# WASHINGTON CLEAN TECH ALLIANCE

**Weekly Report** 

Prepared by: Boswell Consulting Friday, February 15, 2013

The fifth week of session has come and gone, and we are heading towards the first committee cutoff scheduled for next Friday, February 22nd. Any non-budget related bills will need to be passed out of their originating committee by Friday or they will be considered dead for this session.

Many issues were heard in both the House and Senate this week related to Initiative 937. The House Environment Committee discussed two of Representative John McCoy's bills, HB 1105 and HB 1106. HB 1105 closes the current Renewable Energy Investment Cost Recovery Program to new applicants beginning July 1, 2014. If this bill is passed, it will create a new Renewable Energy Investment Cost Recovery Program on July 1, 2014. HB 1106 if the Net Metering legislation that would require utilities participating in the new program to sign a 10-year contract for the payment of incentives. Most of the groups that testified were interested in the new program, but had concerns about the 10-year contract. Executive action on both of these bills is expected next week in the House Environment Committee.

The Senate Energy, Environment and Telecommunications Committee dealt with more controversial issues - the bill creating the most stir was Senator Sharon Brown's bill, SB 5648 ("no buy before need"). As expected, several utilities testified in support, while the environmental community and the renewables industry testified in opposition, expressing concerns about suppressing additional renewable development in Washington State.

Governor Inslee brought forward a package of proposals this week, including the following concepts:

- Invest to develop clean energy solutions
- Invest in clean energy and climate solutions for transportation
- Extend the electric vehicle fast-charging network across Interstate 90 and Highway 101
- Support increased production at the state's biodiesel refineries and oilseed farms
- Establish a new Center of Excellence Alternative Jet Fuels and Environment at Washington State University
- Identify actions to achieve our greenhouse gas emissions limits
- Implement the Yakima River Basin Integrated Water Management Plan

To read more, please go to <a href="http://www.governor.wa.gov/news/20130213.aspx">http://www.governor.wa.gov/news/20130213.aspx</a>. These proposals are arriving very late in session and it is unclear at this point how much momentum they will generate.

# BILL TRACKING SUMMARY

| MEDIUM PRIORITY BILLS |  | <b>Sponsor</b> | <b>Position</b> | <u>Status</u>    |
|-----------------------|--|----------------|-----------------|------------------|
| <u>S1017</u>          | Creating new efficiency standards. (DIGEST OF PROPOSED 1ST SUBSTITUTE)   | Morris         | Monitor         | H, Apps Gen Govt |
| <u>1030</u>           | Adopting the electric transmission line siting compact.  | Morris         | Monitor         | H, Environment   |
| <u>1154</u>           | Modifying the definition of nonpower attributes in the energy independence act.  | Upthegrove     | Monitor         | H, Rules R       |
| <u>1301</u>           | Creating clean energy jobs in Washington state through renewable energy incentives.  | Morris         | Monitor         | H, Exec Action   |
| <u>1347</u>           | Allowing incremental electricity produced as a result of efficiency improvements to hydroelectric generation projects whose energy output is marketed by the Bonneville power administration to qualify as an eligible renewable resource under the energy independence act. | Short          | Monitor         | H, Environment   |
| <u>1443</u>           | Providing for property tax exemption for the value of new  | Sells          | Monitor         | H, Exec Action   |

