
SUBSTITUTE HOUSE BILL 2413

State of Washington

65th Legislature

2018 Regular Session

By House Technology & Economic Development (originally sponsored by Representatives Doglio and Macri)

READ FIRST TIME 02/01/18.

1 AN ACT Relating to the voluntary option to purchase qualified
2 alternative energy resources; and amending RCW 19.29A.090.

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

4 **Sec. 1.** RCW 19.29A.090 and 2014 c 129 s 1 are each amended to
5 read as follows:

6 (1) Beginning January 1, 2002, each electric utility must provide
7 to its retail electricity customers a voluntary option to purchase
8 qualified alternative energy resources in accordance with this
9 section.

10 (2) Each electric utility must ~~((include with its retail electric~~
11 ~~customer's regular billing statements, at least quarterly,))~~ provide
12 a voluntary option to purchase qualified alternative energy resources
13 to each of its new retail electric customers at the time service is
14 established. Each electric utility must provide the option to all of
15 its existing retail electric customers through the utility's web site
16 and through quarterly mailings as a bill insert or other publication.
17 The option may allow customers to purchase qualified alternative
18 energy resources at fixed or variable rates and for fixed or variable
19 periods of time, including but not limited to monthly, quarterly, or
20 annual purchase agreements, and for all or part of the customer's
21 retail electric requirement.

1 (3) A utility may provide a retail electric customer with a
2 qualified alternative energy resource (~~options~~) option through
3 either: (a) Resources it owns or contracts for; or (b) the purchase
4 of credits issued by a clearinghouse or other system by which the
5 utility may secure, for trade or other consideration, verifiable
6 evidence that a second party has a qualified alternative energy
7 resource and that the second party agrees to transfer such evidence
8 exclusively to the benefit of the utility.

9 (~~(3)~~) (4) The nonpower attributes associated with qualified
10 alternative energy resources, including those verified in the form of
11 renewable energy credits, that are provided for the purposes of this
12 section may only be used once and must be retired by the electric
13 utility on behalf of the customer for the reporting year in which the
14 nonpower attributes are used. The requirements of this section may be
15 met for any given year with the nonpower attributes associated with
16 electricity that is generated during that year, the preceding year,
17 or the subsequent year.

18 (5) The definitions in this subsection apply throughout this
19 section unless the context clearly requires otherwise.

20 (a) "Nonpower attributes" has the same meaning as defined in RCW
21 19.285.030.

22 (b) "Renewable energy credit" means a tradable certificate of
23 proof of at least one megawatt-hour of a qualified alternative energy
24 resource. The certificate includes all of the nonpower attributes
25 associated with that one megawatt-hour of electricity and the
26 certificate is verified by a renewable energy credit tracking system.

27 (6) For the purposes of this section, a "qualified alternative
28 energy resource" means the electricity or thermal energy produced
29 from generation facilities that are fueled by: (a) Wind; (b) solar
30 energy; (c) geothermal energy; (d) landfill gas; (e) wave or tidal
31 action; (f) gas produced during the treatment of wastewater; (g)
32 qualified hydropower; or (h) biomass energy based on animal waste or
33 solid or liquid organic fuels from wood, forest, or field residues,
34 or dedicated energy crops that do not include wood pieces that have
35 been treated with chemical preservatives such as creosote,
36 pentachlorophenol, or copper-chrome-arsenic.

37 (~~(4)~~) (7) For the purposes of this section, "qualified
38 hydropower" means the energy produced either: (a) As a result of
39 modernizations or upgrades made after June 1, 1998, to hydropower
40 facilities operating on May 8, 2001, that have been demonstrated to

1 reduce the mortality of anadromous fish; or (b) by run of the river
2 or run of the canal hydropower facilities that are not responsible
3 for obstructing the passage of anadromous fish.

4 ~~((+5))~~ (8) The rates, terms, conditions, and customer
5 notification of each utility's option or options offered in
6 accordance with this section must be approved by the governing body
7 of the consumer-owned utility or by the commission for investor-owned
8 utilities. All costs and benefits associated with any option offered
9 by an electric utility under this section must be allocated to the
10 customers who voluntarily choose that option and may not be shifted
11 to any customers who have not chosen such option. Utilities may
12 pursue known, lawful aggregated purchasing of qualified alternative
13 energy resources with other utilities to the extent aggregated
14 purchasing can reduce the unit cost of qualified alternative energy
15 resources, and are encouraged to investigate opportunities to
16 aggregate the purchase of alternative energy resources by their
17 customers. Aggregated purchases by investor-owned utilities must
18 comply with any applicable rules or policies adopted by the
19 commission related to least-cost planning or the acquisition of
20 renewable resources.

21 ~~((+6))~~ (9) Each consumer-owned utility must maintain and make
22 available upon request of the department and each investor-owned
23 utility must maintain and make available upon request of the
24 commission information describing the option or options it is
25 offering its customers under the requirements of this section, the
26 rate of customer participation, the amount of qualified alternative
27 energy resources purchased by customers, the amount of utility
28 investments in qualified alternative energy resources, and the
29 results of pursuing aggregated purchasing opportunities. Each
30 consumer-owned utility and investor-owned utility must also make the
31 information available to its customers. The department and the
32 commission ~~((shall))~~ must report the information to the appropriate
33 committees of the legislature upon request.

34 (10) By December 31, 2018, the department and the commission must
35 jointly report findings and recommendations to the energy committees
36 of the legislature on best practices and policies for electric
37 utilities to develop green tariffs or similar qualified alternative
38 energy resource options for their retail electric customers. The
39 report must address: A review of policies and practices for voluntary
40 green energy purchasing, including but not limited to green tariffs

1 and community choice aggregation programs, in other states; an
2 inventory of current qualified alternative energy resource options
3 and other voluntary green energy purchasing options offered by
4 electric utilities in Washington; and recommendations for increasing
5 the accessibility, affordability, authenticity, and attractiveness of
6 qualified alternative energy resource options in the state.

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