

SENATE BILL REPORT

SHB 1929

As Reported By Senate Committee On:
Water, Energy & Telecommunications, March 21, 2007

Title: An act relating to authorizing utilities to engage in environmental mitigation efforts.

Brief Description: Authorizing utilities to engage in environmental mitigation efforts.

Sponsors: House Committee on Technology, Energy & Communications (originally sponsored by Representatives Hurst, Morris and Kenney).

Brief History: Passed House: 2/28/07, 97-0.

Committee Activity: Water, Energy & Telecommunications: 3/21/07 [DPA, DNP, w/oRec].

SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

Majority Report: Do pass as amended.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Fraser, Marr, Oemig, Pridemore and Regala.

Minority Report: Do not pass.

Signed by Senators Honeyford, Ranking Minority Member; Delvin and Holmquist.

Minority Report: That it be referred without recommendation.

Signed by Senator Morton.

Staff: William Bridges (786-7424)

Background: The term "climate change" refers to any significant change in measures of climate, such as temperature, which last for decades or longer. Climate change may result from natural causes or human activities.

The National Academy of Sciences, The Inter-Governmental Panel on Climate Change, and The United States' Climate Change Science Program have concluded that human activities, such as the production of greenhouse gases (GHG), are the likely cause of climate change during the last several decades.

GHG offsets enable entities to reduce their GHG emissions profile by arranging for reductions of GHG in other places.

The Washington State Supreme Court recently ruled in Okeson v. City of Seattle, that, among other things, Seattle City Light lacked the authority to mitigate the effects of its GHG emissions by purchasing GHG offsets.

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

Summary of Substitute Bill: Authorizing Emissions Plans: A municipal utility or public utility district (PUD) may develop a plan to reduce its GHG emissions, including a plan to achieve no-net emissions from all GHG sources it owns, leases, uses, contracts for, or otherwise controls.

Authorizing GHG Emissions Mitigation: A municipal electric utility or a PUD may, as part of its utility operation, mitigate the environmental impacts of its operations and any power purchases. Mitigation may include all GHG mitigation mechanisms recognized by an independent, qualified organization with proven experience in emission mitigation activities. It may also include the purchase, trade, or banking of greenhouse gases offsets or credits.

If a state GHG registry is established, a utility that has purchased, traded, or banked GHG mitigation mechanisms under this act must receive credit in the registry.

Legislative Findings: The Legislature finds and declares that GHG offset contracts and other mitigation efforts are a recognized utility purpose that confers a direct benefit on the utility's ratepayers.

EFFECT OF CHANGES MADE BY RECOMMENDED STRIKING AMENDMENT(S) AS PASSED COMMITTEE (Water, Energy & Telecommunications): Authorizes cities or towns to mitigate the environmental impacts from the operation of the following utilities: water, sewerage, storm water, surface water, or solid waste handling. Authorizes counties to mitigate the environmental impacts from their utilities or other ratepayer funded activities.

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: None.

Persons Testifying: No one.