

SENATE BILL REPORT

SB 6561

As Reported by Senate Committee On:
Energy, Natural Resources & Marine Waters, February 2, 2012

Title: An act relating to adding spent pulping liquors and liquors derived from algae and other sources to the definition of renewable resource in the energy independence act.

Brief Description: Adding spent pulping liquors and liquors derived from algae and other sources to the definition of renewable resource in the energy independence act.

Sponsors: Senators Ranker and Hargrove.

Brief History:

Committee Activity: Energy, Natural Resources & Marine Waters: 2/02/12 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON ENERGY, NATURAL RESOURCES & MARINE WATERS

Majority Report: That Substitute Senate Bill No. 6561 be substituted therefor, and the substitute bill do pass.

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

Minority Report: Do not pass.

Signed by Senator Delvin, Ranking Minority Member.

Minority Report: That it be referred without recommendation.

Signed by Senator Stevens.

Staff: William Bridges (786-7416)

Background: Approved by voters in 2006, the Energy Independence Act, also known as Initiative 937 (I-937), requires electric utilities with 25,000 or more customers to meet targets for energy conservation and for using eligible renewable resources. Utilities that must comply with I-937 are called qualifying utilities.

Eligible Renewable Resource Targets and Compliance Dates. Each qualifying utility must use eligible renewable resources or acquire equivalent renewable energy credits, or a combination of both, to meet the following annual targets:

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- at least 3 percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;
- at least 9 percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and
- at least 15 percent of its load by January 1, 2020, and each year thereafter.

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

Summary of Bill (Recommended Substitute): Classifying Pulping Liquors and Similar Biomass Resources as Eligible Renewable Resource. Electricity from a facility powered by spent pulping liquors and liquors derived from algae and other sources is classified as an eligible renewable resource. In addition, incremental electricity produced as a result of efficiency improvements to a biomass generation or cogeneration facility is an eligible renewable resource if the improvements are completed after March 31, 1999, and the facility: (1) is located in Washington; (2) built before March 1999; and (3) owned by or interconnected to a qualifying utility.

EFFECT OF CHANGES MADE BY ENERGY, NATURAL RESOURCES & MARINE WATERS COMMITTEE (Recommended Substitute): Classifies as an eligible renewable resource incremental efficiency improvements to pre-1999 biomass generation or cogeneration facilities in Washington that are owned by or interconnected to qualifying facilities.

Appropriation: None.

Fiscal Note: Requested on January 31, 2012.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: None.

Persons Testifying : No one.