

HOUSE BILL REPORT

HB 1590

*As Reported By House Committee on:
Energy & Utilities*

Title: An act relating to the study of ethanol for supplemental energy production.

Brief Description: Creating the Washington energy self-sufficiency commission.

Sponsor(s): Representatives Nealey, Grant, Jacobsen, Rayburn, May, Ballard, Chandler, R. Fisher, Ferguson, Anderson, McLean, Fuhrman, Prince, D. Sommers, Betrozoff, Pruitt, Ludwig, Silver and Broback.

Brief History:

Reported by House Committee on:
Energy & Utilities, March 5, 1991, DP.

**HOUSE COMMITTEE ON
ENERGY & UTILITIES**

Majority Report: *Do pass.* Signed by 10 members: Representatives Grant, Chair; May, Ranking Minority Member; Hochstatter, Assistant Ranking Minority Member; Bray; Casada; Cooper; R. Fisher; Jacobsen; Miller; and Rayburn.

Minority Report: *Without recommendation.* Signed by 1 member: Representative H. Myers, Vice Chair.

Staff: Fred Adair (786-7113).

Background: Petroleum products serve 60 percent of Washington's energy needs. Approximately 85 percent of Washington's crude oil comes from Alaska. Since Washington has never had any commercially active petroleum wells, the State is totally dependent on out-of-state resources for its petroleum energy needs. Washington stands at risk of price increase or physical shortage.

Transportation uses 73 percent of Washington's petroleum. Industry uses 21 percent and commercial and residential each use 3 percent.

An alternative to lessen the dependency on out-of-state crude oil is through the production of ethanol. Washington State has an active agricultural sector. The farm economy

has slowed considerably since the 1980's and producers are always looking for new products and new markets. Today there is an over supply of Washington wheat. The surplus agricultural products are excellent ethanol feedstocks.

Summary of Bill: A temporary commission is created until March 1, 1993, to study the goals of energy independence, a cleaner environment through cleaner fuels, and expanding agricultural markets to include raw farm products for ethanol and synthetic fuels production. The commission will then make recommendations to the Legislature concerning the potential role of ethanol and synthetic fuels in promoting state energy self sufficiency.

The governor shall appoint 14 members to the commission. The commission will have bipartisan legislative members, state agency personnel, and members from the private sector. The commission will submit its action plan to the Legislature on December 1, 1991, and its final report on December 1, 1992. An as yet unspecified appropriation is made.

Fiscal Note: Requested February 7, 1991.

Appropriation: Yes.

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

Testimony For: There is need to bolster the state's agricultural economy while, at the same time, to reduce dependence on foreign oil. These two needs can be helped by increased use of ethanol and other alternative fuels. All possibilities for maximizing this approach should be examined.

Other Testimony, neither pro nor con: The state energy strategy development proposal will include examination of ethanol and other alternative vehicle fuels.

Testimony Against: None.

Witnesses: Representative Darwin Nealey, prime sponsor (pro); Representative Gary Chandler, co-sponsor (pro); Dr. Bill Kinsel, Faculty, Washington State University/Tri-Cities Campus (pro); and Jim Harding and Jim Kerstetter, State Energy Office (no position).