

SENATE BILL REPORT

ESHB 2664

As Reported by Senate Committee On:
Energy, Natural Resources & Marine Waters, February 16, 2012

Title: An act relating to the voluntary option to purchase qualified energy resources.

Brief Description: Concerning the voluntary option to purchase qualified energy resources.

Sponsors: House Committee on Technology, Energy & Communications (originally sponsored by Representative Morris).

Brief History: Passed House: 2/09/12, 97-0.

Committee Activity: Energy, Natural Resources & Marine Waters: 2/15/12, 2/16/12 [DP].

SENATE COMMITTEE ON ENERGY, NATURAL RESOURCES & MARINE WATERS

Majority Report: Do pass.

Signed by Senators Ranker, Chair; Regala, Vice Chair; Delvin, Ranking Minority Member; Morton, Ranking Minority Member; Fraser, Hargrove, Murray, Stevens and Swecker.

Staff: William Bridges (786-7416)

Background: Voluntary Green Power Program. All electric utilities in the state, other than small electric utilities, are required to offer their customers the option to purchase electricity generated from qualified alternative energy resources. A qualified alternative energy resource produces electricity from generation facilities fueled by: (1) wind; (2) solar energy; (3) geothermal energy; (4) landfill gas; (5) wave or tidal action; (6) gas produced during the treatment of wastewater; (7) qualified hydropower; or (8) biomass energy based on animal waste or solid organic fuels from wood, forest, or field residues or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives.

Mandatory Annual Reports. Each consumer-owned utility must report annually to the Department of Commerce (Commerce), and each investor-owned utility must report annually to the Utilities and Transportation Commission (UTC) describing their green option program, such as the option or options the utility is offering its customers and the rate of customer participation. Commerce and UTC together must report annually to the Legislature the results of the utility reports. The reporting requirement expires on October 1, 2012.

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.

Summary of Bill: Adding Thermal Energy as a Qualified Alternative Energy Resource Under the Voluntary Green Power program. For the purposes of the voluntary green power program, a qualified alternative energy resource includes thermal energy produced from a generation facility fueled by: (1) wind; (2) solar energy; (3) geothermal energy; (4) landfill gas; (5) wave or tidal action; (6) gas produced during the treatment of wastewater; (7) qualified hydropower; or (8) biomass energy based on animal waste or solid organic fuels from wood, forest, or field residues or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives.

Eliminating Mandatory Annual Reports. Annual reporting requirements are eliminated for electric utilities relating to the voluntary green power program. Electric utilities must instead maintain information relating to their voluntary green power programs and make available the information upon request of Commerce or UTC, which in turn must report the information to the appropriate committees of the Legislature upon request.

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: PRO: In the last five years, there has been a remarkable effort in recognizing electricity from renewable resources. But until recently, the environmental benefits of thermal energy that is produced from renewable resources has not been considered in state laws or policies. The displacement of electricity with thermal energy is environmentally sound and energy efficient. Thermal energy storage can also be used to balance excess wind. The recognition of thermal energy as a renewable resource will spur investment and create jobs. The Local Energy Alliance of Washington, NW Energy Coalition, Climate Solutions, and the city of Seattle support this bill.

Persons Testifying: PRO: Chuck Collins, Cascade Power Group; Stan Gent, Seattle Steam Company.