

SENATE BILL REPORT

SB 5383

As Passed Senate, March 10, 2007

Title: An act relating to the energy freedom program.

Brief Description: Modifying provisions of the energy freedom program.

Sponsors: Senators Hargrove, Poulsen, Hatfield, Rockefeller, Rasmussen and Kohl-Welles.

Brief History:

Committee Activity: Water, Energy & Telecommunications: 2/13/07, 2/23/07 [DP].
Passed Senate: 3/10/07, 48-0.

SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

Majority Report: Do pass.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Fraser, Holmquist, Marr, Morton, Oemig, Pridemore and Regala.

Staff: William Bridges (786-7424)

Background: Energy Freedom Program: Established within the Department of Agriculture in 2006, the Energy Freedom Program provides financial and technical assistance to public entities for: (1) the construction of facilities to convert farm products or wastes into electricity or gaseous or liquid fuels or other co-products; and (2) the construction of facilities used to store or distribute such feedstocks or products. Eligibility is determined according to a number of criteria, including the technical feasibility and commercial viability of a project. The amount of assistance under the program is limited to no more than 50 percent of the total cost of a project up to \$5 million.

Eight projects have received assistance under the Energy Freedom Program: six loans to support oilseed processing for biodiesel, and two loans to support anaerobic digestion.

Community Action Agencies: Funded by federal and state grants and other funding sources, community action agencies are organizations that work with various government agencies to deliver housing, health, education, nutrition, and job placement services to those with incomes at or below 125 percent of the federal poverty level. There are 31 community action agencies in the state that serve all 39 counties. Twenty seven community action agencies are private not-for-profit organizations and four are publicly operated, three by county governments and one by a city government.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: Expanding the Energy Freedom Program: The program is expanded to include wind power projects owned by community action agencies in the state.

Approval Criteria: When reviewing an application for a wind project, the Department of Agriculture, in cooperation with the Department of Community, Trade and Economic Development (CTED), may approve an award for assistance only if the Director of Agriculture finds that: (1) the project is owned by a community action agency in the state; and (2) any profits generated from the sale of the wind power are wholly used for the agency's nonprofit purposes. Assistance may constitute 100 percent of a project's total project, up to five million dollars.

Prioritization of Applications: If the total requested amount of funds exceeds the amount of funds available in the Energy Freedom Program, project applications must be prioritized based on the extent a project will support a community action agency, among other criteria.

Legislative Findings: Findings are added concerning the importance of community action agencies and wind power.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: There is never enough money to assist low-income persons in paying their bills and finding housing. By helping community action agencies generate income from wind farms, such as the Coastal Energy Project, the Legislature can promote a renewable energy while at the same time assisting low-income persons. It is a win-wind solution. The Coastal Community Action Program in Aberdeen has completed a feasibility plan, secured land commitments, and received support from the local public utility district for a wind project that can raise \$600,000 a year for low-income programs. The Coastal Community Action Program is seeking financial assistance from the state to help make the project a reality.

Persons Testifying: PRO: Senator Hargrove, prime sponsor; Craig Dublanko, Coastal Community Action Program.