

---

## Environment & Energy Committee

---

### HB 1712

**Brief Description:** Allowing the use of electricity generated by qualified biomass facilities in the Pacific Northwest to meet renewable resource requirements.

**Sponsors:** Representatives Waters, Ybarra, Fey, Barnard and Schmidt.

**Brief Summary of Bill**

- Changes requirements for utilities to use electricity generated by a qualified biomass energy facility for the renewable resources target under the Energy Independence Act, including by specifying that the biomass energy facility must be in the Pacific Northwest.

**Hearing Date:** 2/6/25

**Staff:** Megan McPhaden (786-7114).

**Background:**

Energy Independence Act Renewable Resources Target.

The Energy Independence Act (EIA), also known as Initiative 937, requires electric utilities with more than 25,000 customers in the state (qualifying utilities) to meet energy conservation and renewable resources targets.

As of 2020 the renewable resources target is that at least 15 percent of a qualifying utility's load every year must met by using eligible renewable resources and/or by acquiring equivalent renewable energy credits (RECs).

Eligible renewable resources are defined as electricity from a generating facility powered by a renewable resource other than fresh water, that is a new facility as of April 1999. Such

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

generating facilities must be in the Pacific Northwest, or the electricity must be delivered into the state on a real-time basis without shaping, storage, or integration services. The Pacific Northwest includes Oregon; Washington; Idaho; the part of Montana west of the Continental Divide; and the portions of Nevada, Utah, and Wyoming in the Columbia River drainage basin, with limited contiguous areas to these state areas.

Renewable energy credits are tradable certificates of proof of one megawatt-hour of an eligible renewable resource. The certificates include all of the environmental characteristics associated with the megawatt-hour of electricity, and the certificates are verified by a renewable energy credit tracking system.

#### Biomass Energy Under the Energy Independence Act.

Biomass energy is a type of renewable resource. It includes organic by-products of pulping and the wood manufacturing process, animal manure, solid organic fuels from wood, forest or field residues, untreated wooden demolition or construction debris, food waste and food processing residuals, liquors derived from algae, dedicated energy crops, and yard waste. It does not include wood treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic, wood from old growth forests, or municipal solid waste.

There are two categories of biomass energy that may be used by a qualifying utility towards EIA compliance:

1. Biomass energy that meets the definition of an eligible renewable resource—the facility generating the energy commenced operation after March 31, 1999, and is in the Pacific Northwest or the electricity is delivered to the state in real time.
2. Biomass energy that meets the definition of qualified biomass energy. Qualified biomass energy is electricity produced from a biomass energy facility that began operation before March 31, 1999, contributes to the utility's load, and the facility is owned either by the utility or by an industrial facility that is directly interconnected with electrical facilities that are owned by a qualifying utility and capable of carrying electricity at transmission voltage.

Beginning in 2016 only a qualifying utility that owns or is directly interconnected to a qualified biomass energy facility may use the qualified biomass energy to meet its compliance. A qualifying utility may not use electricity and associated RECs from a qualified biomass energy facility if the associated industrial pulping or wood manufacturing facility ceases operation other than for purposes of maintenance and upgrade.

An industrial facility that hosts a qualified biomass energy facility may only transfer or sell renewable energy credits associated with qualified biomass energy generated at its facility to the qualifying utility with which it is directly interconnected with facilities owned by such a qualifying utility and that are capable of carrying electricity at transmission voltage.

The qualifying utility may only use an amount of renewable energy credits associated with qualified biomass energy that are equivalent to the proportionate amount of its annual targets that

was created by the load of the industrial facility. A qualifying utility that owns a qualified biomass energy facility may not transfer or sell renewable energy credits associated with qualified biomass energy to another person, entity, or qualifying utility.

**Summary of Bill:**

Biomass Energy Under the Energy Independence Act

The requirements for a utility's use of electricity generated from qualified biomass energy towards the renewable energy target is changed in the following ways: the electricity does not need to contribute to the qualifying utility's load; the electricity must be purchased by a qualifying utility; and the biomass energy facility must be in the Pacific Northwest.

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.