
**Technology & Economic Development
Committee**

HB 2059

Brief Description: Concerning the voluntary purchase of eligible renewable resources by customers of electric utilities.

Sponsors: Representative Morris.

Brief Summary of Bill

- Directs the Utilities and Transportation Commission for investor-owned electric utilities to create a tariff schedule that allows customers to purchase voluntarily eligible renewable resources.
- Directs the governing boards of consumer-owned utilities to create a tariff schedule or contract that allows customers to purchase voluntarily eligible renewable resources.

Hearing Date: 1/23/14

Staff: Scott Richards (786-7156).

Background:

Voluntary Option to Purchase Qualified Alternative Energy Resources.

In 2002 legislation was enacted that required electric utilities to provide their retail electricity customers a voluntary option to purchase qualified alternative energy resources. On at least a quarterly basis, electric utilities must include with their retail customers regular billing statement a voluntary option to purchase qualified alternative energy resources. A utility may provide qualified alternative energy resource options through either resources it owns or contracts for, or the purchase of renewable energy credits issued by a clearinghouse, or other system.

The Utilities and Transportation Commission.

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.

The Utilities and Transportation Commission (UTC) regulates the rates, services, and practices of privately-owned utilities and transportation companies. These companies include electricity, natural gas, certain telecommunications service, water, solid waste collection, commercial ferry service, transportation of household goods, certain auto transportation service, and transportation of petroleum through pipelines. The UTC is required to ensure that rates charged are "fair, just and reasonable."

A service provided by a regulated company must be described in a tariff, which is a detailed document, filed with the UTC, describing the rates, terms, and conditions of service.

Governing Boards of Consumer-Owned Electric Utilities.

A consumer-owned electric utility, such as a public utility district or a municipal utility, is regulated by the utility's governing board which has exclusive authority to regulate and control the use, distribution, rates, service, charges, and price of electricity provided by the utility.

Summary of Bill:

Upon request of an electric customer of an investor-owned utility, the Utilities and Transportation Commission (UTC) must create a tariff schedule that allows the customer to purchase voluntarily eligible renewable resources in 500 kilowatt units. Upon request by an electric customer of a consumer-owned utility, the governing board of a consumer-owned utility must create a tariff schedule or contract that allows the customer to purchase voluntarily eligible renewable resources in 500 kilowatt units. The eligible renewable resources procured are in addition to the eligible renewable resources requirements under the Energy Independence Act.

A tariff schedule approved by the UTC or a tariff schedule or contract approved by a governing board of a consumer-owned electric utility must ensure that:

- The costs of procuring and delivering the eligible renewable resource are paid for by the requesting customer and not passed onto other customers of the investor-owned utility;
- The investor-owned utility or consumer-owned utility provides an integrated service that includes the electricity generated by the dedicated eligible renewable resource facility, and a supplemental shaping service, if needed;
- The requesting customer has the authority to designate and approve the eligible renewable resource they wish to procure;
- Nonpower attributes associated with the eligible renewable resource are transferred to the requesting customer bundled with the power; and
- Except for the price, cost, or fees associated with interconnecting the eligible renewable resource to the grid, the price of procuring and delivering the eligible renewable resource is transparent and any additional costs or fees, including those required by Federal Energy Regulatory Commission rules, are specified before the requesting customer enters into an agreement for the eligible renewable resource.

Definitions.

The terms eligible renewable resource and nonpower attributes have the same meaning as defined under the Energy Independence Act.

Appropriation: None.

Fiscal Note: Requested.

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