

**EHB 1115** - S AMD TO WM COMMITTEE AMENDMENT (S-3013.1/15) **398**

By Senators Keiser, Conway, Nelson

**PULLED 04/14/2015**

1 On page 16, after line 4, insert the following:

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4 **"NEW SECTION. Sec. 1037 FOR THE DEPARTMENT OF COMMERCE**

5 Clean Energy and Energy Freedom Program (30000726)

6 The appropriations in this section are subject to the following  
7 conditions and limitations:

8 (1) The appropriations are provided solely for projects that  
9 provide a benefit to the public through development, demonstration,  
10 and deployment of clean energy technologies that save energy and  
11 reduce energy costs, reduce harmful air emissions or otherwise  
12 increase energy independence for the state. All expenditures must be  
13 used for projects that develop and acquire assets that have a useful  
14 life of at least thirteen years. These requirements must be  
15 specified in funding agreements issued by the department.

16 (2)(a) \$10,000,000 of the state taxable building construction  
17 account is provided solely to create a revolving loan fund to  
18 support the widespread use of proven energy efficiency and renewable  
19 energy technologies now inhibited by lack of access to capital.

20 (b) The department shall provide grant funds to one or more  
21 competitively selected nonprofit lenders that will provide matching  
22 private capital and will administer the loan fund. The department  
23 must select the loan fund administrator or administrators through a  
24 competitive process, with scoring conducted by a group of qualified  
25 experts, applying criteria specified by the department.

26 (c) The department must establish guidelines that specify  
27 applicant eligibility, the screening process, and evaluation and

1 selection criteria. The guidelines must be used by the nonprofit  
2 lenders.

3 (d) Loan applications must disclose all sources of public funds  
4 invested in the project. The nonprofit lender must make loans  
5 available to the following types of projects that include, but are  
6 not limited to: Residential, commercial, industrial, and  
7 agricultural energy retrofits, residential and community-scale solar  
8 installations, anaerobic digesters to treat dairy and organic waste,  
9 and combined heat and power projects using woody biomass as a fuel  
10 source.

11 (e) State funds may not exceed fifty percent of the estimated  
12 cost of a project, and funding preference must be provided to  
13 projects that offer a higher percentage of nonstate match funds.

14 (f) The department must conduct due diligence activities  
15 associated with the use of public funds, including oversight of the  
16 project selection process and project monitoring.

17 (3)(a) \$15,000,000 of the state building construction account  
18 is provided solely for grants to advance clean and renewable energy  
19 technologies and advance transmission and distribution control  
20 system improvements for increased reliability, resiliency, and  
21 enabling integration of distributed and renewable resources and  
22 technology by public and private electrical utilities that serve  
23 retail customers in the state. Eligible utilities may partner with  
24 other public and private sector research organizations and  
25 businesses in applying for funding.

26 (b) The department shall develop a grant application process to  
27 competitively select projects for grant awards, to include scoring  
28 conducted by a group of qualified experts with application of  
29 criteria specified by the department. In development of the  
30 application criteria, the department shall, to the extent possible,  
31 allow smaller utilities or consortia of small utilities to apply for  
32 funding.

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1 (c) The department shall convene an advisory panel of electric  
2 utility representatives to identify program objectives, near term  
3 priorities and long term goals.

4 (d) Applications for grants must disclose all sources of public  
5 funds invested in a project.

6 (e) Grant funds must be used for research, development, or  
7 demonstration projects that integrate intermittent renewables  
8 through energy storage, information technology or other smart grid  
9 technologies, dispatch energy storage resources from utility control  
10 rooms, use demand response, transactive control, or the thermal  
11 properties and electric load of commercial buildings and district  
12 energy systems to store energy, reduce transmission congestion or  
13 otherwise improve system reliability and resiliency and enable  
14 integration of distributed and renewable energy sources.

15 (4)(a) \$15,000,000 of the state building construction account is  
16 provided solely for grants to match federal funds or other nonstate  
17 funding sources used to research, develop, and demonstrate clean  
18 energy technologies.

19 (b) The department shall consult with the University of  
20 Washington, Washington State University, the Pacific Northwest  
21 national laboratory and other clean energy organizations to design  
22 the program. The program shall offer matching funds for clean energy  
23 projects including, but not limited to: Advancing energy storage and  
24 solar technologies, advancing bioenergy, developing new lightweight  
25 materials, and advancing renewable energy and energy efficiency  
26 technologies.

27 (5) The department must report on number and results of projects  
28 that receive grants or loans through the clean energy fund,  
29 including the number of job hours created and the number of jobs  
30 maintained and created, to the governor and the legislature, by  
31 November 1, 2016.

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1 Appropriation:

2	State Taxable Building Construction Account—State....	\$10,000,000
3	State Building Construction Account—State.....	\$30,000,000
4	Subtotal Appropriation .....	\$40,000,000
5	Prior Biennia (Expenditures) .....	\$0
6	Future Biennia (Projected Costs) .....	\$0
7	TOTAL . . . . .	\$40,000,000"

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9 Renumber the remaining sections consecutively and correct any  
10 internal references accordingly.

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EFFECT:

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