

# FINAL BILL REPORT

## ESB 5128

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Synopsis as Enacted

**Brief Description:** Allowing incremental electricity produced as a result of certain capital investment projects to qualify as an eligible renewable resource under the energy independence act.

**Sponsors:** Senators Takko, Rivers and Chase.

**Senate Committee on Energy, Environment & Telecommunications**  
**House Committee on Technology & Economic Development**  
**House Committee on Appropriations**

**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 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;
- 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. Under certain conditions, incremental electricity produced as a result of efficiency improvements to hydroelectric generation facilities may also count as an eligible renewable resource.

In addition, eligible renewable resources include qualified biomass energy, which is electricity produced from a biomass energy facility that commenced operation before March 31, 1999, contributes to a qualifying utility's load, and is owned by either (1) a qualifying

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utility, or (2) an industrial facility that is directly interconnected with electricity facilities owned by the qualifying utility.

**Summary:** A qualifying utility may use incremental electricity produced as a result of a capital investment completed after January 1, 2010, as an eligible renewable resource to comply with I-937. The increase in the amount of electricity generated must be relative to a baseline level of generation prior to the capital investment at a facility. Beginning January 1, 2007, the facility must demonstrate its baseline level of generation over a three-year period prior to the capital investment. The facility must have commenced operation before March 31, 1999, and generate qualified biomass energy.

The facility must demonstrate through direct or calculated measurement the increase in electricity as a result of the capital investment. The Department of Commerce must adopt rules to develop a methodology for calculating baseline levels of generation of electricity produced prior to the capital investment.

**Votes on Final Passage:**

Senate	49	0
House	91	7

**Effective:** July 23, 2017