

HOUSE BILL REPORT

EHB 2733

As Passed House:
February 17, 2014

Title: An act relating to designating certain hydroelectric generation from a generation facility located in irrigation canals and certain pipes as an eligible renewable resource under chapter 19.285 RCW

Brief Description: Designating certain hydroelectric generation from a generation facility located in irrigation canals and certain pipes as an eligible renewable resource under chapter 19.285 RCW.

Sponsors: Representatives Haler and Magendanz.

Brief History:

Committee Activity:

Technology & Economic Development: 2/4/14, 2/5/14 [DP].

Floor Activity:

Passed House: 2/17/14, 89-8.

Brief Summary of Engrossed Bill

- Classifies as an eligible renewable resource under the Energy Independence Act hydroelectric generation from a project completed after March 31, 1999 located in irrigation canals and certain pipes in Washington.

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, DeBolt, Fey, Freeman, Hudgins, Kochmar, Magendanz, Morrell, Stonier, Tarleton, Vick, Walsh, Wylie and Zeiger.

Staff: Scott Richards (786-7156).

Background:

Energy Independence Act.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Approved by voters in 2006, the Energy Independence Act (EIA), also known as Initiative 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 the EIA 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 (RECs), or a combination of both, to meet the following annual targets:

- 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 means electricity generated from a resource such as wind, solar, geothermal energy, landfill and sewage gas, wave and tidal power, and certain biodiesel fuels. In addition, an eligible renewable resource must be generated in a facility that started operating after March 31, 1999, and the facility must either be located in the Pacific Northwest or the electricity from the facility must be delivered into the state on a realtime basis.

Incremental Hydroelectricity as an Eligible Renewable Resource.

Incremental electricity produced as a result of efficiency improvements to the following hydroelectric generation facilities may also count as an eligible renewable resource if the improvements do not result in new water diversions or impoundments, and the improvements are completed after March 31, 1999:

- hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest; and
- hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest.

Renewable Energy Credit.

A renewable energy credit (REC) is 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. Under the EIA, a REC represents all the nonpower attributes associated with the power. The RECs can be bought and sold in the marketplace, and they may be used during the year they are acquired, the previous year, or the subsequent year.

Summary of Engrossed Bill:

The following is classified as an eligible renewable resource under the EIA: hydroelectric generation from a project completed after March 31, 1999, where the generation facility is located in irrigation pipes, irrigation canals, water pipes whose primary purpose is for conveyance of water for municipal use, and wastewater pipes located in Washington where the generation does not result in new water diversions or impoundments.

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) This bill is a reflection of the modification the Senate made to House Bill 1950. This bill falls within the purview of the EIA as passed by the citizens of the state and it does not hamper the implementation of the law. There are lots of large farms in Eastern Washington with irrigation water passing through them. The power generated by the water in the canals and pipes can help support these farms by powering irrigation water pumps and feeding excess electricity onto the electrical grid. This bill would not grandfather older pre-1999 hydroelectric facilities. It is good environmental and energy policy to capture the water in irrigation canals and pipes.

(Opposed) None.

Persons Testifying: Representative Haler, prime sponsor; and Mike Schwisow, Washington State Water and Resources Association.

Persons Signed In To Testify But Not Testifying: None.