
Capital Budget Committee

HB 2289

Brief Description: Expanding the energy freedom program.

Sponsors: Representative McCoy.

Brief Summary of Bill

- Amends the Energy Freedom Program by including alternative, renewable, and efficient energy sources for homes and businesses.
- Amends the Energy Freedom Account by allowing the use of moneys provided by the federal government.

Hearing Date: 2/24/09

Staff: Nona Snell (786-7153)

Background:

In 2006 the Legislature established the Energy Freedom Program and the Energy Freedom Account in the Washington Department of Agriculture to develop a viable biofuel industry to promote public research and development in biofuel sources and markets, and to support a viable agriculture industry to grow biofuel crops. In 2007 the Legislature transferred responsibility of the Energy Freedom Program and the Energy Freedom Account to the Department of Community, Trade and Economic Development (CTED) and created the Green Energy Incentive Account within the Energy Freedom Account.

The Energy Freedom Program provides financial and technical assistance to cities, counties, ports, special purpose districts and other political subdivisions of the state, as well as federally recognized Tribes, and state institutions of higher education for the types of projects listed below. Under the program, a project may receive up to \$5 million from the Energy Freedom Account as long as the support constitutes no more than 50 percent of the total project costs. The following are the criteria for selecting projects:

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- conversion of farm products, wastes, cellulose, or biogas directly into electricity, biofuel or other coproducts;
- technical feasibility and assistance in moving commercially viable projects into the marketplace;
- use of feedstocks produced in the state;
- increased energy independence or diversity;
- production of long-term economic benefits, including new jobs, job retention, or higher incomes; and
- options for the state to purchase a portion of the fuel or feedstock produced by the project.

Appropriations made to the Green Energy Incentive Account are dedicated for refueling station development, plug-in hybrid pilot projects, and hydrogen vehicle demonstration projects.

Summary of Bill:

The Energy Freedom Program is amended by allowing grants and loans for projects that will result in the availability of alternative, renewable, and efficient energy sources for homes and businesses. Grants or loans may be awarded to projects that do not require continued state assistance and that receive federal funds. The CTED must prioritize projects based on the following criteria: (1) reduction of dependence on petroleum fuels, imported energy, and alternative, renewable, and efficient energy; (2) reduction of air and water pollution; (3) establishment of viable energy, biofuel, or alternative, renewable, or efficient energy production capacity in Washington; (4) benefits to Washington's agricultural producers; (5) benefits to the health of Washington's forests; (6) uses of biogas; (7) benefits to Washington's alternative, renewable, and efficient energy industry; and (8) creation of jobs and economic benefits.

The Energy Freedom Account is also amended to allow the deposit of federal funds for energy independence and security, and energy efficiency, renewable energy, and conservation.

Appropriation: None.

Fiscal Note: Requested on February 23, 2009.

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