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**SUBSTITUTE HOUSE BILL 2664**

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**State of Washington**

**62nd Legislature**

**2012 Regular Session**

**By** House Technology, Energy & Communications (originally sponsored by Representative Morris)

READ FIRST TIME 01/31/12.

1       AN ACT Relating to the voluntary option to purchase qualified  
2 energy resources; and reenacting and amending RCW 19.29A.090.

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

4       **Sec. 1.** RCW 19.29A.090 and 2002 c 285 s 6 and 2002 c 191 s 1 are  
5 each reenacted and amended to read as follows:

6       (1) Beginning January 1, 2002, each electric utility must provide  
7 to its retail electricity customers a voluntary option to purchase  
8 qualified alternative energy resources in accordance with this section.

9       (2) Each electric utility must include with its retail electric  
10 customer's regular billing statements, at least quarterly, a voluntary  
11 option to purchase qualified alternative energy resources. The option  
12 may allow customers to purchase qualified alternative energy resources  
13 at fixed or variable rates and for fixed or variable periods of time,  
14 including but not limited to monthly, quarterly, or annual purchase  
15 agreements. A utility may provide qualified alternative energy  
16 resource options through either: (a) Resources it owns or contracts  
17 for; or (b) the purchase of credits issued by a clearinghouse or other  
18 system by which the utility may secure, for trade or other

1 consideration, verifiable evidence that a second party has a qualified  
2 alternative energy resource and that the second party agrees to  
3 transfer such evidence exclusively to the benefit of the utility.

4 (3) For the purposes of this section, a "qualified alternative  
5 energy resource" means the electricity or thermal energy produced from  
6 generation facilities that are fueled by: (a) Wind; (b) solar energy;  
7 (c) geothermal energy; (d) landfill gas; (e) wave or tidal action; (f)  
8 gas produced during the treatment of wastewater; (g) qualified  
9 hydropower; or (h) biomass energy based on animal waste or solid  
10 organic fuels from wood, forest, or field residues, or dedicated energy  
11 crops that do not include wood pieces that have been treated with  
12 chemical preservatives such as creosote, pentachlorophenol, or  
13 copper-chrome-arsenic.

14 (4) For the purposes of this section, "qualified hydropower" means  
15 the energy produced either: (a) As a result of modernizations or  
16 upgrades made after June 1, 1998, to hydropower facilities operating on  
17 May 8, 2001, that have been demonstrated to reduce the mortality of  
18 anadromous fish; or (b) by run of the river or run of the canal  
19 hydropower facilities that are not responsible for obstructing the  
20 passage of anadromous fish.

21 (5) The rates, terms, conditions, and customer notification of each  
22 utility's option or options offered in accordance with this section  
23 must be approved by the governing body of the consumer-owned utility or  
24 by the commission for investor-owned utilities. All costs and benefits  
25 associated with any option offered by an electric utility under this  
26 section must be allocated to the customers who voluntarily choose that  
27 option and may not be shifted to any customers who have not chosen such  
28 option. Utilities may pursue known, lawful aggregated purchasing of  
29 qualified alternative energy resources with other utilities to the  
30 extent aggregated purchasing can reduce the unit cost of qualified  
31 alternative energy resources, and are encouraged to investigate  
32 opportunities to aggregate the purchase of alternative energy resources  
33 by their customers. Aggregated purchases by investor-owned utilities  
34 must comply with any applicable rules or policies adopted by the  
35 commission related to least-cost planning or the acquisition of  
36 renewable resources.

37 (6) Each consumer-owned utility must report annually to the  
38 department and each investor-owned utility must report annually to the

1 commission beginning October 1, ((2002)) 2014, until October 1,  
2 ((2012)) 2022, describing the option or options it is offering its  
3 customers under the requirements of this section, the rate of customer  
4 participation, the amount of qualified alternative energy resources  
5 purchased by customers, the amount of utility investments in qualified  
6 alternative energy resources, and the results of pursuing aggregated  
7 purchasing opportunities. The department and the commission together  
8 shall report annually to the legislature, beginning December 1,  
9 ((2002)) 2012, until December 1, ((2012)) 2022, with the results of the  
10 utility reports.

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