

SENATE BILL REPORT

EHB 2733

As Reported by Senate Committee On:
Energy, Environment & Telecommunications, February 25, 2014

Title: An act relating to designating certain hydroelectric generation from a generation facility located in irrigation canals and certain pipes as an eligible renewable resource under chapter 19.285 RCW

Brief Description: Designating certain hydroelectric generation from a generation facility located in irrigation canals and certain pipes as an eligible renewable resource under chapter 19.285 RCW.

Sponsors: Representatives Haler and Magendanz.

Brief History: Passed House: 2/17/14, 89-8.

Committee Activity: Energy, Environment & Telecommunications: 2/25/14 [DP].

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

Majority Report: Do pass.

Signed by Senators Ericksen, Chair; Sheldon, Vice Chair; McCoy, Ranking Member; Billig, Brown, Chase, Honeyford, Litzow and Ranker.

Staff: William Bridges (786-7416)

Background: Approved by voters in 2006, the Energy Independence Act, also known as Initiative 937 (I-937), requires qualifying electric utilities to meet targets for energy conservation and for using eligible renewable resources.

Qualifying Utilities. Under I-937, qualifying utilities are electric utilities with 25,000 or more customers in the state.

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

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- 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, specified biomass, wave and tidal power, and certain biodiesel fuels. In addition, an eligible renewable resource must generally be produced 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.

Incremental Hydroelectricity as an Eligible Renewable Resource. Incremental electricity produced as a result of efficiency improvements to the following hydroelectric generation facilities may also count as an eligible renewable resource if the improvements do not result in new water diversions or impoundments, and the improvements are completed after March 31, 1999:

- hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest; and
- hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest.

Renewable Energy Credit (REC). A REC is a tradable certificate of proof of at least one megawatt hour of an eligible renewable resource where the generation facility is not powered by fresh water. Under I-937, a REC represents all the nonpower attributes associated with the power. RECs can be bought and sold in the marketplace, and they may be used during the year they are acquired, the previous year, or the subsequent year.

Summary of Bill: The following are classified as eligible renewable resources under I-937: hydroelectric generation from a project completed after March 31, 1999, where the generation facility is located in irrigation pipes, irrigation canals, water pipes whose primary purpose is for conveyance of water for municipal use, and wastewater pipes located in Washington where the generation does not result in new water diversions or impoundments.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill is narrowly drawn to recognize electricity generated from water that is used for other purposes. The potential energy in water should not be wasted.

Persons Testifying: PRO: Representative Haler, prime sponsor; Mike Schwisow, WA State Water Resources Assn.