

6716

Sponsor(s): Senators Murray and Kline

Brief Description: Promoting qualified alternative energy resources.

**SB 6716 - DIGEST**

Finds that: (1) In 2001, the legislature recognized the importance of advancing the development of a market for qualified alternative energy resources by requiring as a matter of law that all electric utilities in the state, except small utilities, offer a green rate option, which entails the offering of a voluntary option for retail electric customers to purchase qualified alternative energy resources through their local utility;

(2) Green rate options have generally been successful, even though they have been offered less than three years. However, two factors may be hindering the progress of these programs. One is that renewable resources have cost more than basic electric utility rates, making the options less economically attractive to customers. The second factor is a requirement that all costs associated with a green rate option must be borne by those customers who subscribe to it;

(3) Because all costs involved with providing a green rate option must be allocated to its subscribers, marketing costs can compound an option's comparatively high cost and may diminish customer interest in it; and

(4) The high cost of green rate options relative to basic electric utility rates may be a particular economic deterrent to low-income residential customers.

Declares: (1) It is in the public interest that electric utilities that offer a green rate option should be allowed a tax incentive to more aggressively market their programs with little or no additional expense to subscribers to the green rate option; and

(2) Low-income residential customers should be given an opportunity to benefit from subscribing to a green rate option and contribute to the betterment of the state's environment through a billing discount for a green rate option that is supported by a tax incentive. Any billing discount that is not supported by a tax incentive would merely add to the cost of a green rate option to other customers and thus reduce its economic attractiveness overall.