

HOUSE BILL REPORT

SSB 5921

As Passed House - Amended:
April 16, 2009

Title: An act relating to creating a clean energy leadership initiative.

Brief Description: Creating a clean energy leadership initiative.

Sponsors: Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Rockefeller, Pridemore, Ranker, Kline and Kohl-Welles).

Brief History:

Committee Activity:

Technology, Energy & Communications: 3/18/09, 3/26/09 [DPA];

General Government Appropriations: 4/1/09, 4/3/09 [DPA(TEC)].

Floor Activity

Passed House - Amended: 4/16/09, 64-33.

**Brief Summary of Substitute Bill
(As Amended by House)**

- Directs the Governor to convene a clean energy leadership council.

HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

Majority Report: Do pass as amended. Signed by 9 members: Representatives McCoy, Chair; Carlyle, Eddy, Finn, Hasegawa, Hudgins, Jacks, Takko and Van De Wege.

Minority Report: Do not pass. Signed by 5 members: Representatives Crouse, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Condotta, Herrera and McCune.

Staff: Kara Durbin (786-7133)

HOUSE COMMITTEE ON GENERAL GOVERNMENT APPROPRIATIONS

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.

Majority Report: Do pass as amended by Committee on Technology, Energy & Communications. Signed by 9 members: Representatives Darneille, Chair; Takko, Vice Chair; Blake, Dunshee, Hudgins, Kenney, Pedersen, Sells and Williams.

Minority Report: Do not pass. Signed by 5 members: Representatives McCune, Ranking Minority Member; Hinkle, Assistant Ranking Minority Member; Armstrong, Crouse and Short.

Staff: Alex MacBain (786-7288)

Background:

Through a combination of financial incentives, regulatory policies, executive orders, and local policies, state and local governments have pursued the use of renewable energy and clean energy technologies. Some examples include: (1) setting a target for state and local fleets to use 100 percent biofuel or electricity; (2) enacting net metering laws and regulations to facilitate on-site renewable energy generation; (3) declaring state requirements for reducing greenhouse gas emissions; (4) creating tax incentives to promote the development of renewable energy; and (5) enacting efficiency standards for new appliances.

The Energy Policy Division of the Department of Community, Trade and Economic Development (DCTED) is charged with supervising and administrating energy-related activities in the state, as well as advising the Governor and the Legislature with respect to energy matters affecting the state. Responsibility for implementing energy education, applied research, and technology transfer programs rests with Washington State University's Energy Extension Program.

Summary of Amended Bill:

The Governor must convene a Clean Energy Leadership Council (Council) to prepare a strategy to grow the clean energy sector in Washington.

The membership of the Council must include representatives of: the clean energy sector; a public university; a venture capital firm making investments in clean energy companies; and a professional services firm serving clean energy technology. The director of the Department of Community, Trade and Economic Development (DCTED); a representative of the Economic Development Commission; the Governor's designee for energy and climate change initiatives; and four legislators must also serve as members of the Council.

The Council must designate one of its members as its representative on the Evergreen Jobs Leadership Team (established in Engrossed Second Substitute House Bill 2227).

The Council must conduct a strategic analysis to identify clean energy industry segments in which Washington has a competitive advantage or strength and develop an interim clean energy strategy and initial recommendations to the Governor and the Legislature by December 1, 2009, with the final recommendations and strategy due by December 1, 2010.

The Council must also:

- identify an institutional mechanism to implement its recommendations;
- review investments made by Washington State University's Energy Extension Program, the Energy Policy Division of the DCTED, utilities, and other entities to identify ways to use those funds to increase the state's competitiveness in clean energy technology; and
- make recommendations on potential clean energy programs and projects for possible federal funding.

The Energy Policy Division of DCTED must: (1) consider the clean energy strategy, once available, when preparing its application for federal State Energy Program funding and determining the type and number of clean energy projects to fund; and (2) consult with the Council prior to awarding federal energy stimulus funding for clean energy projects.

The Governor must designate a person within state government as the single point of accountability for all energy and climate change initiatives within state government. State agencies, councils, or work groups with energy or climate change initiatives must coordinate with this designee.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony (Technology, Energy & Communications):

(In support) Our state has an impressive record in the renewable energy and clean energy sector. However, a strategic plan is needed to continue to grow these sectors in the future. This council is meant to bring together public and private interests to encourage investment in clean energy. Washington is a leader in sustainable energy, but growing the clean energy sector is more challenging to do as a state. A state energy strategy is needed to better position the state to lead in this area. Many of the federal dollars will be competitively awarded, and it is the states that are well-organized that will receive the money. This bill is about job creation in the green economy through public-private partnerships. Clean energy is a top priority of Washington State University.

(Opposed) None.

Staff Summary of Public Testimony (General Government Appropriations):

(In support) There are a lot of issues going on with the clean energy alliance coming up with industrial sized clean energy options. The problem in Washington is that right now there is a haphazard bunch of stuff happening, not a coordinated, focused strategic plan for ways to develop clean energy options that will provide real jobs, and make real energy alternatives available to the citizens of Washington. What is envisioned here is to have \$200,000 from the state and \$200,000 from private sources to come together with a group to act as a board

of directors, including research universities, Pacific Northwest National Lab, private sector investors, state agencies, and the Governor's Office. The purpose is to develop a true framework for and strategic plan to develop some of these sectors to become national and international leaders.

(Opposed) None.

Persons Testifying (Technology, Energy & Communications): Senator Rockefeller, prime sponsor; Marc Cummings, Battelle and Washington Clean Technology Alliance; Lew McMurrin, Washington Technology Industry Association; Larry Ganders, Washington State University; and Jim Henrick, Spokane Intercollegiate Research and Technology Institute.

Persons Testifying (General Government Appropriations): Jim Jesernig, Battelle Northwest.

Persons Signed In To Testify But Not Testifying (Technology, Energy & Communications): None.

Persons Signed In To Testify But Not Testifying (General Government Appropriations): None.