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**Technology, Energy &  
Communications Committee**

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**HB 2994**

**Brief Description:** Promoting renewable energy.

**Sponsors:** Representatives Takko, Crouse, Hasegawa, VanDeWege, Roberts, Hankins and Haler.

**Brief Summary of Bill**

- Establishes the Renewable Energy Production Incentive Act.
- Provides production incentive payments to the owner of a qualified renewable energy facility for generation of electricity.

**Hearing Date:** 1/29/08

**Staff:** Scott Richards (786-7156).

**Background:**

The federal Renewable Energy Production Incentive (REPI) provides financial incentive payments for electricity produced and sold by new qualifying renewable energy generation facilities. Qualifying facilities are eligible for annual incentive payments of 1.5 cents per kilowatt-hour (in 1993 dollars and indexed for inflation) for the first 10-year period of their operation. These payments are subject to the availability of annual appropriations by the federal government in each federal fiscal year.

The REPI was originally authorized under the Energy Policy Act of 1992 and re-authorized under the Energy Policy Act of 2005 for fiscal years 2006 through 2026. The Energy Policy Act of 2005 expanded the list of eligible technologies and facilities owners.

Eligible electric production facilities include not-for-profit electrical cooperatives, public utilities, state governments, commonwealths, territories, possessions of the U.S., the District of Columbia, tribal governments, or native corporations that sell the project's electricity to someone else.

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Qualifying facilities must use solar, wind, geothermal (with certain restrictions), or biomass (excluding municipal solid waste combustion), landfill gas, livestock methane, or ocean (tidal, wave, current, and thermal) generation technologies. Fuel cells using hydrogen derived from eligible biomass facilities are also considered an eligible technology.

If there are insufficient appropriations to make full payments for electric production from all qualified facilities for a fiscal year, 60 percent of appropriated funds are to be assigned to facilities that use solar, wind, ocean, geothermal, or closed-loop biomass technologies; and 40 percent of appropriated funds for the fiscal year to other projects.

Investor Owned Utilities (IOUs) are eligible for a Renewable Energy Production Tax Credit payment under a separate section of the Energy Policy Act of 1992.

**Summary of Bill:**

This act known as the Renewable Energy Production Incentive (REPI) Act provides payments, made by the State of Washington, to the owner of any qualified renewable energy facility of 1.5 cents per kilowatt hour (adjusted for inflation) of electricity generated by the facility. Payments are not to exceed 10 fiscal years.

Upon receipt of funds from the federal REPI program, the owner of a qualified renewable energy facility must repay, without interest, the State of Washington, up to the maximum amount received from the state for that facility for the same time period.

The Department of Community, Trade, and Economic Development, after consultation with the owner of a qualified renewable energy facility, is responsible for determining the eligibility of a facility for the state REPI payment.

The term "qualified renewable energy facility" means a qualified renewable energy facility that is eligible for the renewable energy production incentive under 42 U.S.C. Sec. 13317 as of January 3, 2005.

**Appropriation:** None.

**Fiscal Note:** Requested on January 25, 2008.

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