H-4218.1

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**SUBSTITUTE HOUSE BILL 2413**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** House Technology & Economic Development (originally sponsored by Representatives Doglio and Macri)

AN ACT Relating to the voluntary option to purchase qualified alternative energy resources; and amending RCW 19.29A.090.

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

**Sec.**  RCW 19.29A.090 and 2014 c 129 s 1 are each amended to read as follows:

(1) Beginning January 1, 2002, each electric utility must provide to its retail electricity customers a voluntary option to purchase qualified alternative energy resources in accordance with this section.

(2) Each electric utility must ((~~include with its retail electric customer's regular billing statements, at least quarterly,~~)) provide a voluntary option to purchase qualified alternative energy resources to each of its new retail electric customers at the time service is established. Each electric utility must provide the option to all of its existing retail electric customers through the utility's web site and through quarterly mailings as a bill insert or other publication. The option may allow customers to purchase qualified alternative energy resources at fixed or variable rates and for fixed or variable periods of time, including but not limited to monthly, quarterly, or annual purchase agreements, and for all or part of the customer's retail electric requirement.

(3) A utility may provide a retail electric customer with a qualified alternative energy resource ((~~options~~)) option through either: (a) Resources it owns or contracts for; or (b) the purchase of credits issued by a clearinghouse or other system by which the utility may secure, for trade or other consideration, verifiable evidence that a second party has a qualified alternative energy resource and that the second party agrees to transfer such evidence exclusively to the benefit of the utility.

((~~(3)~~)) (4) The nonpower attributes associated with qualified alternative energy resources, including those verified in the form of renewable energy credits, that are provided for the purposes of this section may only be used once and must be retired by the electric utility on behalf of the customer for the reporting year in which the nonpower attributes are used. The requirements of this section may be met for any given year with the nonpower attributes associated with electricity that is generated during that year, the preceding year, or the subsequent year.

(5) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Nonpower attributes" has the same meaning as defined in RCW 19.285.030.

(b) "Renewable energy credit" means a tradable certificate of proof of at least one megawatt-hour of a qualified alternative energy resource. The certificate includes all of the nonpower attributes associated with that one megawatt-hour of electricity and the certificate is verified by a renewable energy credit tracking system.

(6) For the purposes of this section, a "qualified alternative energy resource" means the electricity or thermal energy 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 or liquid 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.

((~~(4)~~)) (7) For the purposes of this section, "qualified hydropower" means the energy produced either: (a) As a result of modernizations or upgrades made after June 1, 1998, to hydropower facilities operating on May 8, 2001, that have been demonstrated to reduce the mortality of anadromous fish; or (b) by run of the river or run of the canal hydropower facilities that are not responsible for obstructing the passage of anadromous fish.

((~~(5)~~)) (8) The rates, terms, conditions, and customer notification of each utility's option or options offered in accordance with this section must be approved by the governing body of the consumer-owned utility or by the commission for investor-owned utilities. All costs and benefits associated with any option offered by an electric utility under this section must be allocated to the customers who voluntarily choose that option and may not be shifted to any customers who have not chosen such option. Utilities may pursue known, lawful aggregated purchasing of qualified alternative energy resources with other utilities to the extent aggregated purchasing can reduce the unit cost of qualified alternative energy resources, and are encouraged to investigate opportunities to aggregate the purchase of alternative energy resources by their customers. Aggregated purchases by investor-owned utilities must comply with any applicable rules or policies adopted by the commission related to least-cost planning or the acquisition of renewable resources.

((~~(6)~~)) (9) Each consumer-owned utility must maintain and make available upon request of the department and each investor-owned utility must maintain and make available upon request of the commission information describing the option or options it is offering its customers under the requirements of this section, the rate of customer participation, the amount of qualified alternative energy resources purchased by customers, the amount of utility investments in qualified alternative energy resources, and the results of pursuing aggregated purchasing opportunities. Each consumer-owned utility and investor-owned utility must also make the information available to its customers. The department and the commission ((~~shall~~)) must report the information to the appropriate committees of the legislature upon request.

(10) By December 31, 2018, the department and the commission must jointly report findings and recommendations to the energy committees of the legislature on best practices and policies for electric utilities to develop green tariffs or similar qualified alternative energy resource options for their retail electric customers. The report must address: A review of policies and practices for voluntary green energy purchasing, including but not limited to green tariffs and community choice aggregation programs, in other states; an inventory of current qualified alternative energy resource options and other voluntary green energy purchasing options offered by electric utilities in Washington; and recommendations for increasing the accessibility, affordability, authenticity, and attractiveness of qualified alternative energy resource options in the state.

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