S-3869.1

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**SENATE BILL 6477**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Senators Rolfes, Palumbo, Ranker, Chase, and Saldaña

AN ACT Relating to the voluntary option to purchase qualified alternative energy resources; and amending RCW 19.29A.090.

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

**Sec.**  RCW 19.29A.090 and 2014 c 129 s 1 are each amended to read as follows:

(1) Beginning January 1, 2002, each electric utility must provide to its retail electricity customers a voluntary option to purchase qualified alternative energy resources in accordance with this section.

(2) Each electric utility must ((~~include with its retail electric customer's regular billing statements, at least quarterly,~~)) provide a voluntary option to purchase qualified alternative energy resources to each of its new retail electric customers at the time service is established. Each electric utility must provide the option to all of its existing retail electric customers through the utility's web site and through quarterly mailings as a bill insert or other publication. The option may allow customers to purchase qualified alternative energy resources at fixed or variable rates and for fixed or variable periods of time, including but not limited to monthly, quarterly, or annual purchase agreements, and for all or part of the customer's retail electric requirement.

(3) A utility that serves twenty-five thousand or fewer retail electric customers in the state of Washington may provide a retail electric customer with an unbundled qualified alternative energy resource ((~~options~~)) option for the nonpower attributes associated with electricity generation through either: (a) Resources it owns or contracts for; or (b) the purchase of credits issued by a clearinghouse or other system by which the utility may secure, for trade or other consideration, verifiable evidence that a second party has a qualified alternative energy resource and that the second party agrees to transfer such evidence exclusively to the benefit of the utility.

((~~(3)~~)) (4) A utility that serves more than twenty-five thousand retail electric customers in the state of Washington must offer the following qualified alternative energy resource options from which a retail electric customer may choose:

(a) An unbundled resource option, in which the utility provides the customer with the nonpower attributes associated with electricity generation through either: (i) Resources it owns or contracts for; or (ii) the purchase of credits issued by a clearinghouse or other system by which the utility may secure, for trade or other consideration, verifiable evidence that a second party has a qualified alternative energy resource and that the second party agrees to transfer such evidence exclusively to the benefit of the utility; and

(b) A bundled resource option, in which the utility provides the customer with both the delivered electricity from qualified alternative energy resources, owned or contracted for by the utility and located anywhere within the boundary of a state whose territories are partially included in the Pacific Northwest, and the nonpower attributes associated with the electricity generation.

(5) The nonpower attributes associated with electricity generation, including those verified in the form of renewable energy credits, that are provided for the purposes of this section may only be used once and must be retired by the electric utility on behalf of the customer in the year in which the nonpower attributes are used. The requirements of this section may be met for any given year with the nonpower attributes associated with electricity that is generated during that year, the preceding year, or the subsequent year.

(6) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Nonpower attributes" has the same meaning as defined in RCW 19.285.030.

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

(c) "Renewable energy credit" means a tradable certificate of proof of at least one megawatt-hour of a qualified alternative energy resource. The certificate includes all of the nonpower attributes associated with that one megawatt-hour of electricity and the certificate is verified by a renewable energy credit tracking system.

(7) For the purposes of this section, a "qualified alternative energy resource" means the electricity or thermal energy produced from generation facilities that are fueled by: (a) Wind; (b) solar energy; (c) geothermal energy; (d) landfill gas; (e) wave or tidal action; (f) gas produced during the treatment of wastewater; (g) qualified hydropower; or (h) biomass energy based on animal waste or solid or liquid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper‑chrome‑arsenic.

((~~(4)~~)) (8) For the purposes of this section, "qualified hydropower" means the energy produced either: (a) As a result of modernizations or upgrades made after June 1, 1998, to hydropower facilities operating on May 8, 2001, that have been demonstrated to reduce the mortality of anadromous fish; or (b) by run of the river or run of the canal hydropower facilities that are not responsible for obstructing the passage of anadromous fish.

((~~(5)~~)) (9) The rates, terms, conditions, and customer notification of each utility's option or options offered in accordance with this section must be approved by the governing body of the consumer-owned utility or by the commission for investor-owned utilities. All costs and benefits associated with any option offered by an electric utility under this section must be allocated to the customers who voluntarily choose that option and may not be shifted to any customers who have not chosen such option. Utilities may pursue known, lawful aggregated purchasing of qualified alternative energy resources with other utilities to the extent aggregated purchasing can reduce the unit cost of qualified alternative energy resources, and are encouraged to investigate opportunities to aggregate the purchase of alternative energy resources by their customers. Aggregated purchases by investor-owned utilities must comply with any applicable rules or policies adopted by the commission related to least-cost planning or the acquisition of renewable resources.

((~~(6)~~)) (10) Each consumer-owned utility must maintain and make available upon request of the department and each investor-owned utility must maintain and make available upon request of the commission information describing the option or options it is offering its customers under the requirements of this section, the rate of customer participation, the amount of qualified alternative energy resources purchased by customers, the amount of utility investments in qualified alternative energy resources, and the results of pursuing aggregated purchasing opportunities. Each consumer-owned utility and investor-owned utility must also make the information available to its customers. The department and the commission ((~~shall~~)) must request the information and, by December 31, 2018, and biennially thereafter, electronically report the information to the appropriate committees of the legislature ((~~upon request~~)).

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