

SENATE BILL REPORT

EHB 1277

AS REPORTED BY COMMITTEE ON ENERGY & UTILITIES, APRIL 5, 1991

Brief Description: Continuing the geothermal account ten additional years.

SPONSORS: Representatives Grant, May, H. Myers, Hochstatter, Paris and Jacobsen; by request of Washington State Energy Office.

HOUSE COMMITTEE ON ENERGY & UTILITIES

HOUSE COMMITTEE ON CAPITAL FACILITIES & FINANCING

SENATE COMMITTEE ON ENERGY & UTILITIES

Majority Report: Do pass as amended.

Signed by Senators Thorsness, Chairman; Saling, Vice Chairman; Jesernig, Nelson, Patterson, Roach, Stratton, Sutherland, and Williams.

Staff: Phil Moeller (786-7445)

Hearing Dates: March 28, 1991; April 5, 1991

BACKGROUND:

In certain applications, geothermal energy from the earth's inner heat can be captured and used to generate electricity. Use of geothermal energy has been limited in Washington; however, some energy analysts believe a large potential of this energy source exists near the Cascade range.

In 1981 the Legislature established the geothermal account to provide for the allocation of revenue made available to the state of Washington from geothermal leasing and development on federal lands. Due to a lack of increased energy demand over the past decade, geothermal development has been limited. The revenue to the geothermal account over the last nine years has ranged from no revenue in three of the years to \$48,800 in fiscal year 1985. The average annual revenue has been approximately \$17,500. In the absence of this account, revenue from the leasing would be placed in the common school construction fund.

The account revenue is allocated as follows: 40 percent to the county where the lease exists (for mitigation of the social and economic impacts associated with the geothermal exploration); 30 percent to the Department of Natural Resources (for geothermal exploration); and 30 percent to the Washington State Energy Office for geothermal development.

The account is scheduled to be terminated June 30, 1991.

SUMMARY:

The termination date of the geothermal account is extended for six years, to June 30, 1997, or when 30 megawatts of geothermal power is certified as commercially available by the receiving utilities and the State Energy Office. The account will terminate when either of these conditions occur.

Appropriation: none

Revenue: yes

Fiscal Note: available

SUMMARY OF PROPOSED SENATE AMENDMENTS:

The termination date for the account is extended to June 30, 2001.

When 30 megawatts of geothermal power is certified as commercially available by receiving utilities and the State Energy Office, the account will receive 20 percent of eligible funds. The remaining funds will be placed in the common school construction account.

The Department of Natural Resources is directed to develop rules by December 1, 1991 related to leasing state lands for geothermal development.

TESTIMONY FOR:

The extension of this account will aid in the development of this renewable energy source.

TESTIMONY AGAINST: None

TESTIFIED: Jim Harding, WA State Energy Office (pro)