
Environment Committee

HB 1347

Brief Description: Allowing incremental electricity produced as a result of efficiency improvements to hydroelectric generation projects whose energy output is marketed by the Bonneville power administration to qualify as an eligible renewable resource under the energy independence act.

Sponsors: Representatives Short, Takko, Kretz, Kristiansen, Klippert, Pike, Haler, Angel, Harris, Smith, Hayes, Magendanz, Vick, Buys, Schmick, Holy, Warnick, Dahlquist, Shea, Condotta, Fagan and Parker.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Allows an additional source to qualify as an eligible renewable resource under the Energy Independence Act.

Hearing Date: 2/5/13

Staff: Scott Richards (786-7156).

Background:

The Energy Independence Act.

Approved by voters in 2006, the Energy Independence Act (EIA), also known as Initiative 937, requires electric utilities with 25,000 or more customers to meet targets for energy conservation and for using eligible renewable resources. Utilities that must comply with the EIA are called qualifying utilities.

Eligible Renewable Resource Targets and Compliance Dates.

Each qualifying utility must use eligible renewable resources or acquire equivalent renewable energy credits, or a combination of both, to meet the following annual targets:

- at least 3 percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;

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- at least 9 percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and
- at least 15 percent of its load by January 1, 2020, and each year thereafter.

Eligible Renewable Resource.

For a renewable resource to be considered an eligible renewable resource under the EIA, the electricity produced by the renewable resource must meet the following conditions:

- electricity produced from a renewable resource must be generated in a facility that started operating after March 31, 1999 and must either be located in the Pacific Northwest or the electricity from the facility must be delivered into the state on a real-time basis;
- electricity produced from a biomass energy facility that commenced operation before March 31, 1999, contributes to the qualifying utility's load, and is owned either by a qualifying utility or an industrial facility that is directly interconnected with electricity facilities that are owned by a qualifying utility and capable of carrying electricity at transmission voltage; or
- 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 generation in either case does not result in new water diversions or impoundments.

"Renewable resource" includes: (1) wind; (2) solar; (3) geothermal energy; (4) landfill and sewage gas; (5) wave, ocean, and tidal power; (6) water; and (7) certain biomass and biodiesel fuels. Biomass is classified as an eligible renewable resource if it is derived from: (1) organic by-products of pulping and the wood manufacturing process; (2) animal manure; (3) solid organic fuels from wood; (4) forest or field residues; (5) untreated wooden demolition or construction debris; (6) food waste and food processing residuals; (7) liquors derived from algae; (8) dedicated energy crops; and (9) yard waste. Biomass derived from the following is not considered an eligible renewable resource: wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; wood from old growth forests; and municipal solid waste.

Renewable Energy Credit.

A renewable energy credit (REC) is a tradable certificate of proof, verified by the Western Renewable Energy Generation Information System, of at least one megawatt hour of an eligible renewable resource, where the generation facility is not powered by fresh water. Under the EIA, a REC represents all the nonpower attributes associated with the power. Renewable energy credits can be bought and sold in the marketplace, and they may be used during the year they are acquired, the previous year, or the subsequent year.

Bonneville Power Administration.

The Bonneville Power Administration (BPA) is a non-profit, federal agency that markets wholesale electrical power from 31 federal hydro projects in the Columbia River Basin, one nonfederal nuclear plant and several other small nonfederal power plants. The dams are operated by the U.S. Army Corps of Engineers and the Bureau of Reclamation. About one-third of the electric power used in the Northwest comes from the BPA.

Summary of Bill:

Beginning January 1, 2016, a qualifying utility may use an additional eligible renewable resource to meet its eligible renewable resource targets.

The added eligible renewable resource is that portion of incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, attributable to a qualifying utility's share of the electricity output to hydroelectric generation projects whose energy output is marketed by the Bonneville Power Administration where the additional generation does not result in new water diversions or impoundments.

A qualifying utility may not transfer or sell these eligible renewable resources to another utility for compliance purposes under the Energy Independence Act.

Appropriation: None.

Fiscal Note: Available.

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