|             | construction of industrial/manufacturing facilities in targeted urban areas.  |           |         |                   |
|-------------|---|-----------|---------|-------------------|
| <u>1690</u> | Permitting entities to qualify for cost recovery incentives from solar energy systems located on real property of the entity's controlling owner.   | Orcutt    | Monitor | H, Finance        |
| <u>1693</u> | Providing tax relief for new businesses in high growth business sectors.  | Habib     | Monitor | H, Tech & Econ D  |
| <u>1699</u> | Making energy conservation a top priority by adding new incentives and aligning the timing of the acquisitions of eligible renewable resources, electricity, or equivalent renewable energy credits, with the need for additional electric generating resources to serve consumers' loads, without changing the eligible renewable targets. | Pollet    | Monitor | H, Environment    |
| <u>1826</u> | Updating integrated resource plan requirements to address changing energy markets.  | Morris    | Monitor | H, Environment    |
| <u>4200</u> | Amending the state Constitution to require that hydroelectric generation be recognized as a renewable resource.   | Haler     | Monitor | H, Environment    |
| <u>5032</u> | Extending the tax credit expiration date for certain contributions made to electric utility rural economic development revolving funds.   | Ericksen  | Monitor | S, Ways & Means   |
| <u>5041</u> | Implementing recommendations related to the tax preference review process conducted by the joint legislative audit and review committee and the citizen commission for performance measurement of tax preferences.  | Hasegawa  | Monitor | S, Ways & Means   |
| <u>5189</u> | Concerning photovoltaic electrical systems.   | Smith     | Monitor | S, Commerce and L |
| <u>5294</u> | Recognizing hydroelectricity as an eligible renewable resource in the energy independence act.  | Ericksen  | Monitor | S, Energy, Enviro |
| <u>5369</u> | Concerning the use of geothermal resources.   | Kline     | Monitor | S, Energy, Enviro |
| <u>5382</u> | Promoting economic development through tax relief for start-up firms.   | Benton    | Monitor | S, Trade & Econom |
| <u>5400</u> | Allowing utilities serving customers in Washington and in other states to use eligible renewable resources located within the western electricity coordinating council area to comply with chapter 19.285 RCW, the energy independence act.   | Honeyford | Monitor | S, Energy, Enviro |
| <u>5408</u> | Modifying the definition of nonpower attributes in the energy independence act.   | Ericksen  | Monitor | S, Rules 2        |
| <u>5409</u> | Extending the sales and use tax exemption of machinery and equipment that generate electricity from specified sources.  | Ericksen  | Monitor | S, Ways & Means   |
| <u>5412</u> | Adding incremental hydroelectricity that is marketed by the Bonneville power administration to the definition of an eligible renewable resource for the purposes of chapter 19.285 RCW.   | Ericksen  | Monitor | S, Energy, Enviro |
| <u>5429</u> | Increasing accountability for the tax preferences for manufacturing machinery and equipment by requiring a net benefit to the state and deferring sales and use tax.  | Chase     | Monitor | S, Trade & Econom |
| <u>5431</u> | Recognizing hydroelectricity as an eligible renewable resource in the energy independence act.  | Ericksen  | Monitor | S, Energy, Enviro |
| <u>5438</u> | Using conservation achieved by a qualifying utility in excess of its biennial acquisition target under the energy independence act.   | Ericksen  | Monitor | S, Energy, Enviro |
| <u>5448</u> | Narrowing the requirement that utilities purchase electricity, renewable energy credits, or electric generating facilities that are not needed to serve their customers' loads.   | Ericksen  | Monitor | S, Energy, Enviro |
| <u>5555</u> | Enacting the Washington state renewable energy space heating act.   | Ericksen  | Monitor | S, Energy, Enviro |
| <u>5707</u> | Regarding net metering of electricity.  | Ranker    | Monitor | S, Energy, Enviro |
| <u>5709</u> | Concerning a pilot program to demonstrate the feasibility of using densified biomass to heat public schools.  | Smith     | Monitor | S, Ways & Means   |

| <u>5752</u> | Extending the expiration date of the existing business and occupation | Holmquist | Monitor | S, Ways & Means    |
|-------------|---|-----------|---------|--------------------|
|             | tax rate for the manufacture and wholesale of certain solar energy    | Newbry    |         |                    |
|             | systems.  |           |         |                    |
| <u>5769</u> | Hydroelectric generation (Supplement not yet available.)              |           | Monitor | S, Energy, Enviro  |
| <u>5796</u> | Emergency power/emissions (Supplement not yet available.)             |           | Monitor | S, Energy, Environ |
| <u>5802</u> | Greenhouse gas emissions (Supplement not yet available.)              |           | Monitor | S, Energy, Enviro  |

