a good approach. However, there is concern about the total amount of megawatts these projects represent and whether there may need to a corresponding change made in the renewable resource targets under the EIA.

(Opposed-from testimony on HB 1415, which is identical to HB 1950 except for the title, on 2/19/2013) None.

Persons Testifying: (In support-from testimony on HB 1415, which is identical to HB 1950 except for the title, on 2/19/2013) Representative Haler, prime sponsor; Mike Schwisow, Washington State Water Resources Association; and Tony Usibelli, Department of Commerce.

(In support with concerns-from testimony on HB 1415, which is identical to HB 1950 except for the title, on 2/19/2013) Darcy Nonemacher, Washington Environmental Council.

Persons Signed In To Testify But Not Testifying: None.