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HOUSE BILL 1232

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State of Washington

66th Legislature

2019 Regular Session

By Representatives Griffey, Eslick, Kraft, Steele, Van Werven,  
Barkis, Dent, and Irwin

Read first time 01/17/19. Referred to Committee on Environment &  
Energy.

1 AN ACT Relating to recognizing hydroelectricity as an eligible  
2 renewable resource in the energy independence act; and amending RCW  
3 19.285.020 and 19.285.030.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 19.285.020 and 2007 c 1 s 2 are each amended to read  
6 as follows:

7 Increasing energy conservation and the use of appropriately sited  
8 renewable energy facilities (~~((builds on the strong foundation of low-~~  
9 ~~cost renewable hydroelectric generation in Washington state and))~~)  
10 will promote energy independence in the state and the Pacific  
11 Northwest region. Making the most of our plentiful local resources  
12 will stabilize electricity prices for Washington residents, provide  
13 economic benefits for Washington counties and farmers, create high-  
14 quality jobs in Washington, provide opportunities for training  
15 apprentice workers in the renewable energy field, protect clean air  
16 and water, and position Washington state as a national leader in  
17 clean energy technologies.

18 **Sec. 2.** RCW 19.285.030 and 2017 c 315 s 1 are each amended to  
19 read as follows:

1 The definitions in this section apply throughout this chapter  
2 unless the context clearly requires otherwise.

3 (1) "Attorney general" means the Washington state office of the  
4 attorney general.

5 (2) "Auditor" means: (a) The Washington state auditor's office or  
6 its designee for qualifying utilities under its jurisdiction that are  
7 not investor-owned utilities; or (b) an independent auditor selected  
8 by a qualifying utility that is not under the jurisdiction of the  
9 state auditor and is not an investor-owned utility.

10 (3) (a) "Biomass energy" includes: (i) Organic by-products of  
11 pulping and the wood manufacturing process; (ii) animal manure; (iii)  
12 solid organic fuels from wood; (iv) forest or field residues; (v)  
13 untreated wooden demolition or construction debris; (vi) food waste  
14 and food processing residuals; (vii) liquors derived from algae;  
15 (viii) dedicated energy crops; and (ix) yard waste.

16 (b) "Biomass energy" does not include: (i) Wood pieces that have  
17 been treated with chemical preservatives such as creosote,  
18 pentachlorophenol, or copper-chrome-arsenic; (ii) wood from old  
19 growth forests; or (iii) municipal solid waste.

20 (4) "Coal transition power" has the same meaning as defined in  
21 RCW 80.80.010.

22 (5) "Commission" means the Washington state utilities and  
23 transportation commission.

24 (6) "Conservation" means any reduction in electric power  
25 consumption resulting from increases in the efficiency of energy use,  
26 production, or distribution.

27 (7) "Cost-effective" has the same meaning as defined in RCW  
28 80.52.030.

29 (8) "Council" means the Washington state apprenticeship and  
30 training council within the department of labor and industries.

31 (9) "Customer" means a person or entity that purchases  
32 electricity for ultimate consumption and not for resale.

33 (10) "Department" means the department of commerce or its  
34 successor.

35 (11) "Distributed generation" means an eligible renewable  
36 resource where the generation facility or any integrated cluster of  
37 such facilities has a generating capacity of not more than five  
38 megawatts.

39 (12) "Eligible renewable resource" means:

1 (a) Electricity from a generation facility powered by a renewable  
2 resource (~~(other than freshwater)~~) that commences operation after  
3 March 31, 1999, where: (i) The facility is located in the Pacific  
4 Northwest; or (ii) the electricity from the facility is delivered  
5 into Washington state on a real-time basis without shaping, storage,  
6 or integration services;

7 ~~(b) ((Incremental electricity produced as a result of efficiency~~  
8 ~~improvements completed after March 31, 1999, to hydroelectric~~  
9 ~~generation projects owned by a qualifying utility and located in the~~  
10 ~~Pacific Northwest where the additional generation does not result in~~  
11 ~~new water diversions or impoundments)) Electricity from a generation~~  
12 ~~facility powered by water that commenced operation before March 31,~~  
13 ~~1999, where the facility is located in the Pacific Northwest;~~

14 (c) Hydroelectric generation from a project completed after March  
15 31, 1999, where the generation facility is located in irrigation  
16 pipes, irrigation canals, water pipes whose primary purpose is for  
17 conveyance of water for municipal use, and wastewater pipes located  
18 in Washington where the generation does not result in new water  
19 diversions or impoundments;

20 (d) Qualified biomass energy;

