

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 5400**

Chapter 61, Laws of 2013

63rd Legislature  
2013 Regular Session

UTILITIES--ELIGIBLE RENEWABLE RESOURCES

EFFECTIVE DATE: 07/28/13

Passed by the Senate March 11, 2013  
YEAS 25 NAYS 23

BRAD OWEN

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**President of the Senate**

Passed by the House April 9, 2013  
YEAS 92 NAYS 1

FRANK CHOPP

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**Speaker of the House of Representatives**

Approved April 23, 2013, 4:51 p.m.

JAY INSLEE

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**Governor of the State of Washington**

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5400** as passed by the Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

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**Secretary**

FILED

April 24, 2013

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 5400**

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Passed Legislature - 2013 Regular Session

**State of Washington                      63rd Legislature                      2013 Regular Session**

**By** Senate Energy, Environment & Telecommunications (originally sponsored by Senators Honeyford, Ericksen, and Hewitt)

READ FIRST TIME 02/21/13.

1            AN ACT Relating to allowing utilities serving customers in  
2 Washington and in other states to use eligible renewable resources in  
3 their other states to comply with chapter 19.285 RCW, the energy  
4 independence act; and 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 2012 c 22 s 2 are each reenacted and  
7 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.

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

8 (4) "Commission" means the Washington state utilities and  
9 transportation commission.

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

13 (6) "Cost-effective" has the same meaning as defined in RCW  
14 80.52.030.

15 (7) "Council" means the Washington state apprenticeship and  
16 training council within the department of labor and industries.

17 (8) "Customer" means a person or entity that purchases electricity  
18 for ultimate consumption and not for resale.

19 (9) "Department" means the department of commerce or its successor.

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

23 (11) "Eligible renewable resource" means:

24 (a) Electricity from a generation facility powered by a renewable  
25 resource other than freshwater that commences operation after March 31,  
26 1999, where: (i) The facility is located in the Pacific Northwest; or  
27 (ii) the electricity from the facility is delivered into Washington  
28 state on a real-time basis without shaping, storage, or integration  
29 services;

30 (b) Incremental electricity produced as a result of efficiency  
31 improvements completed after March 31, 1999, to hydroelectric  
32 generation projects owned by a qualifying utility and located in the  
33 Pacific Northwest or to hydroelectric generation in irrigation pipes  
34 and canals located in the Pacific Northwest, where the additional  
35 generation in either case does not result in new water diversions or  
36 impoundments; (~~and~~)

37 (c) Qualified biomass energy; or

1       (d) For a qualifying utility that serves customers in other states,  
2 electricity from a generation facility powered by a renewable resource  
3 other than freshwater that commences operation after March 31, 1999,  
4 where: (i) The facility is located within a state in which the  
5 qualifying utility serves retail electrical customers; and (ii) the  
6 qualifying utility owns the facility in whole or in part or has a long-  
7 term contract with the facility of at least twelve months or more.

8       (12) "Investor-owned utility" has the same meaning as defined in  
9 RCW 19.29A.010.

10       (13) "Load" means the amount of kilowatt-hours of electricity  
11 delivered in the most recently completed year by a qualifying utility  
12 to its Washington retail customers.

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

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

25       (16) "Public facility" has the same meaning as defined in RCW  
26 39.35C.010.

27       (17) "Qualified biomass energy" means electricity produced from a  
28 biomass energy facility that: (a) Commenced operation before March 31,  
29 1999; (b) contributes to the qualifying utility's load; and (c) is  
30 owned either by: (i) A qualifying utility; or (ii) an industrial  
31 facility that is directly interconnected with electricity facilities  
32 that are owned by a qualifying utility and capable of carrying  
33 electricity at transmission voltage.

34       (18) "Qualifying utility" means an electric utility, as the term  
35 "electric utility" is defined in RCW 19.29A.010, that serves more than  
36 twenty-five thousand customers in the state of Washington. The number  
37 of customers served may be based on data reported by a utility in form

1 861, "annual electric utility report," filed with the energy  
2 information administration, United States department of energy.

3 (19) "Renewable energy credit" means a tradable certificate of  
4 proof of at least one megawatt-hour of an eligible renewable resource  
5 where the generation facility is not powered by freshwater. The  
6 certificate includes all of the nonpower attributes associated with  
7 that one megawatt-hour of electricity, and the certificate is verified  
8 by a renewable energy credit tracking system selected by the  
9 department.

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

16 (21) "Rule" means rules adopted by an agency or other entity of  
17 Washington state government to carry out the intent and purposes of  
18 this chapter.

19 (22) "Year" means the twelve-month period commencing January 1st  
20 and ending December 31st.

Passed by the Senate March 11, 2013.

Passed by the House April 9, 2013.

Approved by the Governor April 23, 2013.

Filed in Office of Secretary of State April 24, 2013.