

SENATE BILL REPORT

SB 6450

As Reported By Senate Committee On:
Environment, Energy & Water, February 5, 2002

Title: An act relating to the aggregated purchasing of clean energy and clean vehicles.

Brief Description: Encouraging aggregated purchasing of clean energy and clean vehicles.

Sponsors: Senators Jacobsen, Kline and Keiser.

Brief History:

Committee Activity: Environment, Energy & Water: 1/29/02, 2/5/02 [DPS].

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & WATER

Majority Report: That Substitute Senate Bill No. 6450 be substituted therefor, and the substitute bill do pass.

Signed by Senators Fraser, Chair; Regala, Vice Chair; Eide, Hale, Honeyford, Keiser, McDonald and Morton.

Staff: Andrea McNamara (786-7483)

Background: The Department of General Administration (GA) has the responsibility for establishing certain purchasing and material control policies for all state agencies, including educational institutions. Under current law, GA must maintain guidelines and criteria for the purchase of vehicles, alternative vehicle fuels and systems, equipment, and materials that reduce overall energy-related costs and energy use by the state. The guidelines require that all new passenger vehicles purchased must meet federal minimum standards for fuel economy.

GA is also responsible for purchasing vehicles for the state motor pool. Current law requires GA and other state agencies to explore opportunities to reduce the costs of purchasing alternative fuel vehicles by combining purchases with the federal government, state agencies and agencies of other states, local governments, or private organizations.

In 1991, the Legislature adopted procurement requirements for vehicles purchased through the state contract. At least 30 percent of all new vehicles purchased through the state contract must be clean-fuel vehicles, and the percentage of clean-fuel vehicles purchased must increase at the rate of 5 percent per year.

In 2001, the Legislature enacted a requirement that electric utilities must begin providing their retail customers a voluntary option to purchase qualified alternative energy resources. Qualified alternative energy resources include electricity from generating facilities that are fueled by wind, solar energy, geothermal energy, landfill gas, wave or tidal action, gas produced during the treatment of wastewater, qualified hydropower, or certain biomass energy. Utilities must report annually on the implementation of their clean energy offerings.

The Department of Community, Trade, and Economic Development prepares a biennial energy report to the Legislature and the Governor on the implementation of the state energy strategy and other important energy issues as appropriate.

Summary of Substitute Bill: The Department of General Administration (GA) must include high gas mileage vehicles, lower emission vehicles, and qualified alternative energy resources within its state purchasing guidelines. Such guidelines must also include investigations into opportunities for aggregated purchasing by state and local governments.

State agencies and GA must explore aggregated purchasing opportunities before completing any planned purchases of high gas mileage and lower emission vehicles. GA must attempt to increase purchases of clean fuel vehicles beyond the minimum procurement levels in current law by investigating all known opportunities for lowering costs and aggregating purchases with local governments.

Utilities are encouraged to pursue all known, lawful opportunities to aggregate their qualified alternative energy purchases with other utilities for the purpose of making such bulk purchases more cost-efficient. They must include the results of such efforts in their required reports to the Legislature about their clean energy offerings.

The Department of Community, Trade, and Economic Development must include certain information in its next biennial energy report, including the percentage of clean-fuel vehicles purchased in 2001 through a state contract, and the results of efforts by GA and other state agencies to aggregate purchases of higher gas mileage and lower emission vehicles and qualified alternative energy resources.

Substitute Bill Compared to Original Bill: The substitute bill makes two clarifying changes: (1) it clarifies that the purchasing guidelines must only include investigations into aggregation opportunities for state-owned or leased facilities within a serving utility's service area; and (2) it clarifies that utilities may, but are not required, to pursue aggregation of their clean energy purchases under specified conditions.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Washington should join other state and local governments that are taking leadership in purchasing clean technologies. Aggregation offers cost-efficiencies, through economies of scale, to both consumers and producers of clean vehicles and clean electricity. The bill will provide air quality benefits to the state by promoting cleaner energy use. It will also help municipalities in their franchise negotiations with electric utilities.

Testimony Against: None.

Testified: PRO: Mark Foutch, Mayor Pro Tem, City of Olympia; Donna Ewing, League of Women Voters of WA; Linda VerNory, NW Council on Climate Change; Collins Sprague, AVISTA Corp.

