

SENATE BILL REPORT

SB 5760

As Reported By Senate Committee On:
Water, Energy & Telecommunications, February 14, 2007

Title: An act relating to the energy freedom program, including activities to promote green highways.

Brief Description: Addressing activities to promote green highways in the energy freedom program.

Sponsors: Senators Poulsen, Fraser, Rockefeller, Spanel, Jacobsen, Kline, Kohl-Welles, Oemig, Parlette, Pflug, Rasmussen and Shin.

Brief History:

Committee Activity: Water, Energy & Telecommunications: 1/31/07, 2/13/07 [DPS].

SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

Majority Report: That Substitute Senate Bill No. 5760 be substituted therefor, and the substitute bill do pass.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Fraser, Holmquist, Marr, Morton, Oemig, Pridemore and Regala.

Staff: William Bridges (786-7424)

Background: Energy Freedom Program: Established within the Department of Agriculture in 2006, the Energy Freedom Program provides financial and technical assistance to public entities for: (1) the construction of facilities to convert farm products or wastes into electricity or gaseous or liquid fuels or other co-products; and (2) the construction of facilities used to store or distribute such feedstocks or products. Eligibility is determined according to a number of criteria, including the technical feasibility and commercial viability of a project. The amount of assistance under the program is limited to no more than 50 percent of the total cost of a project up to \$5 million.

Eight projects have received assistance under the Energy Freedom Program: six loans to support oilseed processing for biodiesel, and two loans to support anaerobic digestion.

Summary of Bill: Expanding the Energy Freedom Program: The program is expanded to include projects to: (1) convert landfill methane gas or wastewater treatment gas into liquid fuel and (2) develop a refueling infrastructure for biofuels and alternative fuels along the I-5, I-82, and I-90 corridors, which are designated as "green highways." "Alternative fuel" means

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electricity, hydrogen, or liquid natural gas produced from landfill methane gas or wastewater treatment gas.

The Department of Agriculture is authorized to assist refueling projects up to \$50,000, but no more than 50 percent of a project's total cost, if the following criteria are met:

- It will not require continued state support;
- It is located within a green highway zone;
- It will contribute towards an efficient and adequately spaced biofuel or alternative fuel refueling network along I-5, I-82, and I-90; and
- It will increase access to an alternative biofueling or alternative fueling infrastructure for the motoring public along I-5, I-82, and I-90.

Green Energy Incentive Subaccount: A subaccount is created, the total deposits of which cannot exceed \$1 million. This subaccount is limited to assisting the following: (1) refueling projects, (2) pilot plug-in hybrids, (3) projects to reduce truck stop idling, (4) a mobile science museum, and (5) a demonstration project with the University of Washington for the design and building of a hydrogen fueling station.

Prioritization of Applications: If the total requested amount of funds exceeds the amount of funds available in the "green energy incentive sub-account," project applications must be prioritized based on the following criteria:

- The extent to which the project will reduce dependence on petroleum fuel and imported energy;
- The extent to which the project will reduce air and water pollution;
- The extent to which the project will establish a viable bioenergy production capacity in Washington;
- The extent to which the project will make biofuels more accessible;
- The benefits to Washington farmers; and
- The economic benefits created by the project.

Findings: The following findings are added to the Energy Freedom Program: (1) landfill methane gas and wastewater treatment gas pose a risk to Washington's climate, (2) Washington lacks a fueling infrastructure for biofuels and alternative fuels, and (3) the 2010 Olympic and Paralympic Winter games are an opportunity to showcase alternative fuels such as hydrogen.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Water, Energy & Telecommunications): Projects that convert wastewater treatment gas into liquid fuels are included in the Energy Freedom Program. The program to assist refueling projects for biofuels is expanded. The term "loans and grants" is changed to "assistance."

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: The bill will help reduce greenhouse gases and promote home-grown fuel. Orange County Transit in California is already using fuel derived from landfill methane gas. Everyday, the King County landfill produces methane that is the equivalent of 50,000 gallons a day of vehicle fuel. The Tacoma landfill produces the equivalent of 10,000 gallons a day. The bill should add methane produced from waste water treatment. The bill should also promote all alternative fuels, not just hydrogen, electricity, and vehicle fuel produced from methane.

OTHER: Hydrogen produced from fuel cells is good as long as the fuel used to power the cells comes from non-fossil sources.

Persons Testifying: PRO: Mark Brady, Puget Sound Clean Cities Coalition; Dan Clarkson, Prometheus Energy Company.

OTHER: Toni Potter, League of Women Voters of Washington.