21 (e) For a qualifying utility that serves customers in other  
22 states, electricity from a generation facility powered by a renewable  
23 resource other than freshwater that commences operation after March  
24 31, 1999, where: (i) The facility is located within a state in which  
25 the qualifying utility serves retail electrical customers; and (ii)  
26 the qualifying utility owns the facility in whole or in part or has a  
27 long-term contract with the facility of at least twelve months or  
28 more; or

29 (f) (i) Incremental electricity produced as a result of a capital  
30 investment completed after January 1, 2010, that increases, relative  
31 to a baseline level of generation prior to the capital investment,  
32 the amount of electricity generated in a facility that generates  
33 qualified biomass energy as defined under subsection (18)(c)(ii) of  
34 this section and that commenced operation before March 31, 1999.

35 (ii) Beginning January 1, 2007, the facility must demonstrate its  
36 baseline level of generation over a three-year period prior to the  
37 capital investment in order to calculate the amount of incremental  
38 electricity produced.

39 (iii) The facility must demonstrate that the incremental  
40 electricity resulted from the capital investment, which does not

1 include expenditures on operation and maintenance in the normal  
2 course of business, through direct or calculated measurement.

3 (13) "Investor-owned utility" has the same meaning as defined in  
4 RCW 19.29A.010.

5 (14) "Load" means the amount of kilowatt-hours of electricity  
6 delivered in the most recently completed year by a qualifying utility  
7 to its Washington retail customers.

8 (15)(a) "Nonpower attributes" means all environmentally related  
9 characteristics, exclusive of energy, capacity reliability, and other  
10 electrical power service attributes, that are associated with the  
11 generation of electricity from a renewable resource, including but  
12 not limited to the facility's fuel type, geographic location,  
13 vintage, qualification as an eligible renewable resource, and avoided  
14 emissions of pollutants to the air, soil, or water, and avoided  
15 emissions of carbon dioxide and other greenhouse gases.

16 (b) "Nonpower attributes" does not include any aspects, claims,  
17 characteristics, and benefits associated with the on-site capture and  
18 destruction of methane or other greenhouse gases at a facility  
19 through a digester system, landfill gas collection system, or other  
20 mechanism, which may be separately marketable as greenhouse gas  
21 emission reduction credits, offsets, or similar tradable commodities.  
22 However, these separate avoided emissions may not result in or  
23 otherwise have the effect of attributing greenhouse gas emissions to  
24 the electricity.

25 (16) "Pacific Northwest" has the same meaning as defined for the  
26 Bonneville power administration in section 3 of the Pacific Northwest  
27 electric power planning and conservation act (94 Stat. 2698; 16  
28 U.S.C. Sec. 839a).

29 (17) "Public facility" has the same meaning as defined in RCW  
30 39.35C.010.

31 (18) "Qualified biomass energy" means electricity produced from a  
32 biomass energy facility that: (a) Commenced operation before March  
33 31, 1999; (b) contributes to the qualifying utility's load; and (c)  
34 is owned either by: (i) A qualifying utility; or (ii) an industrial  
35 facility that is directly interconnected with electricity facilities  
36 that are owned by a qualifying utility and capable of carrying  
37 electricity at transmission voltage.

38 (19) "Qualifying utility" means an electric utility, as the term  
39 "electric utility" is defined in RCW 19.29A.010, that serves more  
40 than twenty-five thousand customers in the state of Washington. The

1 number of customers served may be based on data reported by a utility  
2 in form 861, "annual electric utility report," filed with the energy  
3 information administration, United States department of energy.

4 (20) "Renewable energy credit" means a tradable certificate of  
5 proof of at least one megawatt-hour of an eligible renewable resource  
6 (~~where the generation facility is not powered by freshwater~~). The  
7 certificate includes all of the nonpower attributes associated with  
8 that one megawatt-hour of electricity, and the certificate is  
9 verified by a renewable energy credit tracking system selected by the  
10 department.

11 (21) "Renewable resource" means: (a) Water; (b) wind; (c) solar  
12 energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or  
13 tidal power; (g) gas from sewage treatment facilities; (h) biodiesel  
14 fuel as defined in RCW 82.29A.135 that is not derived from crops  
15 raised on land cleared from old growth or first-growth forests where  
16 the clearing occurred after December 7, 2006; or (i) biomass energy.

17 (22) "Rule" means rules adopted by an agency or other entity of  
18 Washington state government to carry out the intent and purposes of  
19 this chapter.

20 (23) "Year" means the twelve-month period commencing January 1st  
21 and ending December 31st.

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