

CERTIFICATION OF ENROLLMENT

ENGROSSED HOUSE BILL 2733

Chapter 45, Laws of 2014

63rd Legislature
2014 Regular Session

RENEWABLE RESOURCES--HYDROELECTRIC GENERATION PROJECTS

EFFECTIVE DATE: 06/12/14

Passed by the House February 17, 2014
Yeas 89 Nays 8

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 4, 2014
Yeas 39 Nays 10

BRAD OWEN

President of the Senate

Approved March 19, 2014, 2:38 p.m.

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 2733** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

March 19, 2014

**Secretary of State
State of Washington**

ENGROSSED HOUSE BILL 2733

Passed Legislature - 2014 Regular Session

State of Washington

63rd Legislature

2014 Regular Session

By Representatives Haler and Magendanz

Read first time 01/29/14. Referred to Committee on Technology & Economic Development.

1 AN ACT Relating to designating certain hydroelectric generation
2 from a generation facility located in irrigation canals and certain
3 pipes as an eligible renewable resource under chapter 19.285 RCW; and
4 reenacting and amending RCW 19.285.030.

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

6 **Sec. 1.** RCW 19.285.030 and 2013 c 158 s 1, 2013 c 99 s 1, and 2013
7 c 61 s 1 are each reenacted and amended to read as follows:

8 The definitions in this section apply throughout this chapter
9 unless the context clearly requires otherwise.

10 (1) "Attorney general" means the Washington state office of the
11 attorney general.

12 (2) "Auditor" means: (a) The Washington state auditor's office or
13 its designee for qualifying utilities under its jurisdiction that are
14 not investor-owned utilities; or (b) an independent auditor selected by
15 a qualifying utility that is not under the jurisdiction of the state
16 auditor and is not an investor-owned utility.

17 (3)(a) "Biomass energy" includes: (i) Organic by-products of
18 pulping and the wood manufacturing process; (ii) animal manure; (iii)
19 solid organic fuels from wood; (iv) forest or field residues; (v)

1 untreated wooden demolition or construction debris; (vi) food waste and
2 food processing residuals; (vii) liquors derived from algae; (viii)
3 dedicated energy crops; and (ix) yard waste.

4 (b) "Biomass energy" does not include: (i) Wood pieces that have
5 been treated with chemical preservatives such as creosote,
6 pentachlorophenol, or copper-chrome-arsenic; (ii) wood from old growth
7 forests; or (iii) municipal solid waste.

8 (4) "Coal transition power" has the same meaning as defined in RCW
9 80.80.010.

10 (5) "Commission" means the Washington state utilities and
11 transportation commission.

12 (6) "Conservation" means any reduction in electric power
13 consumption resulting from increases in the efficiency of energy use,
14 production, or distribution.

15 (7) "Cost-effective" has the same meaning as defined in RCW
16 80.52.030.

17 (8) "Council" means the Washington state apprenticeship and
18 training council within the department of labor and industries.

19 (9) "Customer" means a person or entity that purchases electricity
20 for ultimate consumption and not for resale.

21 (10) "Department" means the department of commerce or its
22 successor.

23 (11) "Distributed generation" means an eligible renewable resource
24 where the generation facility or any integrated cluster of such
25 facilities has a generating capacity of not more than five megawatts.

26 (12) "Eligible renewable resource" means:

27 (a) Electricity from a generation facility powered by a renewable
28 resource other than freshwater that commences operation after March 31,
29 1999, where: (i) The facility is located in the Pacific Northwest; or
30 (ii) the electricity from the facility is delivered into Washington
31 state on a real-time basis without shaping, storage, or integration
32 services;

33 (b) Incremental electricity produced as a result of efficiency
34 improvements completed after March 31, 1999, to hydroelectric
35 generation projects owned by a qualifying utility and located in the
36 Pacific Northwest (~~(or to hydroelectric generation in irrigation pipes~~
37 ~~and canals located in the Pacific Northwest,)) where the additional~~

1 generation (~~in either case~~) does not result in new water diversions
2 or impoundments;

