
**Technology & Economic Development
Committee**

HB 1643

Brief Description: Regarding energy conservation under the energy independence act.

Sponsors: Representatives Fey, Short, Upthegrove, Nealey, Pollet, Lias, Ormsby, Ryu and Moscoso.

Brief Summary of Bill

- Reduces the administrative penalty a qualifying utility must pay for noncompliance with energy conservation requirements under the Energy Independence Act by applying excess conservation from the previous completed biennium.

Hearing Date: 1/14/14

Staff: Scott Richards (786-7156).

Background:

Energy Independence Act.

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

Energy Conservation Assessments and Targets.

Each qualifying electric utility must pursue all available conservation that is cost-effective, reliable, and feasible. By January 1, 2010, each qualifying utility must assess the conservation it can achieve through 2019, and update the assessments every two years for the next ten-year period. Beginning January 2010, each qualifying utility must meet biennial conservation targets that are consistent with its conservation assessments.

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.

Administrative Penalty.

A qualifying utility that fails to comply with the energy conservation or renewable energy targets must pay an administrative penalty to the state of Washington in the amount of 50 dollars for each megawatt-hour of shortfall.

Administrative penalties collected are deposited into the Energy Independence Act Special Account (Account). Expenditures from the Account may be used only for the purchase of renewable energy credits or for energy conservation projects at public facilities, local government facilities, community colleges, or state universities. The state must own and retire any renewable energy credits purchased using moneys from the Account.

Summary of Bill:

If a qualifying utility does not meet its biennial energy conservation acquisition target and is subject to administrative penalties, the Utilities and Transportation Commission, for a qualifying utility that is an investor-owned utility, or the Attorney General, for a qualifying utility that is not an investor-owned utility, must reduce the penalty by the adjusted amount of the penalty for each megawatt-hour in excess of its conservation target from the previous completed biennium.

Appropriation: None.

Fiscal Note: Available from 2013.

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