## CALENDAR ITEMS

| 2/15/2013 | 5189  | Photovoltaic electr. systems | Commerce & Labor                         |     | 8:00 AM  | SHR 4 |
|-----------|-------|------------------------------|--|-----|----------|-------|
| 2/19/2013 | 1826  | Integrated resource plans    | Environment                              |     | 8:00 AM  | HHR C |
| 2/19/2013 | 1693  | New businesses/tax relief    | Technology & Economic Development        | TVW | 10:00 AM | HHR C |
| 2/19/2013 | 5752  | Solar energy systems/B&O tax | Ways & Means                             |     | 3:30 PM  | SHR 4 |
| 2/20/2013 | 1693  | New businesses/tax relief    | Technology & Economic Development        |     | 8:00 AM  | HHR C |
| 2/20/2013 | 5769  | Hydroelectric generation     | Energy, Environment & Telecommunications |     | 8:00 AM  | SHR 4 |
| 2/20/2013 | 5796  | Emergency power/emissions    | Energy, Environment & Telecommunications |     | 8:00 AM  | SHR 4 |
| 2/20/2013 | 5802  | Greenhouse gas emissions     | Energy, Environment & Telecommunications |     | 8:00 AM  | SHR 4 |
| 2/20/2013 | S1017 | Efficiency standards         | Appropriations Subcommittee on General   |     | 3:30 PM  | HHR D |
|           |       | •                            | Government                               |     |          |       |

# BILL TRACKING DETAILS

S1017 <u>Efficiency standards</u> Morris

House Committee on Environment (originally sponsored by Representatives Morris, Fitzgibbon, Fey, Liias, McCoy, Hudgins, Farrell, Morrell, Ormsby, Upthegrove, and Pollet)

Establishes minimum energy efficiency standards for battery charger systems, battery backup, and uninterruptible power supplies. Establishes minimum water conservation standards for water closets, urinals, showerheads, and various types of faucets. Authorizes a city or county to enact an ordinance authorizing the sale and installation of certain plumbing fixtures.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/House Bills/1017-s.pdf

1030 <u>ELECTRIC TRANSMISSION LINES</u> MORRIS

Representative Morris

Adopts the electric transmission line siting compact.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/House Bills/1030.pdf

NONPOWER ATTRIBUTES UPTHEGROVE

Representatives Upthegrove and Ryu

Provides exclusions to the definition of "nonpower attributes" for purposes of the energy independence act.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/House Bills/1154.pdf

1301 <u>CLEAN ENERGY JOBS</u> MORRIS

Representatives Morris, Ryu, McCoy, Hudgins, Morrell, and Pollet

Promotes the development of clean energy jobs in the state by: (1) Modifying a tax credit encouraging energy consumers to meet their on-site electricity demands by installing renewable energy systems;

(2) Establishing a fund to incubate clean energy manufacturing in the state by awarding tax credits through a competitive process that

gives preference to systems built in the state; and

(3) Establishing performance milestones to measure the level of success achieved.

Creates the green jobs tax credit account within the sustainable energy trust program.

Full Text URL: <a href="http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/HouseBills/1301.pdf">http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/HouseBills/1301.pdf</a>

# 1347 <u>HYDROELECTRIC GENERATION/BPA</u>

SHORT

Representatives Short, Takko, Kretz, Kristiansen, Klippert, Pike, Haler, Angel, Harris, Smith, Hayes, Magendanz, Vick, Buys, Schmick, Holy, Warnick, Dahlquist, Shea, Condotta, Fagan, and Parker

Authorizes a qualifying utility, under the energy independence act, to use certain eligible renewable resources to meet its compliance obligation with regard to annual targets.

Prohibits a qualifying utility from transferring or selling these eligible renewable resources to another utility for compliance purposes.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/House Bills/1347.pdf

# 1443 INDUSTRIAL/MANUF. FACILITIES

SELLS

Representatives Sells and Hope

Provides property tax exemptions to encourage new manufacturing and industrial uses on undeveloped or underutilized lands zoned for industrial and manufacturing uses in targeted urban areas.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/House Bills/1443.pdf

#### 1690 SOLAR ENERGY COST RECOVERY

ORCUTT

Representative Orcutt

Allows entities to qualify for cost recovery incentives from certain solar energy systems.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/House Bills/1690.pdf

# 1693 <u>New businesses/tax relief</u>

HABIB

Representatives Habib, Magendanz, Morris, and Tarleton

Authorizes certain new businesses to deduct up to two million dollars of business and occupation taxes in each calendar year.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/House Bills/1693.pdf

## 1699 <u>ENERGY CONSERVATION</u>

POLLET

Representatives Pollet, Nealey, Fey, Blake, Haler, Morrell, Wylie, Kretz, Tharinger, Moscoso, and Ryu

Encourages the acquisition of energy conservation and eligible renewable resources by allowing utilities greater flexibility to meet conservation and eligible renewable targets and consumers' energy needs in the most prudent and cost-effective manner. Removes unintended economic hardship on electric consumers and reinforces the policy intentions of Initiative Measure No. 937 (2006), including stabilizing electric prices, increasing conservation, and creating high quality local jobs.

