
Technology & Economic Development Committee

HB 2413

Brief Description: Concerning the voluntary option to purchase qualified alternative energy resources.

Sponsors: Representatives Doglio and Macri.

Brief Summary of Bill

- Requires each electric utility to provide the voluntary option to purchase qualified alternative energy resources to each of its new retail electric customers at the time service is established and to provide the option to its existing customers through its website and through quarterly mailings.
- Requires an electric utility that serves more than 25,000 retail electric customers in the state to offer a bundled voluntary qualified alternative energy resource option.
- Establishes a biennial reporting requirement.

Hearing Date: 1/17/18

Staff: Nikkole Hughes (786-7156).

Background:

Each electric utility must provide its retail electric customers with a voluntary option to purchase qualified alternative energy resources. Each electric utility must include the option with its retail electric customer's regular billing statements at least quarterly. 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. A utility may provide qualified alternative energy resource options through either:

- resources it owns or contracts for; or
- 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

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qualified alternative energy resource and that the second party agrees to transfer such evidence exclusively to the benefit of the utility.

"Qualified alternative energy resource" means the electricity or thermal energy produced from generation facilities that are fueled by:

- wind, solar, or geothermal energy;
- landfill gas;
- wave or tidal action;
- gas produced during the treatment of wastewater;
- qualified hydropower; or
- certain biomass energy.

All costs and benefits associated with any voluntary option offered by an electric utility 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.

Each electric utility must maintain and make available upon request of the Department of Commerce (Department), in the case of a consumer-owned utility, or the Utilities and Transportation Commission (UTC), in the case of an investor-owned utility, information describing the voluntary option or options it is offering its customers, 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 options. The Department and the UTC must report the information to the appropriate committees of the Legislature upon request.

Summary of Bill:

Each electric utility must 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 website and through quarterly mailings as a bill insert or other publication.

The option may allow customers to purchase qualified alternative energy resources for all or part of the customer's retail electric requirement.

A utility that serves 25,000 or fewer retail electric customers in the state may provide a retail electric customer with an unbundled qualified alternative energy resource option for the nonpower attributes associated with electricity generation through either:

- resources it owns or contracts for; or
- 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.

A utility that serves more than 25,000 retail electric customers in the state must offer the following qualified alternative energy resource options from which a retail electric customer may choose:

- an unbundled resource option; and

- 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.

The nonpower attributes associated with electricity generation, including those verified in the form of renewable energy credits, that are provided for the purpose of providing a voluntary qualified alternative energy resource option 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.

In addition to making information relating to voluntary qualified alternative energy resource options available to the Department of Commerce (Department) or Utilities and Transportation Commission (UTC), each electric utility must make the information available to its customers. The Department and the UTC must request the information and, by December 31, 2018, and biennially thereafter, electronically report the information to the appropriate committees of the Legislature.

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

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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