

HOUSE BILL REPORT

SSB 5921

As Reported by House Committee On:
Technology, Energy & Communications
General Government Appropriations

Title: An act relating to creating a clean energy leadership initiative.

Brief Description: Creating a clean energy leadership initiative.

Sponsors: Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Rockefeller, Pridemore, Ranker, Kline and Kohl-Welles).

Brief History:

Committee Activity:

Technology, Energy & Communications: 3/18/09, 3/26/09 [DPA];
General Government Appropriations: 4/1/09, 4/3/09 [DPA(TEC)].

**Brief Summary of Substitute Bill
(As Amended by House)**

- Directs the Governor to establish a clean energy leadership initiative and council.

HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

Majority Report: Do pass as amended. Signed by 9 members: Representatives McCoy, Chair; Carlyle, Eddy, Finn, Hasegawa, Hudgins, Jacks, Takko and Van De Wege.

Minority Report: Do not pass. Signed by 5 members: Representatives Crouse, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Condotta, Herrera and McCune.

Staff: Kara Durbin (786-7133)

Background:

Through a combination of financial incentives, regulatory policies, executive orders, and local policies, state and local governments have pursued the use of renewable energy and

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clean energy technologies. Some examples include: (1) setting a target for state and local fleets to use 100 percent biofuel or electricity; (2) enacting net metering laws and regulations to facilitate on-site renewable energy generation; (3) declaring state requirements for reducing greenhouse gas emissions; (4) creating tax incentives to promote the development of renewable energy; and (5) enacting efficiency standards for new appliances.

The Energy Policy Division of the Department of Community, Trade and Economic Development (DCTED) is charged with supervising and administrating energy-related activities in the state, as well as advising the Governor and the Legislature with respect to energy matters affecting the state. Responsibility for implementing energy education, applied research, and technology transfer programs rests with Washington State University's Energy Extension Program.

Summary of Amended Bill:

The Governor must create a clean energy leadership initiative in collaboration with a statewide public-private alliance. The stated goal of the initiative is to grow the clean energy sector in Washington.

A 15-member Clean Energy Leadership Council (Council) is created to carry out the clean energy initiative.

The Council must conduct a strategic analysis to identify clean energy industry segments in which Washington has a competitive advantage or strength and develop a set of recommendations to the Governor and Legislature by December 1, 2009. Within a month of submitting the strategic analysis and recommendations, the Council must convene a clean energy summit with the Governor and legislative leaders.

The Council must also:

- identify an institutional mechanism to implement its recommendations; and
- review investments made by Washington State University's Energy Extension Program, the Energy Policy Division of the DCTED, utilities, and other entities to identify ways to use those funds to increase the state's competitiveness in clean energy technology.

The Governor must designate a person to serve as the single point of contact for all energy and climate change initiatives within state government. State agencies, councils, or work groups with energy or climate change initiatives must coordinate with this designee.

Amended Bill Compared to Original Bill:

The amended bill changes references to the state energy office to the DCTED's Energy Policy Division. The amended bill removes the requirement that the Council prepare recommendations related to workforce training. The amended bill adds that the Governor

must designate a person to serve as the single point of contact for all energy and climate change initiatives within state government.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) Our state has an impressive record in the renewable energy and clean energy sector. However, a strategic plan is needed to continue to grow these sectors in the future. This council is meant to bring together public and private interests to encourage investment in clean energy. Washington is a leader in sustainable energy, but growing the clean energy sector is more challenging to do as a state. A state energy strategy is needed to better position the state to lead in this area. Many of the federal dollars will be competitively awarded, and it is the states that are well-organized that will receive the money. This bill is about job creation in the green economy through public-private partnerships. Clean energy is a top priority of Washington State University.

(Opposed) None.

Persons Testifying: Senator Rockefeller, prime sponsor; Marc Cummings, Battelle and Washington Clean Technology Alliance; Lew McMurrin, Washington Technology Industry Association; Larry Ganders, Washington State University; and Jim Henrick, Spokane Intercollegiate Research and Technology Institute.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON GENERAL GOVERNMENT APPROPRIATIONS

Majority Report: Do pass as amended by Committee on Technology, Energy & Communications. Signed by 9 members: Representatives Darneille, Chair; Takko, Vice Chair; Blake, Dunshee, Hudgins, Kenney, Pedersen, Sells and Williams.

Minority Report: Do not pass. Signed by 5 members: Representatives McCune, Ranking Minority Member; Hinkle, Assistant Ranking Minority Member; Armstrong, Crouse and Short.

Staff: Alex MacBain (786-7288)

Summary of Recommendation of Committee On General Government Appropriations Compared to Recommendation of Committee On Technology, Energy & Communications:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) There are a lot of issues going on with the clean energy alliance coming up with industrial sized clean energy options. The problem in Washington is that right now there is a haphazard bunch of stuff happening, not a coordinated, focused strategic plan for ways to develop clean energy options that will provide real jobs, and make real energy alternatives available to the citizens of Washington. What is envisioned here is to have \$200,000 from the state and \$200,000 from private sources to come together with a group to act as a board of directors, including research universities, Pacific Northwest National Lab, private sector investors, state agencies, and the Governor's Office. The purpose is to develop a true framework for and strategic plan to develop some of these sectors to become national and international leaders.

(Opposed) None.

Persons Testifying: Jim Jesernig, Battelle Northwest.

Persons Signed In To Testify But Not Testifying: None.