

FINAL BILL REPORT

ESB 6166

FULL VETO

Synopsis as Enacted

Brief Description: Allowing incremental electricity produced as a result of certain capital investment projects to qualify as an eligible renewable resource under the energy independence act.

Sponsors: Senators Takko, Rivers, Ericksen, Chase, Roach, Becker, Sheldon and Benton.

Senate Committee on Energy, Environment & Telecommunications
House Committee on Technology & Economic Development
House Committee on General Government & Information Technology

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

Eligible Renewable Resource Targets and Compliance Dates. Each qualifying utility must use eligible renewable resources or acquire equivalent renewable energy credits, or a combination of both, to meet the following annual targets:

- at least 3 percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;
- at least 9 percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and
- at least 15 percent of its load by January 1, 2020, and each year thereafter.

Eligible Renewable Resource. The term eligible renewable resource means electricity generated from a resource such as wind, solar, geothermal energy, landfill and sewage gas, wave and tidal power, and certain biodiesel fuels. In addition, an eligible renewable resource must be generated in a facility that started operating after March 31, 1999, and the facility must either be located in the Pacific Northwest or the electricity from the facility must be delivered into the state on a real-time basis. Under certain conditions, incremental electricity produced as a result of efficiency improvements to hydroelectric generation facilities may also count as an eligible renewable resource.

Summary: A qualifying utility may use incremental electricity produced as a result of a capital investment completed after March 31, 1999, as an eligible renewable resource to comply with I-937. The increase in the amount of electricity generated must be relative to a

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baseline level of generation prior to the capital investment at a facility that began operation before March 31, 1999. The facility must generate qualified biomass energy.

The facility must demonstrate through direct or calculated measurement the increase in electricity as a result of the capital investment. The Department of Commerce must adopt rules to develop a methodology for calculating baseline levels of generation of electricity produced prior to the capital investment.

Votes on Final Passage:

Senate	35	13
House	66	31