## SUBSTITUTE HOUSE BILL 1365

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State of Washington 62nd Legislature 2011 Regular Session

By House Environment (originally sponsored by Representatives Eddy, Warnick, Morris, and Hinkle)

READ FIRST TIME 02/17/11.

- 1 AN ACT Relating to distributed generation; and amending RCW
- 2 19.285.030.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 19.285.030 and 2009 c 565 s 20 are each amended to read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 8 (1) "Attorney general" means the Washington state office of the 9 attorney general.
- 10 (2) "Auditor" means: (a) The Washington state auditor's office or 11 its designee for qualifying utilities under its jurisdiction that are 12 not investor-owned utilities; or (b) an independent auditor selected by 13 a qualifying utility that is not under the jurisdiction of the state 14 auditor and is not an investor-owned utility.
- 15 (3) "Commission" means the Washington state utilities and 16 transportation commission.
- 17 (4) "Conservation" means any reduction in electric power 18 consumption resulting from increases in the efficiency of energy use, 19 production, or distribution.

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- 1 (5) "Cost-effective" has the same meaning as defined in RCW 80.52.030.
  - (6) "Council" means the Washington state apprenticeship and training council within the department of labor and industries.
  - (7) "Customer" means a person or entity that purchases electricity for ultimate consumption and not for resale.
    - (8) "Department" means the department of commerce or its successor.
  - (9) "Distributed generation" means: (a) An eligible renewable resource where the generation facility or any integrated cluster of such facilities has a generating capacity of not more than five megawatts; or (b) solar photovoltaic generation at a facility located in Washington that is capable of generating not more than twenty average megawatts in a calendar year, has either a siting certification from the energy facility site evaluation council or a land use permit from a local government by the effective date of this section, and has installed at the facility a majority of solar modules manufactured in Washington.
    - (10) "Eligible renewable resource" means:

- (a) Electricity from a generation facility powered by a renewable resource other than fresh water that commences operation after March 31, 1999, where: (i) The facility is located in the Pacific Northwest; or (ii) the electricity from the facility is delivered into Washington state on a real-time basis without shaping, storage, or integration services; or
- (b) Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest or to hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest, where the additional generation in either case does not result in new water diversions or impoundments.
- 32 (11) "Investor-owned utility" has the same meaning as defined in 33 RCW 19.29A.010.
- 34 (12) "Load" means the amount of kilowatt-hours of electricity 35 delivered in the most recently completed year by a qualifying utility 36 to its Washington retail customers.
- 37 (13) "Nonpower attributes" means all environmentally related 38 characteristics, exclusive of energy, capacity reliability, and other

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electrical power service attributes, that are associated with the generation of electricity from a renewable resource, including but not limited to the facility's fuel type, geographic location, vintage, qualification as an eligible renewable resource, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of carbon dioxide and other greenhouse gases.

- (14) "Pacific Northwest" has the same meaning as defined for the Bonneville power administration in section 3 of the Pacific Northwest electric power planning and conservation act (94 Stat. 2698; 16 U.S.C. Sec. 839a).
- 11 (15) "Public facility" has the same meaning as defined in RCW 12 39.35C.010.
  - (16) "Qualifying utility" means an electric utility, as the term "electric utility" is defined in RCW 19.29A.010, that serves more than twenty-five thousand customers in the state of Washington. The number of customers served may be based on data reported by a utility in form 861, "annual electric utility report," filed with the energy information administration, United States department of energy.
  - (17) "Renewable energy credit" means a tradable certificate of proof of at least one megawatt-hour of an eligible renewable resource where the generation facility is not powered by fresh water, the certificate includes all of the nonpower attributes associated with that one megawatt-hour of electricity, and the certificate is verified by a renewable energy credit tracking system selected by the department.
  - (18) "Renewable resource" means: (a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or tidal power; (g) gas from sewage treatment facilities; (h) biodiesel fuel as defined in RCW 82.29A.135 that is not derived from crops raised on land cleared from old growth or first-growth forests where the clearing occurred after December 7, 2006; and (i) biomass energy based on animal waste or solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include (i) wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; (ii) black liquor by-product from paper production; (iii) wood from old growth forests; or (iv) municipal solid waste.

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(19) "Rule" means rules adopted by an agency or other entity of Washington state government to carry out the intent and purposes of this chapter.

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- (20) "Year" means the twelve-month period commencing January 1st and ending December 31st.
- (21) "Solar module" means the smallest nondivisible self-contained physical structure housing interconnected photovoltaic cells and providing a single direct current electrical output.

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