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SENATE JOINT MEMORIAL 8028

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State of Washington

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2004 Regular Session

By Senators Fraser, Morton, Poulsen, Hewitt, Regala, Fairley, Hale, Doumit, Parlette, Thibaudeau, Honeyford, Winsley, Rasmussen, Kline, Keiser, Brown, Mulliken, Kohl-Welles, Murray and McAuliffe

Read first time 01/14/2004. Referred to Committee on Natural Resources, Energy & Water.

1 TO THE HONORABLE GEORGE W. BUSH, PRESIDENT OF THE UNITED STATES,  
2 AND TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF  
3 REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE  
4 UNITED STATES, IN CONGRESS ASSEMBLED:

5 We, your Memorialists, the Senate and House of Representatives of  
6 the State of Washington, in legislative session assembled, respectfully  
7 represent and petition as follows:

8 WHEREAS, Renewable energy supply brings fuel diversity benefits and  
9 mitigates market dominance by a very few energy fuel types in the  
10 nation's mix of energy supplies, enhances national security by reducing  
11 dependence on imported fuels, and decreases environmental impacts  
12 associated with traditional methods of electricity generation; and

13 WHEREAS, Increasing public preference and consumer demand support  
14 cost-effective renewable energy product development and  
15 commercialization; and

16 WHEREAS, Renewable energy production has steadily improved in cost-  
17 effectiveness and performance and promises continued improvement; and

18 WHEREAS, Encouraging cost-effective use of renewable energy  
19 resources has been an important national goal since the passage of the  
20 Energy Policy Act of 1992; and

1       WHEREAS, The United States Congress established the Renewable  
2 Energy Production Incentive (REPI) program in the Energy Policy Act of  
3 1992 to provide direct payments of 1.5 cents per kilowatt-hour to  
4 public and not-for-profit utilities for energy produced by new  
5 renewable energy projects brought on-line between October 1993, and  
6 September 30, 2003, during the first ten years of the facility's  
7 operation; and

8       WHEREAS, The United States Congress also established the energy  
9 Production Tax Credit (PTC) program in the Energy Policy Act of 1992 to  
10 provide a wind production tax credit of 1.5 cents per kilowatt-hour for  
11 energy produced from a new facility brought on-line after December 31,  
12 1993, and before July 1, 1999, for the first ten years of the  
13 facility's operation; and

14       WHEREAS, Congress has extended and expanded the PTC program twice  
15 over the past five years, in 1999 and again in 2001, but each time  
16 Congress has allowed the credit to expire before acting, and then  
17 approved only short-term extensions; and

18       WHEREAS, Funding for the REPI program has remained far below the  
19 level needed to maximize the potential of the incentive, supporting  
20 only a fraction of the qualified renewable energy projects that apply  
21 each year; and

22       WHEREAS, Authorization for the current REPI program expired on  
23 September 30, 2003, and authorization for the current PTC program  
24 expired on December 31, 2003; and

25       WHEREAS, Given the two-to-three-year lead time required for  
26 bringing facilities on-line, the expiration of the REPI and PTC  
27 programs is currently slowing the implementation of hundreds of  
28 megawatts worth of future projects; and

29       WHEREAS, Failure to extend the REPI and PTC programs means that  
30 contracts are put on hold, workers are laid off, and the growing  
31 momentum toward developing renewable energy markets is once again  
32 brought to a halt; and

33       WHEREAS, Additional renewable technologies could also benefit from  
34 a production incentive or tax credit, just as solar, wind, geothermal,  
35 closed-loop biomass, and poultry waste have done through the existing  
36 REPI and PTC programs; and

37       WHEREAS, Tradable tax credits for renewable energy, consisting of  
38 a production tax credit that a public or consumer-owned utility can

1 accrue by developing and owning a renewable energy facility and then  
2 sell to the private sector, will facilitate public/private  
3 partnerships, benefit not-for-profit utilities by providing an  
4 alternative to the potentially under funded REPI, benefit private  
5 sector partners that desire to support renewable energy by providing  
6 tax credits against existing tax liabilities, and further facilitate  
7 the development of renewable energy in our region;

8 NOW, THEREFORE, Your Memorialists respectfully urge the United  
9 States Congress to:

10 (1) Acknowledge the value of the REPI and PTC programs to the  
11 continued development and commercialization of renewable technologies  
12 and markets;

13 (2) Approve, at a minimum, the retroactive ten-year extension of  
14 the REPI program and three-year extension of the PTC program that are  
15 included in the proposed conference report of the Energy Policy Act of  
16 2003;

17 (3) Expand the eligible resources for the REPI program to include  
18 landfill gas and extend the benefits to additional public utilities and  
19 tribes;

20 (4) Expand the eligible resources for the PTC program to include  
21 geothermal, solar, animal waste as a biomass feedstock, and incremental  
22 additions to hydropower output;

23 (5) Authorize tradable tax credits for renewable energy; and

24 (6) Act on this issue immediately, regardless of whether or when  
25 the comprehensive energy legislation will be taken up for  
26 consideration.

27 BE IT RESOLVED, That copies of this Memorial be immediately  
28 transmitted to the Honorable George W. Bush, President of the United  
29 States, the President of the United States Senate, the Speaker of the  
30 House of Representatives, and each member of Congress from the State of  
31 Washington.

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