

SENATE BILL REPORT

SB 5588

As of February 7, 2019

Title: An act relating to authorizing the production, distribution, and sale of renewable hydrogen.

Brief Description: Authorizing the production, distribution, and sale of renewable hydrogen.

Sponsors: Senators Hawkins, Palumbo, Ericksen, Van De Wege, Fortunato, Short, Billig, Hobbs, Braun, Takko, Warnick, Sheldon, Wagoner, Hunt, Das, Zeiger, Wellman, King, Nguyen, Hasegawa, Kuderer, Bailey, Rivers, Holy, Wilson, L., Padden, Walsh, Dhingra, Frockt, Keiser, Liias, O'Ban and Wilson, C..

Brief History:

Committee Activity: Environment, Energy & Technology: 2/06/19.

Brief Summary of Bill

- Authorizes public utility districts to produce and distribute renewable hydrogen.
- Defines renewable hydrogen.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Staff: Kimberly Cushing (786-7421)

Background: Public Utility Districts. Formed in 1931 by Initiative 1, Public Utility Districts (PUDs) are municipal corporations authorized to provide electricity, water and sewer services, and wholesale telecommunications. There are 28 operating PUDs in Washington, 23 of which provide electricity, 19 provide water or wastewater services, and 13 provide wholesale broadband telecommunications services. PUDs are not generally subject to the jurisdiction of the Utilities and Transportation Commission (UTC).

In 2007 the Legislature granted PUDs the authority to produce and distribute biodiesel, ethanol, and ethanol blend fuels. PUDs were also authorized to enter into crop purchase contracts for dedicated energy crops for the purpose of generating electricity or producing biodiesel from Washington feedstocks.

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.

In 2015 the Legislature granted PUDs the authority to produce and use renewable natural gas (RNG) for internal operations. Additionally, PUDs may generally sell RNG delivered into a gas transmission pipeline located in the state, or in pressurized containers under specified conditions.

Summary of Bill: PUDs are authorized to produce and distribute renewable hydrogen for use in internal operations and for sale or distribution.

Renewable hydrogen is defined as hydrogen produced using electricity that is sourced from a renewable resource, which includes water.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This bill gives PUDs the authority to produce hydrogen. This is especially important for clean energy. Renewable hydrogen can be used as clean transportation fuel. During the springtime when the snow is melting the sun is shining and the wind is blowing those are all contributing to the renewable resources in our state but electricity prices go below production costs and in a lot of cases PUDs have to pay people to take our electricity when there is a huge oversupply in the industry. We would propose to use that excess electricity to make hydrogen and produce another renewable fuel for the state. Hydrogen is an energy carrier so it can be used to store energy for use later as transportation fuels, to augment natural gas for chemical production, food processing, or electronics manufacturing. Hydropower is clean, low-cost, renewable power. How do you make a renewable energy resource more renewable? It is certainly not by buying additional renewable resources. So our challenge, and one which this bill addresses, is taking a renewable resource such as hydro power and then using it to actually provide resources to reduce carbon. Production of hydrogen is a great use of renewable resources, is cost-effective, reduces carbon, and is an investment that actually helps us make progress. This is a huge opportunity for northwest utilities, and a benefit to ratepayers. This is critical to the path of de-carbonizing.

OTHER: The underlying bill raised questions about who can do what, where, and when. However, we are working on a substitute should address these issues.

Persons Testifying: PRO: Senator Brad Hawkins, Prime Sponsor; Ken Dragoon, Renewable Hydrogen Alliance; George Caan, Washington PUD Association; Molly Simpson, Douglas PUD; Gary Ivory, Douglas PUD.

OTHER: Mike Hoover, Avista.

Persons Signed In To Testify But Not Testifying: No one.