
**Technology & Economic Development
Committee**

HB 1249

Brief Description: Recognizing hydroelectricity as an eligible renewable resource in the energy independence act.

Sponsors: Representatives Griffey, Klippert, Dent, J. Walsh, MacEwen, McCaslin, Kraft, Hargrove, Van Werven, Haler, Holy, Koster, Shea, Condotta, Muri, Young and Buys.

Brief Summary of Bill

- Amends the definition of "eligible renewable resource" to allow hydroelectricity from additional types of generation facilities to count toward annual renewable energy targets under the Energy Independence Act (EIA).
- Amends the definition of "renewable energy credit" (REC) to allow all eligible renewable resources, including hydroelectricity, to produce RECs under the EIA.

Hearing Date: 2/9/17

Staff: Nikkole Hughes (786-7156).

Background:

The Energy Independence Act.

The Energy Independence Act (EIA) was approved by voters in 2006. The EIA requires an electric utility with more than 25,000 customers to meet targets for energy conservation and to meet a certain percent of its annual load with eligible renewable resources. Utilities that must comply with the EIA are called "qualifying utilities."

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Eligible Renewable Resource Targets and Compliance Dates.

Each qualifying utility must use eligible renewable resources or acquire equivalent renewable energy credits (RECs), 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 Resources.

To be considered an eligible renewable resource under the EIA, the electricity must be produced from:

- a generation facility powered by a renewable resource other than freshwater that commenced operation after March 31, 1999, where the facility is located in the Pacific Northwest or the electricity is delivered into the state on a real-time basis;
- certain incremental hydroelectricity due to efficiency improvements;
- hydroelectricity from a project completed after March 31, 1999, where the facility is located in irrigation pipes, irrigation canals, municipal water pipes, and wastewater pipes;
- qualified biomass energy; or
- a generation facility owned or under contract by a qualifying utility, where the facility is located outside the Pacific Northwest.

Renewable Energy Credits.

A REC is a tradable certificate of proof, verified by the Western Renewable Energy Generation Information System, of at least one megawatt-hour of an eligible renewable resource, where the generation facility is not powered by freshwater. Under the EIA, a REC represents all the nonpower attributes associated with the power. Renewable energy credits can be bought and sold in the marketplace to comply with annual renewable energy targets, and they may be used during the year they are acquired, the previous year, or the subsequent year.

Summary of Bill:

Eligible Renewable Resources.

An "eligible renewable resource" includes:

- electricity from a generation facility powered by a renewable resource, including freshwater, that commenced operation after March 31, 1999, where the facility is located in the Pacific Northwest or the electricity from the facility is delivered into the state on a real-time basis; and
- electricity from a generation facility powered by water that commenced operation before March 31, 1999, where the facility is located in the Pacific Northwest.

"Eligible renewable resource" does not include incremental hydroelectricity produced as a result of efficiency improvements to hydroelectric generation projects owned by a qualifying utility.

Renewable Energy Credits.

A REC is a tradable certificate of proof of at least one megawatt-hour of an eligible renewable resource, including freshwater.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.