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HOUSE BILL 1658

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State of Washington

61st Legislature

2009 Regular Session

By Representatives Ericksen and Rodne

Read first time 01/27/09. Referred to Committee on Technology, Energy & Communications.

1 AN ACT Relating to creating an incentive for utilities to promote  
2 renewable energy; and reenacting and amending RCW 19.29A.090.

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

4 **Sec. 1.** RCW 19.29A.090 and 2002 c 285 s 6 and 2002 c 191 s 1 are  
5 each reenacted and amended to read as follows:

6 (1) Beginning January 1, 2002, each electric utility must provide  
7 to its retail electricity customers a voluntary option to purchase  
8 qualified alternative energy resources in accordance with this section.

9 (2) Each electric utility must include with its retail electric  
10 customer's regular billing statements, at least quarterly, a voluntary  
11 option to purchase qualified alternative energy resources. The option  
12 may allow customers to purchase qualified alternative energy resources  
13 at fixed or variable rates and for fixed or variable periods of time,  
14 including but not limited to monthly, quarterly, or annual purchase  
15 agreements. A utility may provide qualified alternative energy  
16 resource options through either: (a) Resources it owns or contracts  
17 for; or (b) the purchase of credits issued by a clearinghouse or other  
18 system by which the utility may secure, for trade or other

1 consideration, verifiable evidence that a second party has a qualified  
2 alternative energy resource and that the second party agrees to  
3 transfer such evidence exclusively to the benefit of the utility.

4 (3) For the purposes of this section, a "qualified alternative  
5 energy resource" means the electricity produced from generation  
6 facilities that are fueled by: (a) Wind; (b) solar energy; (c)  
7 geothermal energy; (d) landfill gas; (e) wave or tidal action; (f) gas  
8 produced during the treatment of wastewater; (g) qualified hydropower;  
9 or (h) biomass energy based on animal waste or solid organic fuels from  
10 wood, forest, or field residues, or dedicated energy crops that do not  
11 include wood pieces that have been treated with chemical preservatives  
12 such as creosote, pentachlorophenol, or copper-chrome-arsenic.

13 (4) For the purposes of this section, "qualified hydropower" means  
14 the energy produced either: (a) As a result of modernizations or  
15 upgrades made after June 1, 1998, to hydropower facilities operating on  
16 May 8, 2001, that have been demonstrated to reduce the mortality of  
17 anadromous fish; or (b) by run of the river or run of the canal  
18 hydropower facilities that are not responsible for obstructing the  
19 passage of anadromous fish.

20 (5) The rates, terms, conditions, and customer notification of each  
21 utility's option or options offered in accordance with this section  
22 must be approved by the governing body of the consumer-owned utility or  
23 by the commission for investor-owned utilities. All costs and benefits  
24 associated with any option offered by an electric utility under this  
25 section must be allocated to the customers who voluntarily choose that  
26 option and may not be shifted to any customers who have not chosen such  
27 option. Utilities may pursue known, lawful aggregated purchasing of  
28 qualified alternative energy resources with other utilities to the  
29 extent aggregated purchasing can reduce the unit cost of qualified  
30 alternative energy resources, and are encouraged to investigate  
31 opportunities to aggregate the purchase of alternative energy resources  
32 by their customers. Aggregated purchases by investor-owned utilities  
33 must comply with any applicable rules or policies adopted by the  
34 commission related to least-cost planning or the acquisition of  
35 renewable resources.

36 (6) Until December 31, 2019, utilities may promote voluntary  
37 programs to purchase qualified alternative energy resources and may

1 recover their marketing and administrative costs plus a rate of return  
2 that reflects the amount the market will bear for the qualified  
3 alternative energy resource.

4 (7) Each consumer-owned utility must report annually to the  
5 department and each investor-owned utility must report annually to the  
6 commission beginning October 1, 2002, until October 1, 2012, describing  
7 the option or options it is offering its customers under the  
8 requirements of this section, the rate of customer participation, the  
9 amount of qualified alternative energy resources purchased by  
10 customers, the amount of utility investments in qualified alternative  
11 energy resources, and the results of pursuing aggregated purchasing  
12 opportunities. The department and the commission together shall report  
13 annually to the legislature, beginning December 1, 2002, until December  
14 1, 2012, with the results of the utility reports.

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