

SENATE BILL REPORT

SB 5280

As of February 9, 2009

Title: An act relating to recognizing conservation achieved in excess of biennial conservation acquisition targets as an eligible renewable resource under the energy independence act.

Brief Description: Recognizing conservation achieved in excess of biennial conservation targets as an eligible renewable resource under chapter 19.285 RCW, the energy independence act.

Sponsors: Senators Holmquist, Hatfield, Honeyford, Hewitt, Schoesler and Parlette.

Brief History:

Committee Activity: Environment, Water & Energy: 2/04/09.

SENATE COMMITTEE ON ENVIRONMENT, WATER & ENERGY

Staff: William Bridges (786-7416)

Background: Approved by voters in 2006, the Energy Independence Act, also known as Initiative 937, requires electric utilities with 25,000 or more customers to meet targets for energy conservation and for using eligible renewable resources.

Energy Conservation Assessments and Targets. Each qualifying electric utility must pursue all available conservation that is cost-effective, reliable, and feasible. By January 1, 2010, each qualifying utility must assess the conservation it can achieve through 2019, and update the assessments every two years for the next ten-year period. Beginning January 2010, each qualifying utility must meet biennial conservation targets that are consistent with its conservation assessments.

Eligible Renewable Resource Targets. Each qualifying utility must use eligible renewable resources or acquire equivalent renewable energy credits, or a combination of both, to meet the following annual targets:

- at least 3 percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;
- at least 9 percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and
- at least 15 percent of its load by January 1, 2020, and each year thereafter.

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.

Eligible Renewable Resource. "Eligible renewable resource" includes wind; solar; geothermal energy; landfill and sewage gas; wave and tidal power; and certain biomass and biodiesel fuels. Electricity produced from an eligible renewable resource must be generated in a facility that started operating after March 31, 1999. The facility must either be located in the Pacific Northwest or the electricity from the facility must be delivered into the state on a real-time basis. Incremental electricity produced from efficiency improvements at hydropower facilities owned by qualifying utilities is also an eligible renewable resource, if the improvements were completed after March 31, 1999.

Renewable Energy Credit (REC). A REC is a tradable certificate of proof of at least one megawatt hour of an eligible renewable resource where the generation facility is not powered by fresh water. The credits can be bought and sold as a commodity in the energy marketplace. RECs can be used during the year they are acquired, the previous year, or the subsequent year.

Western Renewable Energy Generation Information System (WREGIS). WREGIS is a database designed to track all renewable energy generation in the geographic area covered by the Western Interconnection. It is a voluntary, fee-supported system developed by the Western Governors' Association, the Western Regional Air Partnership, and the California Energy Commission.

Initiative 937 required the Department of Community, Trade, and Economic Development (CTED) to select a tracking system to verify RECs. CTED selected WREGIS.

Summary of Bill: Allowing Conservation to Meet Eligible Renewable Resource Targets. Conservation achieved in excess of a biennial target may be used to meet an eligible renewable resource target. A qualifying utility may not claim as conservation an increase in efficiency of energy production from an eligible renewable resource, if that efficiency is counted against an eligible renewable resource target.

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: The bill properly recognizes conservation as the least expensive resource.

Persons Testifying: PRO: Vicki Austin, Washington PUD Association; Kent Lopez, Washington Rural Electric Cooperative Association; Andrew Munro, Grant PUD; Noah Reandean, NW Energy Efficiency Council; Collins Sprague, Avista; Tracy Yount, Chelan PUD.