

# SENATE BILL REPORT

## E2SSB 6718

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As Passed Senate, February 28, 2002

**Title:** An act relating to state government as a leader in clean energy consumption.

**Brief Description:** Making state government a leader in clean energy consumption.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Fraser, Finkbeiner, Regala, Keiser, Jacobsen, Poulsen and Franklin).

**Brief History:**

**Committee Activity:** Environment, Energy & Water: 2/5/02, 2/8/02 [DPS-WM, DNP].  
Ways & Means: 2/11/02, 2/12/02 [DP2S, DNP].  
Passed Senate: 2/18/02, 45-3.

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### SENATE COMMITTEE ON ENVIRONMENT, ENERGY & WATER

**Majority Report:** That Substitute Senate Bill No. 6718 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Fraser, Chair; Regala, Vice Chair; Eide, Jacobsen and Keiser.

**Minority Report:** Do not pass.

Signed by Senators Hale, Honeyford, McDonald and Morton.

**Staff:** Andrea McNamara (786-7483)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Second Substitute Senate Bill No. 6718 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Brown, Chair; Regala, Vice Chair; Fairley, Vice Chair; Fraser, Kline, Kohl-Welles, Poulsen, Rasmussen, B. Sheldon, Snyder, Spanel, Thibaudeau and Winsley.

**Minority Report:** Do not pass.

Signed by Senators Hewitt, Honeyford, Parlette and Rossi.

**Staff:** Erin Hannan (786-7708)

**Background:** According to the Washington State University Cooperative Extension Energy Program, net greenhouse gas emissions in Washington State are projected to increase from 1990 to 2010 at a rate substantially higher than the state's population growth during the same time frame. The most significant change in net emissions is attributable to the state's energy use, with the electric utility sector projected to show the largest percentage increase in its net

emissions and the transportation sector projected to show the largest absolute increase in carbon dioxide emissions.

The state has an official Energy Strategy, developed in 1991 and adopted by the Legislature in 1994 as the primary guidance for implementing the state's energy policy. The Energy Strategy covers five main topic areas, including transportation challenges; energy for buildings, farms, and industry; protecting our environment; siting energy facilities; and public awareness and education. The Department of Community, Trade, and Economic Development (CTED) is responsible for preparing a biennial report to the Governor and the Legislature in which progress toward implementing the state's Energy Strategy is reported.

Last year, the Legislature enacted a requirement that all electric utilities offer their customers, by January 1, 2002, a voluntary option to purchase electricity from qualified alternative energy resources which include renewable power sources that produce little or no greenhouse gas emissions (such as solar, wind, biomass, certain hydropower, and fuel cell generating facilities).

Some public and private entities are voluntarily exploring ways to reduce or offset some or all of the net greenhouse gas emissions attributable to their operations. Their efforts include energy conservation and efficiency measures, use of cleaner energy sources, the purchase of emissions credits, and investments in emissions mitigation programs and technologies.

**Summary of Bill:** Legislative findings are made focusing on why state government should be a leader in promoting and utilizing clean energy.

For the purposes of the bill, "state government" is defined to include executive branch agencies that are managed by Governor-appointed executives and state higher education institutions.

The powers and duties of the Department of Community, Trade, and Economic Development (CTED) are expanded to include developing recommendations for consideration by the Governor and Legislature to encourage state agencies to rely on clean energy resources.

The Department of General Administration (GA) shall encourage each state agency to use clean energy resources, within existing resources. Each agency is encouraged to obtain at least 2 percent of its energy consumption from clean energy resources or seek a reduction in consumption of at least 2 percent through conservation or efficiencies or a combination thereof. The cumulative goal is 10 percent by June 30, 2011.

The next biennial energy report that is due from CTED in December 2002, must contain several specified information items, including the following: (1) current and potential future contributions to global climate change attributable to state government; (2) identification and analysis of specific strategies and options to reduce or offset contributions to global climate change attributable to the state's energy consumption, including a list of suggested strategies and options to analyze; and (3) implementation progress report on electricity portfolio purchase goals stated in the bill, including an analysis of the projected costs and projected benefits.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For (Environment, Energy & Water):** State action to address greenhouse gas emissions is critical until a national strategy is adopted. This bill would make Washington a leader and a model without having a regulatory impact on the private sector. "Greening" state government is a good way to jump start new utility green tariff programs by increasing the demand for cleaner energy.

**Testimony Against (Environment, Energy & Water):** (Original bill) This bill is not fiscally responsible in the current budget situation because it will mandate state agencies to purchase more expensive electricity. The bill is not needed because agencies can already take advantage of conservation and renewable resource alternatives if and when they choose to and can afford to.

**Testified (Environment, Energy & Water):** PRO: Senator Karen Fraser, prime sponsor; Danielle Dixon, NW Energy Coalition; Heather Rhoads-Weaver, NW Seed; CON: Kristin Sawin, AWB; CONCERNS: Dave Arbaugh, Calpine Corp. OTHER: Collins Sprague, Avista.

**Testimony For (Ways & Means):** This bill enables Washington State government to be a leader in clean energy consumption. The bill supports clean air in Washington and the impacts to overall global climate change.

**Testimony Against (Ways & Means):** The bill is unnecessary because the Legislature authorized green tariffs last year. There is no market analysis of renewable versus standard tariffs and their respective costs to the state. Renewable tariffs are generally more expensive and the fiscal note does not reflect this.

**Testified (Ways & Means):** Senator Karen Fraser, prime sponsor (pro); Craig Engleking, Sierra Club (pro); Kristen Sawin, AWB (con).