HOUSE BILL 2733

State of Washington 63rd Legislature 2014 Regular Session

By Representatives Haler and Magendanz

Read first time 01/29/14. Referred to Committee on Technology & Economic Development.

1 AN ACT Relating to designating certain hydroelectric generation 2 from a generation facility located in irrigation canals and certain 3 pipes as an eligible renewable resource under chapter 19.285 RCW; and 4 reenacting and amending RCW 19.285.030.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 Sec. 1. RCW 19.285.030 and 2013 c 158 s 1, 2013 c 99 s 1, and 2013
7 c 61 s 1 are each reenacted and amended to read as follows:

8 The definitions in this section apply throughout this chapter 9 unless the context clearly requires otherwise.

10 (1) "Attorney general" means the Washington state office of the 11 attorney general.

12 (2) "Auditor" means: (a) The Washington state auditor's office or 13 its designee for qualifying utilities under its jurisdiction that are 14 not investor-owned utilities; or (b) an independent auditor selected by 15 a qualifying utility that is not under the jurisdiction of the state 16 auditor and is not an investor-owned utility.

17 (3)(a) "Biomass energy" includes: (i) Organic by-products of 18 pulping and the wood manufacturing process; (ii) animal manure; (iii) 19 solid organic fuels from wood; (iv) forest or field residues; (v) 1 untreated wooden demolition or construction debris; (vi) food waste and 2 food processing residuals; (vii) liquors derived from algae; (viii) 3 dedicated energy crops; and (ix) yard waste.

(b) "Biomass energy" does not include: (i) Wood pieces that have
been treated with chemical preservatives such as creosote,
pentachlorophenol, or copper-chrome-arsenic; (ii) wood from old growth
forests; or (iii) municipal solid waste.

8 (4) "Coal transition power" has the same meaning as defined in RCW9 80.80.010.

10 (5) "Commission" means the Washington state utilities and 11 transportation commission.

(6) "Conservation" means any reduction in electric power
 consumption resulting from increases in the efficiency of energy use,
 production, or distribution.

15 (7) "Cost-effective" has the same meaning as defined in RCW 16 80.52.030.

17 (8) "Council" means the Washington state apprenticeship and18 training council within the department of labor and industries.

(9) "Customer" means a person or entity that purchases electricityfor ultimate consumption and not for resale.

21 (10) "Department" means the department of commerce or its 22 successor.

(11) "Distributed generation" means an eligible renewable resource
 where the generation facility or any integrated cluster of such
 facilities has a generating capacity of not more than five megawatts.

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(12) "Eligible renewable resource" means:

(a) Electricity from a generation facility powered by a renewable resource other than freshwater that commences operation after March 31, 1999, where: (i) The facility is located in the Pacific Northwest; or (ii) the electricity from the facility is delivered into Washington state on a real-time basis without shaping, storage, or integration services;

(b) Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest ((or to hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest,)) where the additional

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1 generation ((in either case)) does not result in new water diversions

2 or impoundments;

3 (c) <u>Hydroelectric generation from a project completed after March</u> 4 <u>31, 1999, where the generation facility is located in irrigation pipes,</u> 5 <u>irrigation canals, water pipes whose primary purpose is for conveyance</u> 6 <u>of water for domestic use, and wastewater pipes located in Washington</u> 7 <u>where the generation does not result in new water diversions or</u> 8 <u>impoundments;</u>

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(d) Qualified biomass energy; or

10 (((d))) <u>(e)</u> For a qualifying utility that serves customers in other 11 states, electricity from a generation facility powered by a renewable 12 resource other than freshwater that commences operation after March 31, 13 1999, where: (i) The facility is located within a state in which the 14 qualifying utility serves retail electrical customers; and (ii) the 15 qualifying utility owns the facility in whole or in part or has a long-16 term contract with the facility of at least twelve months or more.

17 (13) "Investor-owned utility" has the same meaning as defined in18 RCW 19.29A.010.

19 (14) "Load" means the amount of kilowatt-hours of electricity 20 delivered in the most recently completed year by a qualifying utility 21 to its Washington retail customers.

(15)(a) "Nonpower attributes" means all environmentally related 22 23 characteristics, exclusive of energy, capacity reliability, and other 24 electrical power service attributes, that are associated with the generation of electricity from a renewable resource, including but not 25 26 limited to the facility's fuel type, geographic location, vintage, 27 qualification as an eligible renewable resource, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of 28 29 carbon dioxide and other greenhouse gases.

30 (b) "Nonpower attributes" does not include any aspects, claims, characteristics, and benefits associated with the on-site capture and 31 32 destruction of methane or other greenhouse gases at a facility through 33 a digester system, landfill gas collection system, or other mechanism, which may be separately marketable as greenhouse gas emission reduction 34 35 credits, offsets, or similar tradable commodities. However, these 36 separate avoided emissions may not result in or otherwise have the 37 effect of attributing greenhouse gas emissions to the electricity.

(16) "Pacific Northwest" has the same meaning as defined for the
 Bonneville power administration in section 3 of the Pacific Northwest
 electric power planning and conservation act (94 Stat. 2698; 16 U.S.C.
 Sec. 839a).

5 (17) "Public facility" has the same meaning as defined in RCW 6 39.35C.010.

7 (18) "Qualified biomass energy" means electricity produced from a 8 biomass energy facility that: (a) Commenced operation before March 31, 9 1999; (b) contributes to the qualifying utility's load; and (c) is 10 owned either by: (i) A qualifying utility; or (ii) an industrial 11 facility that is directly interconnected with electricity facilities 12 that are owned by a qualifying utility and capable of carrying 13 electricity at transmission voltage.

(19) "Qualifying utility" means an electric utility, as the term "electric utility" is defined in RCW 19.29A.010, that serves more than twenty-five thousand customers in the state of Washington. The number of customers served may be based on data reported by a utility in form 861, "annual electric utility report," filed with the energy information administration, United States department of energy.

20 (20) "Renewable energy credit" means a tradable certificate of 21 proof of at least one megawatt-hour of an eligible renewable resource 22 where the generation facility is not powered by freshwater. The 23 certificate includes all of the nonpower attributes associated with 24 that one megawatt-hour of electricity, and the certificate is verified 25 by a renewable energy credit tracking system selected by the 26 department.

(21) "Renewable resource" means: (a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or tidal power; (g) gas from sewage treatment facilities; (h) biodiesel fuel as defined in RCW 82.29A.135 that is not derived from crops raised on land cleared from old growth or first-growth forests where the clearing occurred after December 7, 2006; or (i) biomass energy.

33 (22) "Rule" means rules adopted by an agency or other entity of 34 Washington state government to carry out the intent and purposes of 35 this chapter.

36 (23) "Year" means the twelve-month period commencing January 1st

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1 and ending December 31st.

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