

**2SHB 1110 - H AMD 383**

By Representative Corry

WITHDRAWN 03/12/2019

1 On page 4, line 5, after "section." insert "However, electricity  
2 used as a transportation fuel is eligible to generate credits under  
3 the program. Electricity produced from hydroelectric generation  
4 projects, including incremental electricity specified in RCW  
5 19.285.030(12)(g), may be attributed zero associated lifecycle  
6 greenhouse gas emissions under the rules adopted by the department."

7 On page 24, after line 24, insert the following:

8 **"Sec. 19.** RCW 19.285.030 and 2017 c 315 s 1 are each amended to  
9 read as follows:

10 The definitions in this section apply throughout this chapter  
11 unless the context clearly requires otherwise.

12 (1) "Attorney general" means the Washington state office of the  
13 attorney general.

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

19 (3)(a) "Biomass energy" includes: (i) Organic by-products of  
20 pulping and the wood manufacturing process; (ii) animal manure; (iii)  
21 solid organic fuels from wood; (iv) forest or field residues; (v)  
22 untreated wooden demolition or construction debris; (vi) food waste  
23 and food processing residuals; (vii) liquors derived from algae;  
24 (viii) dedicated energy crops; and (ix) yard waste.

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

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

31 (5) "Commission" means the Washington state utilities and  
32 transportation commission.

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

4 (7) "Cost-effective" has the same meaning as defined in RCW  
5 80.52.030.

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

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

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

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

16 (12) "Eligible renewable resource" means:

17 (a) Electricity from a generation facility powered by a renewable  
18 resource other than freshwater that commences operation after March  
19 31, 1999, where: (i) The facility is located in the Pacific  
20 Northwest; or (ii) the electricity from the facility is delivered  
21 into Washington state on a real-time basis without shaping, storage,  
22 or integration services;

23 (b) Incremental electricity produced as a result of efficiency  
24 improvements completed after March 31, 1999, to hydroelectric  
25 generation projects owned by a qualifying utility and located in the  
26 Pacific Northwest where the additional generation does not result in  
27 new water diversions or impoundments;

28 (c) Hydroelectric generation from a project completed after March  
29 31, 1999, where the generation facility is located in irrigation  
30 pipes, irrigation canals, water pipes whose primary purpose is for  
31 conveyance of water for municipal use, and wastewater pipes located  
32 in Washington where the generation does not result in new water  
33 diversions or impoundments;

34 (d) Qualified biomass energy;

35 (e) For a qualifying utility that serves customers in other  
36 states, electricity from a generation facility powered by a renewable  
37 resource other than freshwater that commences operation after March  
38 31, 1999, where: (i) The facility is located within a state in which  
39 the qualifying utility serves retail electrical customers; and (ii)  
40 the qualifying utility owns the facility in whole or in part or has a

1 long-term contract with the facility of at least twelve months or  
2 more; ((~~or~~))

3 (f) (i) Incremental electricity produced as a result of a capital  
4 investment completed after January 1, 2010, that increases, relative  
5 to a baseline level of generation prior to the capital investment,  
6 the amount of electricity generated in a facility that generates  
7 qualified biomass energy as defined under subsection (18)(c)(ii) of  
8 this section and that commenced operation before March 31, 1999.

9 (ii) Beginning January 1, 2007, the facility must demonstrate its  
10 baseline level of generation over a three-year period prior to the  
11 capital investment in order to calculate the amount of incremental  
12 electricity produced.

13 (iii) The facility must demonstrate that the incremental  
14 electricity resulted from the capital investment, which does not  
15 include expenditures on operation and maintenance in the normal  
16 course of business, through direct or calculated measurement;

17 (g) Beginning January 1, 2019, the portion of incremental  
18 electricity produced as a result of efficiency improvements completed  
19 after March 31, 1999, attributable to a qualifying utility's share of  
20 electricity output from hydroelectric generation projects whose  
21 energy output is marketed by the Bonneville power administration,  
22 where the additional generation does not result in new water  
23 diversions or impoundments; or

24 (h) The environmental attributes, including renewable energy  
25 credits, from (g) of this subsection transferred to investor-owned  
26 utilities pursuant to the Bonneville power administration's  
27 residential exchange program.

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

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

33 (15)(a) "Nonpower attributes" means all environmentally related  
34 characteristics, exclusive of energy, capacity reliability, and other  
35 electrical power service attributes, that are associated with the  
36 generation of electricity from a renewable resource, including but  
37 not limited to the facility's fuel type, geographic location,  
38 vintage, qualification as an eligible renewable resource, and avoided  
39 emissions of pollutants to the air, soil, or water, and avoided  
40 emissions of carbon dioxide and other greenhouse gases.

1 (b) "Nonpower attributes" does not include any aspects, claims,  
2 characteristics, and benefits associated with the on-site capture and  
3 destruction of methane or other greenhouse gases at a facility  
4 through a digester system, landfill gas collection system, or other  
5 mechanism, which may be separately marketable as greenhouse gas  
6 emission reduction credits, offsets, or similar tradable commodities.  
7 However, these separate avoided emissions may not result in or  
8 otherwise have the effect of attributing greenhouse gas emissions to  
9 the electricity.

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

14 (17) "Public facility" has the same meaning as defined in RCW  
15 39.35C.010.

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

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

29 (20) "Renewable energy credit" means a tradable certificate of  
30 proof of at least one megawatt-hour of an eligible renewable resource  
31 where, except as provided in subsection (12)(h) of this section, the  
32 generation facility is not powered by freshwater. The certificate  
33 includes all of the nonpower attributes associated with that one  
34 megawatt-hour of electricity, and the certificate is verified by a  
35 renewable energy credit tracking system selected by the department.

36 (21) "Renewable resource" means: (a) Water; (b) wind; (c) solar  
37 energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or  
38 tidal power; (g) gas from sewage treatment facilities; (h) biodiesel  
39 fuel as defined in RCW 82.29A.135 that is not derived from crops

1 raised on land cleared from old growth or first-growth forests where  
2 the clearing occurred after December 7, 2006; or (i) biomass energy.

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

6 (23) "Year" means the twelve-month period commencing January 1st  
7 and ending December 31st."

8 Renumber the remaining sections consecutively, correct any  
9 internal references accordingly, and correct the title.

EFFECT: (1) Specifies that electricity used as a transportation  
fuel is eligible to generate credits under the clean fuels program.

(2) Authorizes clean fuels program rules adopted by the  
department of ecology to specify that electricity from hydroelectric  
generation, including incremental hydroelectric generation that is an  
eligible renewable resource under the energy independence act, to be  
attributed zero associated lifecycle greenhouse gas emissions.

(3) Expands the definition of eligible renewable resource under  
the energy independence act to include:

(a) Electricity from efficiency improvements completed after  
March 31, 1999, attributable to a qualifying utility's share of  
electricity output from hydroelectric generation projects marketed by  
the Bonneville power administration (BPA), beginning January 1, 2019;  
and

(b) The environmental attributes, including renewable energy  
credits, from federal incremental electricity transferred to  
investor-owned utilities under the BPA's residential exchange  
program.

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