H-2674.1			

## HOUSE BILL 2101

State of Washington 62nd Legislature 2011 Regular Session

By Representatives Klippert, Haler, McCune, Nealey, Chandler, Taylor, and Angel

Read first time 04/18/11. Referred to Committee on Environment.

AN ACT Relating to reducing energy costs to consumers through recognition of hydroelectric power as an eligible renewable resource; amending RCW 19.285.030; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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NEW SECTION. Sec. 1. (1) The legislature finds that our current electrical grid is absorbing more power than it can handle due to high water flow through the dams and an increase in the amount of alternative sources of electricity.

- (2) The legislature further finds that our electric grid cannot sustain current levels of power generation without curtailing energy generation to maintain grid stability.
- (3) The legislature further finds that hydroelectric power is the most abundant and cheapest source of energy available in our region. Other sources of energy, such as wind and solar, are not cost competitive with hydroelectric power and these sources should be the first curtailed when there is excess energy generation on the grid.
- (4) The legislature further finds that the current hydroelectric system was not built to support all of the new alternative sources of energy generation and the region will need to build substantial new

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infrastructure and transmission lines to integrate this alternative energy into the grid. These transmission lines can take anywhere from five to ten years to plan and construct, at significant cost to

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consumers.

- (5) Recognizing hydroelectric power as an eligible renewable resource will stabilize energy prices for Washington residents, protect clean air and water, and provide the most cost-effective sources of energy to get Washington working again.
- 9 **Sec. 2.** RCW 19.285.030 and 2009 c 565 s 20 are each amended to 10 read as follows:
- 11 The definitions in this section apply throughout this chapter 12 unless the context clearly requires otherwise.
- 13 (1) "Attorney general" means the Washington state office of the 14 attorney general.
  - (2) "Auditor" means: (a) The Washington state auditor's office or its designee for qualifying utilities under its jurisdiction that are not investor-owned utilities; or (b) an independent auditor selected by a qualifying utility that is not under the jurisdiction of the state auditor and is not an investor-owned utility.
- 20 (3) "Commission" means the Washington state utilities and 21 transportation commission.
- 22 (4) "Conservation" means any reduction in electric power 23 consumption resulting from increases in the efficiency of energy use, 24 production, or distribution.
- 25 (5) "Cost-effective" has the same meaning as defined in RCW 80.52.030.
- 27 (6) "Council" means the Washington state apprenticeship and 28 training council within the department of labor and industries.
- 29 (7) "Customer" means a person or entity that purchases electricity 30 for ultimate consumption and not for resale.
  - (8) "Department" means the department of commerce or its successor.
  - (9) "Distributed generation" means 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.
    - (10) "Eligible renewable resource" means:
- 36 (a) Electricity from a generation facility powered by a renewable 37 resource ((other than fresh water)) that commences operation after

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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)) Electricity from an existing generation facility powered by a fresh water renewable resource that commenced operation before March 31, 1999.
- 14 (11) "Investor-owned utility" has the same meaning as defined in 15 RCW 19.29A.010.
- 16 (12) "Load" means the amount of kilowatt-hours of electricity 17 delivered in the most recently completed year by a qualifying utility 18 to its Washington retail customers.
  - (13) "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 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).
- 31 (15) "Public facility" has the same meaning as defined in RCW 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.

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(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 byproduct from paper production; (iii) wood from old growth forests; or (iv) municipal solid waste.
- (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.
- 23 (20) "Year" means the twelve-month period commencing January 1st 24 and ending December 31st.

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