

SENATE BILL REPORT

SB 5951

As of May 11, 2011

Title: An act relating to distributed generation.

Brief Description: Concerning distributed generation.

Sponsors: Senator Hatfield.

Brief History:

Committee Activity: Ways & Means: 5/11/11.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Chris Godwin (786-7441)

Background: In 2006 voters approved Initiative 937 also known as the Energy Independence Act. This act requires electric utility companies with greater than 25,000 customers to meet certain conservation targets and prescribes certain renewable energy resources.

Currently each qualifying electric utility must pursue conservation that is cost-effective, reliable, and feasible. By January 1, 2010, each qualifying utility must assess the conservation it can achieve through 2019, and update the assessments every two years for the next ten-year period. Beginning January 2010, each qualifying utility must meet biennial conservation targets that are consistent with its conservation assessments.

The term eligible renewable resource includes wind; solar; geothermal energy; landfill and sewage gas; wave and tidal power; and certain biodiesel fuels. The following biomass is also classified as an eligible renewable resource: animal waste and solid organic fuels from wood, forest, or field residues and dedicated energy crops. The following biomass is not an eligible renewable resource: wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; black liquor by-product from paper production; wood from old growth forests; and municipal solid waste.

Electricity produced from an eligible renewable resource must be generated in a facility that started operating after March 31, 1999. The facility must either be located in the Pacific Northwest or the electricity from the facility must be delivered into the state on a real-time basis. Incremental electricity produced from efficiency improvements at hydropower

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facilities owned by qualifying utilities is also an eligible renewable resource, if the improvements were completed after March 31, 1999.

Summary of Bill: Biomass Energy System. This act creates a definition for a biomass energy system; includes biomass energy systems in the definition of distributed generation; and includes electricity from distributed generation that produces biomass energy as an eligible renewable resource. The definition of a biomass energy system is one that:

- commenced commercial operations before March 31, 1999; and
- is located in a county in Washington State that is next to or has a three-year average unemployment rate that is greater than or equal to 120 percent of the state average.

Solar Energy System. The act creates a definition for a solar energy system and includes solar energy system in the definition of distributed generation. A solar energy system is defined as one that:

- any device or combination of devices or elements that rely upon direct sunlight as an energy source for use in the generation of electricity and at least one-half of the system is manufactured in Washington;
- the system is located in Washington State; and
- by July 31, 2012, has either:
 - a site certification from the energy facility site evaluation council; or
 - a land-use permit from a local government.

Distributed Generation. This act further defines distributed generation to include facilities or clusters of facilities that have generation capacities of:

- no more than 20 average megawatts in any calendar year from a solar energy system; and
- no more than 10 average megawatts in any calendar year from a biomass energy system.

Renewable Resource. The definition of renewable resource is changed to:

- include food waste;
- include yard waste;
- include organic by-products of pulping and the wood manufacturing process; and
- no longer prohibit black liquor by-products from paper production.

Appropriation: None.

Fiscal Note: Requested on May 11, 2011.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.