

2 **HB 2669** - S COMM AMD

3 By Committee on Environment, Energy & Water

4 SCOPE 03/08/02

5 Strike everything after the enacting clause and insert the  
6 following:

7 "**Sec. 1.** RCW 19.29A.090 and 2001 c 214 s 28 are each amended to  
8 read as follows:

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

12 (2) Each electric utility must include with its retail electric  
13 customer's regular billing statements, at least quarterly, a voluntary  
14 option to purchase qualified alternative energy resources. The option  
15 may allow customers to purchase qualified alternative energy resources  
16 at fixed or variable rates and for fixed or variable periods of time,  
17 including but not limited to monthly, quarterly, or annual purchase  
18 agreements. A utility may provide qualified alternative energy  
19 resource options through either: (a) Resources it owns or contracts  
20 for; or (b) the purchase of credits issued by a clearinghouse or other  
21 system by which the utility may secure, for trade or other  
22 consideration, verifiable evidence that a second party has a qualified  
23 alternative energy resource and that the second party agrees to  
24 transfer such evidence exclusively to the benefit of the utility.

25 (3) For the purposes of this section, a "qualified alternative  
26 energy resource" means the electricity produced from generation  
27 facilities that are fueled by: (a) Wind; (b) solar energy; (c)  
28 geothermal energy; (d) landfill gas; (e) wave or tidal action; (f) gas  
29 produced during the treatment of wastewater; (g) qualified hydropower;  
30 or (h) biomass energy based on animal waste or solid organic fuels from  
31 wood, forest, or field residues, or dedicated energy crops that do not  
32 include wood pieces that have been treated with chemical preservatives  
33 such as creosote, pentachlorophenol, or copper-chrome-arsenic.

34 (4) For the purposes of this section, "qualified hydropower" means  
35 the energy produced either: (a) As a result of modernizations or  
36 upgrades made after June 1, 1998, to hydropower facilities operating on

1 May 8, 2001, that have been demonstrated to reduce the mortality of  
2 anadromous fish; or (b) by run of the river or run of the canal  
3 hydropower facilities that are not responsible for obstructing the  
4 passage of anadromous fish.

5 (5) The rates, terms, conditions, and customer notification of each  
6 utility's option or options offered in accordance with this section  
7 must be approved by the governing body of the consumer-owned utility or  
8 by the commission for investor-owned utilities. For the purposes of  
9 this section, all costs and benefits associated with ((any option))  
10 acquiring qualified alternative energy resources offered by an electric  
11 utility under this section must be allocated to the customers who  
12 voluntarily choose that option and may not be shifted to any customers  
13 who have not chosen such option. Prudently incurred costs to encourage  
14 customers to choose such options shall not be considered to be  
15 associated with acquiring qualified alternative energy resources and  
16 may be recovered in general rates. Nothing in this section shall be  
17 construed as prohibiting or discouraging an electric utility from  
18 acquiring additional renewable resources or qualified alternative  
19 energy resources on behalf of all customers for inclusion within the  
20 utility's fuel mix and melding the costs of such additional resources  
21 into general rates.

22 (6) Each consumer-owned utility must report annually to the  
23 department and each investor-owned utility must report annually to the  
24 commission beginning October 1, 2002, until October 1, 2012, describing  
25 the option or options it is offering its customers under the  
26 requirements of this section, the rate of customer participation, the  
27 amount of qualified alternative energy resources purchased by  
28 customers, and the amount of utility investments in qualified  
29 alternative energy resources. The department and the commission  
30 together shall report annually to the legislature, beginning December  
31 1, 2002, until December 1, 2012, with the results of the utility  
32 reports."

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36 On page 1, line 2 of the title, after "resource;" strike the  
37 remainder of the title and insert "and amending RCW 19.29A.090."

EFFECT: (1) Allows that the costs which are prudently incurred to encourage customers to choose green options may be recovered in general rates.

(2) Clarifies that utilities may not shift the costs of acquiring qualified alternative energy resources for the green option to customers who have not chosen the green option.

(3) Clarifies that the legislature does not intend to prohibit or discourage utilities from acquiring additional renewable or alternative energy resources on behalf of all customers for inclusion in the utility's general fuel mix.

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