

SB 5575 - S AMD 69  
By Senator Chase

RULED BEYOND SCOPE 03/02/2011

1 On page 5, after line 8, insert the following:

2 "Sec. 3. RCW 19.285.040 and 2007 c 1 s 4 are each amended to read  
3 as follows:

4 (1) Each qualifying utility shall pursue all available conservation  
5 that is cost-effective, reliable, and feasible.

6 (a) By January 1, 2010, using methodologies consistent with those  
7 used by the Pacific Northwest electric power and conservation planning  
8 council in its most recently published regional power plan, each  
9 qualifying utility shall identify its achievable cost-effective  
10 conservation potential through 2019. At least every two years  
11 thereafter, the qualifying utility shall review and update this  
12 assessment for the subsequent ten-year period.

13 (b) Beginning January 2010, each qualifying utility shall establish  
14 and make publicly available a biennial acquisition target for cost-  
15 effective conservation consistent with its identification of achievable  
16 opportunities in (a) of this subsection, and meet that target during  
17 the subsequent two-year period. At a minimum, each biennial target  
18 must be no lower than the qualifying utility's pro rata share for that  
19 two-year period of its cost-effective conservation potential for the  
20 subsequent ten-year period.

21 (c) A qualifying utility that acquires solar energy may count that  
22 acquisition at six times its base value when the energy is produced  
23 using solar inverters and modules manufactured in Washington state.

24 (d) In meeting its conservation targets, a qualifying utility may  
25 count high-efficiency cogeneration owned and used by a retail electric  
26 customer to meet its own needs. High-efficiency cogeneration is the  
27 sequential production of electricity and useful thermal energy from a  
28 common fuel source, where, under normal operating conditions, the  
29 facility has a useful thermal energy output of no less than thirty-  
30 three percent of the total energy output. The reduction in load due to

1 high-efficiency cogeneration shall be: (i) Calculated as the ratio of  
2 the fuel chargeable to power heat rate of the cogeneration facility  
3 compared to the heat rate on a new and clean basis of a  
4 best-commercially available technology combined-cycle natural gas-fired  
5 combustion turbine; and (ii) counted towards meeting the biennial  
6 conservation target in the same manner as other conservation savings.

7 ~~((d))~~ (e) The commission may determine if a conservation program  
8 implemented by an investor-owned utility is cost-effective based on the  
9 commission's policies and practice.

10 ~~((e))~~ (f) The commission may rely on its standard practice for  
11 review and approval of investor-owned utility conservation targets.

12 (2)(a) Each qualifying utility shall use eligible renewable  
13 resources or acquire equivalent renewable energy credits, or a  
14 combination of both, to meet the following annual targets:

15 (i) At least three percent of its load by January 1, 2012, and each  
16 year thereafter through December 31, 2015;

17 (ii) At least nine percent of its load by January 1, 2016, and each  
18 year thereafter through December 31, 2019; and

19 (iii) At least fifteen percent of its load by January 1, 2020, and  
20 each year thereafter.

21 (b) A qualifying utility may count distributed generation at double  
22 the facility's electrical output if the utility: (i) Owns or has  
23 contracted for the distributed generation and the associated renewable  
24 energy credits; or (ii) has contracted to purchase the associated  
25 renewable energy credits.

26 (c) In meeting the annual targets in (a) of this subsection, a  
27 qualifying utility shall calculate its annual load based on the average  
28 of the utility's load for the previous two years.

29 (d) A qualifying utility shall be considered in compliance with an  
30 annual target in (a) of this subsection if: (i) The utility's weather-  
31 adjusted load for the previous three years on average did not increase  
32 over that time period; (ii) after December 7, 2006, the utility did not  
33 commence or renew ownership or incremental purchases of electricity  
34 from resources other than renewable resources other than on a daily  
35 spot price basis and the electricity is not offset by equivalent  
36 renewable energy credits; and (iii) the utility invested at least one  
37 percent of its total annual retail revenue requirement that year on

1 eligible renewable resources, renewable energy credits, or a  
2 combination of both.

3 (e) The requirements of this section may be met for any given year  
4 with renewable energy credits produced during that year, the preceding  
5 year, or the subsequent year. Each renewable energy credit may be used  
6 only once to meet the requirements of this section.

7 (f) In complying with the targets established in (a) of this  
8 subsection, a qualifying utility may not count:

9 (i) Eligible renewable resources or distributed generation where  
10 the associated renewable energy credits are owned by a separate entity;  
11 or

12 (ii) Eligible renewable resources or renewable energy credits  
13 obtained for and used in an optional pricing program such as the  
14 program established in RCW 19.29A.090.

15 (g) Where fossil and combustible renewable resources are cofired in  
16 one generating unit located in the Pacific Northwest where the cofiring  
17 commenced after March 31, 1999, the unit shall be considered to produce  
18 eligible renewable resources in direct proportion to the percentage of  
19 the total heat value represented by the heat value of the renewable  
20 resources.

21 (h)(i) A qualifying utility that acquires an eligible renewable  
22 resource or renewable energy credit may count that acquisition at one  
23 and two-tenths times its base value:

24 (A) Where the eligible renewable resource comes from a facility  
25 that commenced operation after December 31, 2005; and

26 (B) Where the developer of the facility used apprenticeship  
27 programs approved by the council during facility construction.

28 (ii) The council shall establish minimum levels of labor hours to  
29 be met through apprenticeship programs to qualify for this extra  
30 credit.

31 (i) A qualifying utility shall be considered in compliance with an  
32 annual target in (a) of this subsection if events beyond the reasonable  
33 control of the utility that could not have been reasonably anticipated  
34 or ameliorated prevented it from meeting the renewable energy target.  
35 Such events include weather-related damage, mechanical failure,  
36 strikes, lockouts, and actions of a governmental authority that  
37 adversely affect the generation, transmission, or distribution of an  
38 eligible renewable resource under contract to a qualifying utility.

1           (3) Utilities that become qualifying utilities after December 31,  
2 2006, shall meet the requirements in this section on a time frame  
3 comparable in length to that provided for qualifying utilities as of  
4 December 7, 2006."

5           Renumber the remaining section consecutively and correct any  
6 internal references accordingly.

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7           On page 1, line 5 of the title, after "19.285.030" insert "and  
8 19.285.040"

EFFECT: A qualifying utility that acquires solar energy may count that acquisition at six times its base value if the energy is produced using solar inverters and modules manufactured in Washington state.

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