S-0509.1

SENATE BILL 5089

State of Washington 64th Legislature 2015 Regular Session

By Senators Brown, Hewitt, and Sheldon

Read first time 01/14/15. Referred to Committee on Energy, Environment & Telecommunications.

1 AN ACT Relating to revising definitions in the energy 2 independence act to promote the use of clean energy in the future; 3 and amending RCW 19.285.030.

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

5 Sec. 1. RCW 19.285.030 and 2014 c 45 s 1 are each amended to 6 read as follows:

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

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

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

16 (3)(a) "Biomass energy" includes: (i) Organic by-products of 17 pulping and the wood manufacturing process; (ii) animal manure; (iii) 18 solid organic fuels from wood; (iv) forest or field residues; (v) 19 untreated wooden demolition or construction debris; (vi) food waste 20 and food processing residuals; (vii) liquors derived from algae; 21 (viii) dedicated energy crops; and (ix) yard waste. 1 (b) "Biomass energy" does not include: (i) Wood pieces that have 2 been treated with chemical preservatives such as creosote, 3 pentachlorophenol, or copper-chrome-arsenic; (ii) wood from old 4 growth forests; or (iii) municipal solid waste.

5 (4) "Coal transition power" has the same meaning as defined in 6 RCW 80.80.010.

7 (5) "Commission" means the Washington state utilities and 8 transportation commission.

9 (6) "Conservation" means any reduction in electric power 10 consumption resulting from increases in the efficiency of energy use, 11 production, or distribution.

12 (7) "Cost-effective" has the same meaning as defined in RCW 13 80.52.030.

14 (8) "Council" means the Washington state apprenticeship and15 training council within the department of labor and industries.

16 (9) "Customer" means a person or entity that purchases 17 electricity for ultimate consumption and not for resale.

18 (10) "Department" means the department of commerce or its 19 successor.

20 (11) "Distributed generation" means an eligible renewable 21 resource where the generation facility or any integrated cluster of 22 such facilities has a generating capacity of not more than five 23 megawatts.

24 (12) "Eligible renewable resource" means:

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

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

36 (c) Hydroelectric generation from a project completed after March 37 31, 1999, where the generation facility is located in irrigation 38 pipes, irrigation canals, water pipes whose primary purpose is for 39 conveyance of water for municipal use, and wastewater pipes located

p. 2

1 in Washington where the generation does not result in new water 2 diversions or impoundments;

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(d) Qualified biomass energy; ((or))

4 (e) <u>Electricity from small modular reactors that commence</u> 5 <u>operation after December 31, 2019; or</u>

б (f) For a qualifying utility that serves customers in other states, electricity from a generation facility powered by a renewable 7 resource other than freshwater that commences operation after March 8 31, 1999, where: (i) The facility is located within a state in which 9 the qualifying utility serves retail electrical customers; and (ii) 10 11 the qualifying utility owns the facility in whole or in part or has a 12 long-term contract with the facility of at least twelve months or 13 more.

14 (13) "Investor-owned utility" has the same meaning as defined in 15 RCW 19.29A.010.

16 (14) "Load" means the amount of kilowatt-hours of electricity 17 delivered in the most recently completed year by a qualifying utility 18 to its Washington retail customers.

19 (15)(a) "Nonpower attributes" means all environmentally related characteristics, exclusive of energy, capacity reliability, and other 20 21 electrical power service attributes, that are associated with the generation of electricity from a renewable resource, including but 22 limited to the facility's fuel type, geographic 23 not location, vintage, qualification as an eligible renewable resource, and avoided 24 25 emissions of pollutants to the air, soil, or water, and avoided 26 emissions of carbon dioxide and other greenhouse gases.

(b) "Nonpower attributes" does not include any aspects, claims, 27 28 characteristics, and benefits associated with the on-site capture and 29 destruction of methane or other greenhouse gases at a facility through a digester system, landfill gas collection system, or other 30 31 mechanism, which may be separately marketable as greenhouse gas emission reduction credits, offsets, or similar tradable commodities. 32 33 However, these separate avoided emissions may not result in or otherwise have the effect of attributing greenhouse gas emissions to 34 35 the electricity.

36 (16) "Pacific Northwest" has the same meaning as defined for the 37 Bonneville power administration in section 3 of the Pacific Northwest 38 electric power planning and conservation act (94 Stat. 2698; 16 39 U.S.C. Sec. 839a).

p. 3

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

3 (18) "Qualified biomass energy" means electricity produced from a 4 biomass energy facility that: (a) Commenced operation before March 5 31, 1999; (b) contributes to the qualifying utility's load; and (c) 6 is owned either by: (i) A qualifying utility; or (ii) an industrial 7 facility that is directly interconnected with electricity facilities 8 that are owned by a qualifying utility and capable of carrying 9 electricity at transmission voltage.

10 (19) "Qualifying utility" means an electric utility, as the term 11 "electric utility" is defined in RCW 19.29A.010, that serves more 12 than twenty-five thousand customers in the state of Washington. The 13 number of customers served may be based on data reported by a utility 14 in form 861, "annual electric utility report," filed with the energy 15 information administration, United States department of energy.

16 (20) "Renewable energy credit" means a tradable certificate of 17 proof of at least one megawatt-hour of an eligible renewable resource 18 where the generation facility is not powered by freshwater. The 19 certificate includes all of the nonpower attributes associated with 20 that one megawatt-hour of electricity, and the certificate is 21 verified by a renewable energy credit tracking system selected by the 22 department.

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

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

32 (23) <u>"Small modular reactor" means: (a) A scalable nuclear power</u> 33 plant using reactors that each have a gross power output no greater 34 than fifty megawatts electric; (b) where each reactor is designed for 35 factory manufacturing and ease of transport, such as by truck, rail, 36 or barge; and (c) where each reactor is installed in its own isolated 37 bay in a reactor building that may contain no more than twelve 38 reactors. 1 (24) "Year" means the twelve-month period commencing January 1st 2 and ending December 31st.

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