
SUBSTITUTE HOUSE BILL 1032

State of Washington 60th Legislature 2007 Regular Session

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Hudgins, Anderson, Wallace, Moeller, B. Sullivan and Chase)

READ FIRST TIME 02/20/07.

1 AN ACT Relating to creating a sustainable energy trust; and adding
2 a new chapter to Title 80 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature intends to promote the
5 development of sustainable energy resources and smart energy
6 technologies and to improve system reliability by establishing utility-
7 based sustainable energy trusts that can be used to reduce the cost of
8 deploying sustainable energy projects and smart energy technologies in
9 the state.

10 NEW SECTION. **Sec. 2.** The definitions in this section apply
11 throughout this chapter unless the context clearly requires otherwise.

12 (1) "Commission" means the Washington state utilities and
13 transportation commission.

14 (2) "Consumer-owned utility" includes a municipal electric utility
15 formed under Title 35 RCW, a public utility district formed under Title
16 54 RCW, an irrigation district formed under chapter 87.03 RCW, a
17 cooperative formed under chapter 23.86 RCW, a mutual corporation or
18 association formed under chapter 24.06 RCW, a port district formed

1 under Title 53 RCW, or a water-sewer district formed under Title 57
2 RCW, that is authorized to and engaged in the business of distributing
3 electricity or natural gas to one or more retail customers in the
4 state.

5 (3) "Department" means the energy policy division of the department
6 of community, trade, and economic development.

7 (4) "Electric utility" means an investor-owned utility and
8 consumer-owned utility that is authorized to and engaged in the
9 business of distributing electricity to one or more retail customers in
10 the state.

11 (5) "Investor-owned utility" means a corporation owned by investors
12 that meets the definition of RCW 80.04.010 and is engaged in
13 distributing electricity or natural gas to more than one retail
14 electric customer in the state.

15 (6) "Governing body" means the board of directors, city council, or
16 the commissioners of any consumer-owned utility.

17 (7) "Natural gas utility" means an investor-owned utility and
18 consumer-owned utility that is authorized to and engaged in the
19 business of distributing natural gas to one or more retail customers in
20 the state.

21 (8) "Smart energy" means the use of technology to allow electrical
22 networks to operate efficiently and to link small-scale sustainable
23 energy resources to the grid.

24 (9) "Sustainable energy resources" means solar energy, wind, ocean
25 thermal energy, wave or tidal energy, fuel cells, landfill gas and low
26 emission advanced biomass conversion technologies, high-efficiency
27 cogeneration with an efficiency level above seventy percent, and other
28 emerging energy technologies that significantly reduce pollution from
29 existing technologies and have significant potential for
30 commercialization.

31 NEW SECTION. **Sec. 3.** All electric and natural gas utilities may
32 collect a monthly system benefits charge from all retail electricity
33 and natural gas customers served by the utility. The purpose of the
34 system benefits charge is to foster the growth, development, and
35 commercialization of sustainable energy resources of five megawatts or
36 less or smart energy technologies that are connected to the
37 distribution system of an electric utility.

1 NEW SECTION. **Sec. 4.** (1) Before collecting a system benefits
2 charge, a consumer-owned utility must prepare and submit to its
3 governing board a sustainable energy trust proposal consisting of the
4 following: A list of proposed sustainable energy resource or smart
5 energy technology projects; a project management plan for each proposed
6 project containing technical milestones and stage-gates; the cost of
7 each project; the amount required to be collected through a system
8 benefits charge to develop each project; and the estimated time frame
9 for collecting the system benefits charge.

10 (2) Before collecting a system benefits charge, an investor-owned
11 utility must prepare and submit to the commission a sustainable energy
12 trust proposal consisting of the following: A list of proposed
13 sustainable energy resource or smart energy technology projects; a
14 project management plan for each proposed project containing technical
15 milestones and stage-gates; the cost of each project; the amount
16 required to be collected through a system benefits charge to develop
17 each project; and the estimated time frame for collecting the system
18 benefits charge.

19 (3) Consumer-owned and investor-owned utilities shall make
20 available upon request the list of proposed and approved projects and
21 the project management plans for each project.

22 NEW SECTION. **Sec. 5.** (1)(a) Upon approval of the sustainable
23 energy trust proposal by the governing board, a consumer-owned utility
24 may collect a system benefits charge for a time approved by the
25 governing board.

26 (b) Upon approval of the sustainable energy trust proposal by the
27 commission, an investor-owned utility may collect a system benefits
28 charge for a time approved by the commission.

29 (2) The monthly system benefits charge shall be up to and no more
30 than one dollar and ninety cents per customer.

31 (3) Funds collected from the system benefits charge shall be used
32 by an electric or natural gas utility to develop sustainable energy
33 resource or smart energy technology projects as approved by a governing
34 board or the commission.

35 (4) Funds collected from the system benefits charge shall be
36 deposited in a sustainable energy trust account established and
37 maintained by the utility and separate from other accounts.

1 (5) Interest accrued to the account must be reinvested into the
2 sustainable energy trust account and spent on sustainable energy
3 resource or smart energy technology projects.

4 (6) No more than five percent of funds may be used by an electric
5 or natural gas utility for administrative purposes.

6 (7)(a) Beginning on November 1, 2007, each electric or natural gas
7 consumer-owned utility whose governing board has approved the
8 collection of a system benefits charge shall submit the approved
9 sustainable energy trust proposal to the department.

10 (b) The department of community, trade, and economic development
11 shall utilize the information received in (a) of this subsection in the
12 biennial energy report.

13 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act constitute
14 a new chapter in Title 80 RCW.

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