

SENATE BILL REPORT

SB 6692

As Reported by Senate Committee On:
Environment, Water & Energy, January 29, 2010

Title: An act relating to allowing certain counties to participate and enter into ownership agreements for electric generating facilities powered by biomass.

Brief Description: Allowing certain counties to participate and enter into ownership agreements for electric generating facilities powered by biomass.

Sponsors: Senators Pridemore, Hargrove, Ranker and Haugen.

Brief History:

Committee Activity: Environment, Water & Energy: 1/29/10 [DPS].

SENATE COMMITTEE ON ENVIRONMENT, WATER & ENERGY

Majority Report: That Substitute Senate Bill No. 6692 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rockefeller, Chair; Pridemore, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Marr, Morton, Oemig, Ranker and Sheldon.

Staff: William Bridges (786-7416)

Background: Biomass Energy Under Initiative 937. 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.

Under the Initiative, biomass energy is an eligible renewable resource if, among other things, it is based on animal waste or solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include the following: (1) wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; (2) black liquor byproduct from paper production; (3) wood from old growth forests; or (4) municipal solid waste.

County Authority to Construct Electricity Generating Facilities Using Biomass. In 2009 the Legislature authorized any county, with a PUD that generates, transmits, and distributes electricity for sale within the county, to construct and operate a facility to generate electricity

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from the following types of fuel: biomass classified as a renewable resource under Initiative 937, lignin in spent pulping liquors, or liquors derived from algae and other sources. The county may regulate and control the electricity produced by the facility.

Agreements for the Joint Ownership of Renewable Energy Facilities. Cities, PUDs, and joint operating agencies may enter into agreements with a broad variety of governmental entities; private electric utilities; rural electric cooperatives; and generation and transmission cooperatives to plan, finance, acquire, construct, operate, and maintain electric generating plants powered by an eligible renewable resource under Initiative 937. The agreements must provide that participating public entities have ownership interests equal to the percentage of money or property they supplied for the undertaking, and that they own and control a like percentage of the electrical output.

Summary of Bill (Recommended Substitute): Clarifying the Location of County-Owned and Operated Biomass Energy Facilities. A biomass energy facility constructed and operated by an eligible county must be located within that county.

Authorizing the Joint Ownership of County-Owned and Operated Biomass Energy Facilities. A county eligible to own and operate a biomass energy facility may enter into agreements with a broad variety of governmental entities; private electric utilities; rural electric cooperatives; and generation and transmission cooperatives to plan, finance, acquire, construct, operate, and maintain a biomass energy facility. The agreements must provide that participating public entities have ownership interests equal to the percentage of money or property they supplied for the undertaking, and that they own and control a like percentage of the electrical output.

EFFECT OF CHANGES MADE BY ENVIRONMENT, WATER & ENERGY COMMITTEE (Recommended Substitute): A technical change is made to conform the underlying statute with the definition of eligible renewable resource in the Energy Independence Act (Initiative 937).

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 on Original Bill: PRO: This bill is an economic development tool to help eligible counties partner with other interested entities.

Persons Testifying: PRO: Mike Burgess, Clark County.