

# SENATE BILL REPORT

## SHB 1712

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As Reported by Senate Committee On:  
Environment, Water & Energy, March 22, 2011

**Title:** An act relating to null power.

**Brief Description:** Regarding null power.

**Sponsors:** House Committee on Environment (originally sponsored by Representatives Harris, Crouse, Short, Jacks and McCune).

**Brief History:** Passed House: 2/26/11, 91-6.

**Committee Activity:** Environment, Water & Energy: 3/22/11 [DPA, w/oRec].

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### SENATE COMMITTEE ON ENVIRONMENT, WATER & ENERGY

**Majority Report:** Do pass as amended.

Signed by Senators Rockefeller, Chair; Nelson, Vice Chair; Honeyford, Ranking Minority Member; Chase, Fraser and Morton.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Delvin and Holmquist Newbry.

**Staff:** William Bridges (786-7416)

**Background:** Fuel Mix Disclosure. Each retail electric utility in the state must disclose its actual or imputed annual fuel mix used to generate electricity. The disclosure must provide the percentage attributable to each of the following generation sources: coal, hydroelectric, natural gas, nuclear, or other. Utilities may separately report a subcategory of natural gas generation to identify high efficiency cogeneration.

If a source categorized as other totals more than 2 percent of a utility's total mix, it must identify the component sources, which may include the following: biomass, geothermal, landfill gas, oil, solar, waste incineration, or wind.

Utilities that do not declare their actual sources must report the fuel mix of the Northwest power pool, called the net system power mix. In 2009 the net system power mix contained about 43 percent coal and 35 percent hydropower, among other resources. Utilities that

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purchase electricity from the Bonneville Power Administration (BPA) may disclose the source as the BPA system mix.

The Department of Commerce compiles fuel mix data from all retail electric utilities in the state, calculates the net system power mix, and publishes an annual fuel mix report.

Null Generation or Null Power. The terms null generation or null power generally refer to renewable electricity from which the renewable or nonpower attributes have been separated. Under the fuel mix reporting law, null power is assigned the net system power mix. On January 19, 2011, the issue of null power was discussed during a work session held by the Senate Environment, Water & Energy Committee. The committee subsequently heard two bills addressing null power: SB 5510 on February 8, 2011, and SB 5809 on February 16, 2011.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Recommended Amendments):** Defining Null Power for Fuel Mix Reports. The term null power means electricity that has been separated from its nonpower attributes; it is not renewable and cannot be represented as such. Nonpower attributes means all environmentally related characteristics, exclusive of energy, capacity, reliability, and other electrical power service attributes, that are associated with the generation of electricity.

Creating Fuel Mix Category for Null Power. When developing its fuel mix report, a retail electric utility with declared resources must identify the percentage of its total electricity sold from null power. The utility must include the following footnote describing null power: "Null power means electricity without environmental attributes and other nonpower attributes."

Making Technical Corrections. References to the Departments of Community, Trade, and Economic Development are corrected to the Department of Commerce (Commerce).

**Appropriation:** None.

**Fiscal Note:** Available.

**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: Washington is close to being a coal-free state and this bill will help the fuel mix reports reflect this reality. The bill is the product of a collaborative process with near unanimity. It helps clarify the nature of null power without jeopardizing the REC market. It is necessary to pass this bill to create certainty in the REC market.

CON: The current law is clear as to what power is labeled, and this bill creates uncertainty.

OTHER: The striking amendment represents a good way to clarify null power. It also presents a good opportunity for Commerce to develop guidelines and model labeling requirements.

**Persons Testifying:** PRO: Representative Harris, prime sponsor; John Audley, Renewable NW Project; Danielle Dixon, NW Energy Coalition; Bob Mack, Tacoma Public Utilities, Public Generating Pool; Ian McGowan, 3 Degrees, Renewable Energy Market Association; Dean Sutherland, Clark County PUD.

CON: Christine Swanson, Avista.

OTHER: Tony Usibelli, Commerce.