3 (c) Hydroelectric generation from a project completed after March
4 31, 1999, where the generation facility is located in irrigation pipes,
5 irrigation canals, water pipes whose primary purpose is for conveyance
6 of water for municipal use, and wastewater pipes located in Washington
7 where the generation does not result in new water diversions or
8 impoundments;

9 (d) Qualified biomass energy; or

10 (~~(d)~~) (e) For a qualifying utility that serves customers in other
11 states, electricity from a generation facility powered by a renewable
12 resource other than freshwater that commences operation after March 31,
13 1999, where: (i) The facility is located within a state in which the
14 qualifying utility serves retail electrical customers; and (ii) the
15 qualifying utility owns the facility in whole or in part or has a long-
16 term contract with the facility of at least twelve months or more.

17 (13) "Investor-owned utility" has the same meaning as defined in
18 RCW 19.29A.010.

19 (14) "Load" means the amount of kilowatt-hours of electricity
20 delivered in the most recently completed year by a qualifying utility
21 to its Washington retail customers.

22 (15)(a) "Nonpower attributes" means all environmentally related
23 characteristics, exclusive of energy, capacity reliability, and other
24 electrical power service attributes, that are associated with the
25 generation of electricity from a renewable resource, including but not
26 limited to the facility's fuel type, geographic location, vintage,
27 qualification as an eligible renewable resource, and avoided emissions
28 of pollutants to the air, soil, or water, and avoided emissions of
29 carbon dioxide and other greenhouse gases.

30 (b) "Nonpower attributes" does not include any aspects, claims,
31 characteristics, and benefits associated with the on-site capture and
32 destruction of methane or other greenhouse gases at a facility through
33 a digester system, landfill gas collection system, or other mechanism,
34 which may be separately marketable as greenhouse gas emission reduction
35 credits, offsets, or similar tradable commodities. However, these
36 separate avoided emissions may not result in or otherwise have the
37 effect of attributing greenhouse gas emissions to the electricity.

1 (16) "Pacific Northwest" has the same meaning as defined for the
2 Bonneville power administration in section 3 of the Pacific Northwest
3 electric power planning and conservation act (94 Stat. 2698; 16 U.S.C.
4 Sec. 839a).

5 (17) "Public facility" has the same meaning as defined in RCW
6 39.35C.010.

7 (18) "Qualified biomass energy" means electricity produced from a
8 biomass energy facility that: (a) Commenced operation before March 31,
9 1999; (b) contributes to the qualifying utility's load; and (c) is
10 owned either by: (i) A qualifying utility; or (ii) an industrial
11 facility that is directly interconnected with electricity facilities
12 that are owned by a qualifying utility and capable of carrying
13 electricity at transmission voltage.

14 (19) "Qualifying utility" means an electric utility, as the term
15 "electric utility" is defined in RCW 19.29A.010, that serves more than
16 twenty-five thousand customers in the state of Washington. The number
17 of customers served may be based on data reported by a utility in form
18 861, "annual electric utility report," filed with the energy
19 information administration, United States department of energy.

20 (20) "Renewable energy credit" means a tradable certificate of
21 proof of at least one megawatt-hour of an eligible renewable resource
22 where the generation facility is not powered by freshwater. The
23 certificate includes all of the nonpower attributes associated with
24 that one megawatt-hour of electricity, and the certificate is verified
25 by a renewable energy credit tracking system selected by the
26 department.

27 (21) "Renewable resource" means: (a) Water; (b) wind; (c) solar
28 energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or
29 tidal power; (g) gas from sewage treatment facilities; (h) biodiesel
30 fuel as defined in RCW 82.29A.135 that is not derived from crops raised
31 on land cleared from old growth or first-growth forests where the
32 clearing occurred after December 7, 2006; or (i) biomass energy.

33 (22) "Rule" means rules adopted by an agency or other entity of
34 Washington state government to carry out the intent and purposes of
35 this chapter.

36 (23) "Year" means the twelve-month period commencing January 1st

1 and ending December 31st.

Passed by the House February 17, 2014.

Passed by the Senate March 4, 2014.

Approved by the Governor March 19, 2014.

Filed in Office of Secretary of State March 19, 2014.