

FINAL BILL REPORT

SHB 1929

C 349 L 07

Synopsis as Enacted

Brief Description: Authorizing utilities to engage in environmental mitigation efforts.

Sponsors: By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Hurst, Morris and Kenney).

House Committee on Technology, Energy & Communications
Senate Committee on Water, Energy & Telecommunications

Background:

The term "climate change" refers to any change in climate over time, whether due to natural variability or as a result of human activity.

Greenhouse gases are gases that trap heat in the atmosphere. Some greenhouse gases, such as carbon dioxide, occur naturally and are emitted into the atmosphere through natural processes and human activities. Other greenhouse gases, such as fluorinated gases, are created and emitted solely through human activities.

The National Academy of Sciences, the Intergovernmental Panel on Climate Change, and the U.S. Climate Change Science Program have concluded that human activities, such as the production of greenhouse gases, have had a discernible impact on the global climate during the last several decades.

In January of 2007, the Washington State Supreme Court (Court) ruled that Seattle City Light lacked the authority to use ratepayer money for greenhouse gases offset contracts. In reaching its conclusion, the Court first concluded that Seattle City Light did not have the express statutory authority to pay other entities to reduce their greenhouse gases emissions. Second, it concluded that Seattle City Light did not act within its implied or incidental powers because Seattle City Light's offset contracts are: (1) not proprietary in nature; and (2) not within the object and purpose of the utility's enabling statute.

Summary:

Legislative Finding.

The Legislature finds and declares that greenhouse gases offset contracts and other greenhouse gases mitigation efforts are a recognized utility purpose that confers a direct benefit on the utility's ratepayers.

Authority to Develop an Emissions Plan.

The following public entities are authorized to develop a plan to reduce their greenhouse gases emissions:

- (1) cities or towns serving their inhabitants with water, electricity, or services for sewerage, storm water, surface water, or solid waste handling;
- (2) counties authorized to acquire and operate utilities, or conduct other proprietary, user, or ratepayer funded activities; and
- (3) public utility districts.

This plan may include a plan to achieve no-net emissions from all sources of greenhouse gases that the city or town, county, or public utility district owns, leases, uses, contracts for, or otherwise controls.

Authority to Mitigate Greenhouse Gases Emissions.

The following public entities are authorized to engage in activities to mitigate the environmental impacts of their operations and any power purchases:

- (1) cities or towns serving their inhabitants with water, electricity, or services for sewerage, storm water, surface water, or solid waste handling;
- (2) counties authorized to acquire and operate utilities, or conduct other proprietary, user, or ratepayer funded activities; and
- (3) public utility districts.

Mitigation may include all greenhouse gases mitigation mechanisms recognized by an independent, qualified organization with proven experience in emission mitigation activities. It may also include the purchase, trade, or banking of greenhouse gases offsets or credits.

For counties, ratepayer funds, fees, or other revenue dedicated to a county utility or other proprietary, user, or ratepayer funded activity may be spent to reduce or mitigate the environmental impacts of greenhouse gases emitted as a result of that function.

If a state greenhouse gases registry is established, a city or town, county, or public utility district that has purchased, traded, or banked greenhouse gases mitigation mechanisms under this act must receive credit in the registry.

Votes on Final Passage:

House	97	0	
Senate	33	13	(Senate amended)
House	92	2	(House concurred)

Effective: July 22, 2007