

# SENATE BILL REPORT

## ESHB 1950

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As Reported by Senate Committee On:  
Energy, Environment & Telecommunications, April 2, 2013

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

**Brief Description:** Designating certain hydroelectric generation from a generation facility located in irrigation pipes, irrigation canals, water pipes whose primary purpose is for conveyance of water for domestic use, and wastewater pipes as an eligible renewable resource under chapter 19.285 RCW.

**Sponsors:** House Committee on Environment (originally sponsored by Representative Haler).

**Brief History:** Passed House: 3/07/13, 97-0; 3/07/13, 97-0.

**Committee Activity:** Energy, Environment & Telecommunications: 3/20/13, 4/02/13 [DPA, DNP].

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### SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

**Majority Report:** Do pass as amended.

Signed by Senators Ericksen, Chair; Sheldon, Vice Chair; Brown, Chase and Honeyford.

**Minority Report:** Do not pass.

Signed by Senators Billig, Cleveland, Litzow and Ranker.

**Staff:** William Bridges (786-7416)

**Background:** Approved by voters in 2006, the Energy Independence Act, also known as Initiative 937 (I-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 I-937 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, 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;

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- 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 real-time 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.

Irrigation Districts. Irrigation districts are special purpose districts that, among other things, are authorized to provide for the irrigation of land, the generation of hydroelectricity, and the sale of hydroelectricity to other utilities in the state.

Renewable Energy Credit (REC). An 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 I-937, an REC represents all the nonpower attributes associated with the power. 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 Bill (Recommended Amendments):** The following are classified as eligible renewable resources under I-937: (1) a qualifying utility's proportionate share of incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects located in the Pacific Northwest, where the electricity is marketed by the Bonneville Power Administration, and where the additional generation does not result in new water diversions or impoundments; and (2) hydroelectric generation from a project in Washington that does not result in new water diversions or impoundments and is completed after March 31, 1999, where the generation facility is located in or adjacent to, and uses and returns only water from: (a) irrigation pipes or irrigation canals operated by an irrigation district or canal company; (b) water pipes whose primary purpose is for conveyance of water for domestic, municipal, or industrial use; and (c) wastewater pipes.

**EFFECT OF CHANGES MADE BY ENERGY, ENVIRONMENT & TELECOMMUNICATIONS COMMITTEE (Recommended Amendments):** Water pipes primarily used for the conveyance of water for municipal or industrial uses is added. Hydroelectric generation facilities in irrigation pipes and canals are limited to those owned by irrigation districts or canal companies. Qualifying hydroelectric generation facilities must

be located in or adjacent to a pipe or canal. Qualifying hydroelectric generation facilities are limited to those that use and return only water to a pipe or canal. Federal incremental hydroelectricity marketed by the Bonneville Power Administration is added. The title is amended.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Engrossed Substitute House Bill:**

Testimony From 2013 Regular Session.

PRO: Potential energy in irrigation canals, particularly in Eastern Washington, is being wasted. This bill could be improved by adding operation and safety rules for turbines in canals and by adding new, Washington-manufactured technology that uses water pressure in pipes to generate electricity. One-third of the compliance with the I-937 targets in 2012 was met with improvements to existing hydroelectric projects, so recognizing another modest source of hydroelectricity makes good sense.

**Persons Testifying:**

Persons Testifying From 2013 Regular Session.

PRO: Representative Haler, prime sponsor; Brett Bauer, Canyon Hydro; Mike Schwisow, WA State Water Resources Assn.; Tony Usibelli, Dept. of Commerce; Dave Warren, WA Public Utility District Assn.