
**Technology, Energy & Communications
Committee**

HB 1639

Brief Description: Creating the clean energy partnership.

Sponsors: Representatives McCoy, Short and Haler.

Brief Summary of Bill

- Creates the Washington Clean Energy Partnership to develop, implement, and manage clean energy sector programs and funding initiatives.
- Establishes the Clean Energy Advisory Committee to provide guidance to the director of the Washington Clean Energy Partnership on the needs of the clean energy sector and funding priorities for projects.
- Creates the Washington Clean Energy Partnership Fund to receive state and federal funds, grants and contributions that support the efforts of the Washington Clean Energy Partnership.

Hearing Date: 2/2/11

Staff: Scott Richards (786-7156).

Background:

The Spokane Intercollegiate Research and Technology Institute.

The Spokane Intercollegiate Research and Technology Institute (SIRTI) is headquartered in Spokane with a mission to perform and commercialize research that benefits the economic vitality of eastern Washington. It provides assistance with finding available funding sources for product development, commercialization, and job growth; legal services for patent applications, incorporation, and trademarks; and incubator facilities for innovative technology businesses. The board of directors the SIRTI may receive and expend federal funds and any private gifts or grants to further the purpose of SIRTI.

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.

The Washington Technology Center.

The Washington Technology Center (WTC) was established in 1983 and is located at the University of Washington (UW). The mission of the WTC is to perform and commercialize research on a statewide basis to benefit the economic vitality of the state. The WTC provides a forum for initiatives to promote renewable energy and energy efficiency sectors in the Pacific Northwest. The WTC provides access to funding for technology research and development, assistance for small business innovation, and technology assistance to Washington businesses with 15 or fewer employees.

The Department of Commerce.

The Department of Commerce's (Department) Energy Policy Division develops energy policy; provides businesses with assistance to commercialize energy efficiency, renewable, and smart energy technologies; manages federal funding through the State Energy Program and is coordinating the updates and revisions to the State Energy Strategy. The Department contracts with the SIRTII and the UW for the expenditure of state appropriated funds for their respective operations. The Department also provides guidance to both entities for the expenditure of state funds and the development of their respective strategic plans.

Energy Freedom Program.

In 2006 the Legislature established the Energy Freedom Program to encourage the use of bioenergy and to develop a viable bioenergy industry. In 2009 the mission of the Energy Freedom Program was expanded to accelerate energy efficiency improvements, renewable energy improvements, and deployment of innovative energy technologies. The Energy Freedom Program provides financial and technical assistance to cities, counties, ports, and other political subdivisions of the state. The Legislature originally appropriated \$23 million for low-interest loans and grants. Also established within the program are the Green Energy Incentive Account and the Energy Recovery Account. The Energy Recovery Account was created to receive state and federal funds to be used as loans and grants for projects that encourage the establishment of innovative and sustainable industries for renewable energy and energy efficiency technology.

Clean Energy Leadership Council.

The Clean Energy Leadership Council (CELC) was created by the Legislature in 2009 to develop strategies and recommendations for growing the state's clean energy sector. The CELC was directed to identify the clean energy industry segments and where the state has competitive advantages or emerging strength in research, development, or deployment of clean energy solutions.

In October 2010, CELC completed the Washington State Clean Energy Leadership Plan Report (Leadership Plan), which includes recommendations and plans of action. The CELC identified funding, alignment of regulations and policies, and a single, principal organization for clean energy development as key issues central to developing and growing clean energy businesses and jobs within the state. The Leadership Plan recommended a framework for accelerating clean energy businesses and jobs, and recommended aligning state regulations with policies and actions that support clean energy technology and jobs. The Leadership Plan recognized market-driven initiatives as areas of opportunities for demonstrating leading-edge solutions and deploying clean energy technology. The three market-driven initiatives identified were combined energy efficiency green building and smart grid projects; renewable energy resource optimization and smart grid deployment; and bioenergy deployment acceleration.

Summary of Bill:

The Washington Clean Energy Partnership (CEP) is created in order to develop, implement, and manage clean energy sector programs and funding initiatives. The CEP is jointly administered by the Spokane Intercollegiate Research and Technology Institute (SIRTI) and the Washington Technology Center (WTC) or successor agency. The SIRTI and the WTC, through a performance contract, conduct the work of the CEP. As funds are made available, the duties of the CEP include:

- coordinating clean energy initiative and implementing the Washington State Clean Energy Leadership Plan Report recommendations, which include the following market-driving initiatives: energy efficiency, green buildings, and smart grid; integration of renewable energy and smart grid; and biomass and biofuels;
- assessing potential opportunities and adding market-driving initiatives as justified by comprehensive analysis;
- serving as the lead entity and primary point of contact for developing and coordinating clean energy-related initiatives and funding programs for expanding the clean energy sector;
- securing a minimum of 50 percent nonstate funds for CEP projects;
- submitting an annual report to the Legislature and Governor with recommendations for policy alignment and regulatory barriers to the growth of clean energy technology and businesses; and
- working with public and private utilities and the Utilities and Transportation Commission to align state policies, investments, and CEP projects with the operations of the utilities.

A Clean Energy Advisory Committee (CEAC) is created and consists of 20 representatives from companies involved with developing, deploying, or operating clean energy solutions. The CEAC, the SIRTI, and the WTC must appoint an executive director to manage the CEP. The CEAC approves the annual operating budget of the CEP; provides guidance on the needs of the clean energy sector to the CEP director; and establishes funding priorities for allocations to projects. The chair of the CEAC is a member of the SIRTI's board of directors. The SIRTI's board of director, in cooperation with the CEP must develop a biennial work plan and five-year strategic plan aligning the SIRTI operations with the CEP consistent with statewide technology development and commercialization goals.

The Washington Clean Energy Partnership Fund is created within the SIRTI to receive state and federal funds, grants and contributions for the CEP. Only the Director of the CEP may authorize expenditures from the account. State and federal funds, grants, and contributions must be appropriated to the SIRTI and deposited into the Washington Clean Energy Partnership Fund. The Energy Freedom Program, Energy Recovery Act Account, State Energy Office funds, and other applicable federal and state energy program funds directed to support or expand the clean energy sector must be aligned and managed to support the CEP. The CEP approves any expenditures or grants from these programs. Within two years, any funds associated with expanding the clean energy sector, as determined by the CEP, must be moved to the Washington Clean Energy Partnership Fund.

State energy policy and regulatory functions remain with the State Energy Office, including funds for those specific activities.

Appropriation: None.

Fiscal Note: Requested on January 28, 2011.

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