
**Technology, Energy &
Communications Committee**

HB 2349

Brief Description: Providing new renewable energy standards.

Sponsors: Representatives Morris, Hudgins and Chase.

Brief Summary of Bill

- Establishes a renewable energy standard for state agencies, which increases in phases from 2006 to 2010.

Hearing Date: 1/10/06

Staff: Kara Durbin (786-7133).

Background:

In Washington, most of the electricity generated comes from hydroelectric projects. According to the state's 2004 electricity fuel mix report, hydroelectric power accounts for 66 percent of electricity sold; coal represents 18 percent; natural gas supplies 9 percent; and nuclear power supplies 6 percent. Non-hydro renewable sources such as wind, solar, landfill gas, and biomass represent 1.52 percent.

Beginning January 1, 2002, all electric utilities (other than small electric utilities) had to offer their customers the option to purchase electricity generated using alternative energy resources. This was a voluntary approach to encourage the use and development of electricity generation through a mix of renewable resources. The Department of Community, Trade, and Economic Development (DCTED) and the Utilities and Transportation Commission (UTC) must report annually on the products offered to customers, customer participation, and the investments made by each utility in qualifying alternative energy resources.

According to the 2005 green power report submitted by DCTED and the UTC, customers purchased 14.88 average megawatts of green power through voluntary green power programs between January and September 2005. This represents a 57% increase over 2004 green power sales. In terms of customer participation, the green power program has seen an 11% increase in customer participation since 2004 and a 139% increase since the program's inception in 2002.

Summary of Bill:

The bill establishes renewable energy standards for state agencies. State agencies are directed to purchase a certain percentage of their total electricity from qualified alternative energy resources. The renewable energy standard is increased in phases:

- By July 1, 2006, state agencies must buy at least five percent of their total electricity from qualified alternative energy resources.
- By July 1, 2007, state agencies must buy at least ten percent of their total electricity from qualified alternative energy resources.
- By July 1, 2008, state agencies must buy at least fifteen percent of their total electricity from qualified alternative energy resources.
- By July 1, 2009, state agencies must buy at least twenty percent of their total electricity from qualified alternative energy resources.

A utility may purchase qualified alternative energy resources one of two ways: (1) through resources it owns in the state of Washington or resources the utility contracts for; or (2) through purchasing credits issued by a clearinghouse or other system. If credits are purchased, there must be verifiable evidence that a second party has a qualified energy resource generated within the state and that the second party has agreed to transfer such evidence exclusively for the benefit of the utility.

A qualified alternative energy resource is defined as electricity produced from generation facilities fueled by any of the following sources: wind; solar energy; geothermal energy, biogas produced during treatment of human or animal waste or evolved from landfills; wave or tidal action; gas produced during the treatment of wastewater; qualified hydropower; combined heat and power or cogeneration; or biomass energy.

Appropriation: None.

Fiscal Note: Requested on 1/04/2006.

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