

# HOUSE BILL REPORT

## HB 2708

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### As Passed Legislature

**Title:** An act relating to a qualified alternative energy resource.

**Brief Description:** Concerning a qualified alternative energy resource.

**Sponsors:** Representatives Tarleton, Short, DeBolt, Fey, Freeman, Hudgins, Lytton, Smith, Morrell, Ortiz-Self, Springer, Pollet and Muri.

### Brief History:

#### Committee Activity:

Technology & Economic Development: 1/28/14 [DP].

#### Floor Activity:

Passed House: 2/12/14, 97-1.

Passed Senate: 3/7/14, 49-0.

Passed Legislature.

### Brief Summary of Bill

- Adds liquid organic fuels to the list of qualified alternative energy resources that an electric utility may use when offering to its customers a voluntary green power purchase program.

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## HOUSE COMMITTEE ON TECHNOLOGY & ECONOMIC DEVELOPMENT

**Majority Report:** Do pass. Signed by 18 members: Representatives Morris, Chair; Habib, Vice Chair; Smith, Ranking Minority Member; Short, Assistant Ranking Minority Member; Dahlquist, Fey, Freeman, Hudgins, Kochmar, Magendanz, Morrell, Ryu, Stonier, Tarleton, Vick, Walsh, Wylie and Zeiger.

**Staff:** Scott Richards (786-7156).

### Background:

#### Voluntary Option to Purchase Qualified Alternative Energy Resources.

In 2002 legislation was enacted that required electric utilities to provide their retail electricity customers a voluntary option to purchase qualified alternative energy resources. On at least a

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quarterly basis, electric utilities must include with their retail customers regular billing statement a voluntary option to purchase qualified alternative energy resources. A utility may provide qualified alternative energy resource options through either resources it owns or contracts for, or the purchase of credits issued by a clearinghouse, or other system.

Qualified alternative energy resource is defined to mean the electricity or thermal energy produced from generation facilities that are fueled by: (1) wind; (2) solar energy; (3) geothermal energy; (4) landfill gas; (5) wave or tidal action; (6) gas produced during the treatment of wastewater; (7) qualified hydropower; or (8) biomass energy based on animal waste or solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic.

#### Reporting.

Each consumer-owned utility must maintain and make available upon request of the Department of Commerce and each investor-owned utility must maintain and make available upon request of the Utilities and Transportation Commission (UTC) information describing the option or options it is offering its customers, the rate of customer participation, the amount of qualified alternative energy resources purchased by customers, the amount of utility investments in qualified alternative energy resources, and the results of pursuing aggregated purchasing opportunities. The Department of Commerce and the UTC must report the information to the appropriate committees of the Legislature upon request.

#### Small Utilities Exemption.

Small utilities are not required to provide their retail electricity customers a voluntary option to purchase qualified alternative energy resources. A small utility is defined as any consumer-owned utility with 25,000 or fewer electric meters in service, or that has an average of seven or fewer customers per mile of distribution line.

#### **Summary of Bill:**

Biomass energy based on liquid organic fuels from wood, forest, field residues or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic is included as a qualified alternative energy resource.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

#### **Staff Summary of Public Testimony:**

(In support-from testimony on HB 2223, which is identical to HB 2708, except for sponsors, on 1/23/2014)

The legislation creating the voluntary option to purchase green power was enacted in 2002 and predated Initiative 937. At the time of legislative enactment, the technology associated with liquid biofuels was not envisioned. It only envisioned the technology associated with solid biomass fuel. The Legislature needs to incorporate new technologies into the definition of qualified alternative energy resources.

Liquid wood, more commonly referred to as renewable fuel oil, is 100 percent derived from woody biomass as defined by the statute. The suggested change simply recognizes that this product is not a solid but a liquid. The ability to burn liquid wood is important because it can allow Seattle Steam and other similar facilities in the state the ability to lower carbon emissions without the large capital investments needed to burn solid wood.

(Opposed-from testimony on HB 2223, which is identical to HB 2708, except for sponsors, on 1/23/2014) None.

**Persons Testifying:** Representative Tarleton, prime sponsor; and Stan Gent, Seattle Steam Company.

**Persons Signed In To Testify But Not Testifying:** None.