

SB 5575 - S AMD 27
By Senator Chase

NOT ADOPTED 03/02/2011

1 On page 5, after line 8, insert the following:

2 "Sec. 3. RCW 19.285.040 and 2007 c 1 s 4 are each amended to read
3 as follows:

4 (1) Each qualifying utility shall pursue all available conservation
5 that is cost-effective, reliable, and feasible.

6 (a) By January 1, 2010, using methodologies consistent with those
7 used by the Pacific Northwest electric power and conservation planning
8 council in its most recently published regional power plan, each
9 qualifying utility shall identify its achievable cost-effective
10 conservation potential through 2019. At least every two years
11 thereafter, the qualifying utility shall review and update this
12 assessment for the subsequent ten-year period.

13 (b) Beginning January 2010, each qualifying utility shall establish
14 and make publicly available a biennial acquisition target for cost-
15 effective conservation consistent with its identification of achievable
16 opportunities in (a) of this subsection, and meet that target during
17 the subsequent two-year period. At a minimum, each biennial target
18 must be no lower than the qualifying utility's pro rata share for that
19 two-year period of its cost-effective conservation potential for the
20 subsequent ten-year period.

21 (c) In meeting its conservation targets, a qualifying utility may
22 count high-efficiency cogeneration owned and used by a retail electric
23 customer to meet its own needs. High-efficiency cogeneration is the
24 sequential production of electricity and useful thermal energy from a
25 common fuel source, where, under normal operating conditions, the
26 facility has a useful thermal energy output of no less than thirty-
27 three percent of the total energy output. The reduction in load due to
28 high-efficiency cogeneration shall be: (i) Calculated as the ratio of
29 the fuel chargeable to power heat rate of the cogeneration facility
30 compared to the heat rate on a new and clean basis of a

1 best-commercially available technology combined-cycle natural gas-fired
2 combustion turbine; and (ii) counted towards meeting the biennial
3 conservation target in the same manner as other conservation savings.

4 (d) The commission may determine if a conservation program
5 implemented by an investor-owned utility is cost-effective based on the
6 commission's policies and practice.

7 (e) The commission may rely on its standard practice for review and
8 approval of investor-owned utility conservation targets.

9 (2)(a) Each qualifying utility shall use eligible renewable
10 resources or acquire equivalent renewable energy credits, or a
11 combination of both, to meet the following annual targets:

12 (i) At least three percent of its load by January 1, 2012, and each
13 year thereafter through December 31, 2015;

14 (ii) At least nine percent of its load by January 1, 2016, and each
15 year thereafter through December 31, 2019; and

16 (iii) At least fifteen percent of its load by January 1, 2020, and
17 each year thereafter.

18 (b) A qualifying utility may count distributed generation at double
19 the facility's electrical output if the utility: (i) Owns or has
20 contracted for the distributed generation and the associated renewable
21 energy credits; or (ii) has contracted to purchase the associated
22 renewable energy credits.

23 (c) A qualifying utility may only count generation from a qualified
24 biomass facility at fifty percent of the facility's electrical output.

25 (d) In meeting the annual targets in (a) of this subsection, a
26 qualifying utility shall calculate its annual load based on the average
27 of the utility's load for the previous two years.

28 ((+d)) (e) A qualifying utility shall be considered in compliance
29 with an annual target in (a) of this subsection if: (i) The utility's
30 weather-adjusted load for the previous three years on average did not
31 increase over that time period; (ii) after December 7, 2006, the
32 utility did not commence or renew ownership or incremental purchases of
33 electricity from resources other than renewable resources other than on
34 a daily spot price basis and the electricity is not offset by
35 equivalent renewable energy credits; and (iii) the utility invested at
36 least one percent of its total annual retail revenue requirement that
37 year on eligible renewable resources, renewable energy credits, or a
38 combination of both.

1 ~~((e))~~ (f) The requirements of this section may be met for any
2 given year with renewable energy credits produced during that year, the
3 preceding year, or the subsequent year. Each renewable energy credit
4 may be used only once to meet the requirements of this section.

5 ~~((f))~~ (g) In complying with the targets established in (a) of
6 this subsection, a qualifying utility may not count:

7 (i) Eligible renewable resources or distributed generation where
8 the associated renewable energy credits are owned by a separate entity;
9 or

10 (ii) Eligible renewable resources or renewable energy credits
11 obtained for and used in an optional pricing program such as the
12 program established in RCW 19.29A.090.

13 ~~((g))~~ (h) Where fossil and combustible renewable resources are
14 cofired in one generating unit located in the Pacific Northwest where
15 the cofiring commenced after March 31, 1999, the unit shall be
16 considered to produce eligible renewable resources in direct proportion
17 to the percentage of the total heat value represented by the heat value
18 of the renewable resources.

19 ~~((h))~~ (i)(i) A qualifying utility that acquires an eligible
20 renewable resource or renewable energy credit may count that
21 acquisition at one and two-tenths times its base value:

22 (A) Where the eligible renewable resource comes from a facility
23 that commenced operation after December 31, 2005; and

24 (B) Where the developer of the facility used apprenticeship
25 programs approved by the council during facility construction.

26 (ii) The council shall establish minimum levels of labor hours to
27 be met through apprenticeship programs to qualify for this extra
28 credit.

29 ~~((i))~~ (j) A qualifying utility shall be considered in compliance
30 with an annual target in (a) of this subsection if events beyond the
31 reasonable control of the utility that could not have been reasonably
32 anticipated or ameliorated prevented it from meeting the renewable
33 energy target. Such events include weather-related damage, mechanical
34 failure, strikes, lockouts, and actions of a governmental authority
35 that adversely affect the generation, transmission, or distribution of
36 an eligible renewable resource under contract to a qualifying utility.

37 (3) Utilities that become qualifying utilities after December 31,

1 2006, shall meet the requirements in this section on a time frame
2 comparable in length to that provided for qualifying utilities as of
3 December 7, 2006."

4 Renumber the remaining section consecutively and correct any
5 internal references accordingly.

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6 On page 1, line 5 of the title, after "19.285.030" insert "and
7 19.285.040"

EFFECT: A qualifying utility may only count generation from a
qualified biomass facility at fifty percent of the facility's
electrical output.

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