Full Text URL: <a href="http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/HouseBills/1699.pdf">http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/HouseBills/1699.pdf</a>

## 1826 INTEGRATED RESOURCE PLANS

MORRIS

Representative Morris

Updates requirements for electric utilities in developing integrated resource plans to address changing energy markets.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/House Bills/1826.pdf

4200

## HYDROELECTRIC GENERATION

HALER

Representative Haler

Proposes an amendment to the state Constitution to require that hydroelectric generation be recognized as a renewable resource.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/House Bills/4200.pdf

5032

#### ELECTRIC UTILITY FUNDS

ERICKSEN

Senator Ericksen

Extends the expiration date, from June 30, 2011, to June 30, 2018, on the tax credit for certain contributions made to electric utility rural economic development revolving funds.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5032.pdf

5041

#### TAX PREFERENCES

HASEGAWA

Senators Hasegawa and Conway

Implements recommendations related to the tax preference review process conducted by the joint legislative audit and review committee and the citizen commission for performance measurement of tax preferences.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5041.pdf

#### 5189

#### PHOTOVOLTAIC ELECTR. SYSTEMS

SMITH

Senators Smith, Benton, Braun, Becker, Padden, Hill, Bailey, Sheldon, Dammeier, Honeyford, and Roach

Allows a person with a valid limited energy system electrician certificate or a valid telecommunications electrician certificate to obtain an endorsement from the department of labor and industries allowing the person to install, maintain, replace, or repair photovoltaic electrical systems.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5189.pdf

#### 5294

## **HYDROELECTRICITY**

ERICKSEN

Senators Ericksen, Holmquist Newbry, Roach, Sheldon, Becker, Rivers, Bailey, Padden, Delvin, Smith, Honeyford, Pearson, King, Braun, Parlette, Schoesler, Hewitt, and Carrell

Revises the energy independence act by recognizing hydroelectricity as an eligible renewable resource.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5294.pdf

### 5369

## GEOTHERMAL RESOURCES

KLINE

Senators Kline, King, Honeyford, and Mullet

Clarifies that ownership of geothermal resources resides with the surface owner unless the interest is otherwise reserved or conveyed. Provides that no water uses associated with a geothermal well impair any water use authorized through appropriation under Title 90 RCW (water rights--environment).

Creates the geothermal account.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5369.pdf

#### 5382

#### START-UP FIRMS TAX RELIEF

BENTON

Senators Benton, Holmquist Newbry, Rivers, Carrell, Padden, and Shin

Provides businesses with a fifty percent credit against business and occupation tax owed for the first five years of their operation.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5382.pdf

5400 <u>UTILITIES/ENERGY INDEP. ACT</u>

HONEYFORD

Senators Honeyford, Ericksen, and Hewitt

Authorizes qualifying utilities serving retail customers to use eligible renewable resources located within the western electricity coordinating council area to comply with the energy independence act.

Companion Bill: 1426 Utilities/energy indep. act H, Environment

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5400.pdf

NONPOWER ATTRIBUTES ERICKSEN

Senator Ericksen

Provides exclusions for the definition of "nonpower attributes" for purposes of the energy independence act.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5408.pdf

5409 MACHINERY & EQUIP TAX EXEMP ERICKSEN

Senators Ericksen, Ranker, Litzow, Cleveland, Fain, Carrell, and Holmquist Newbry

Delays, until June 30, 2015, the expiration of the sales and use tax exemption on machinery and equipment that generate electricity from specified sources.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5409.pdf

5412 INCREMENTAL HYDROELECTRICITY ERICKSEN

Senators Ericksen, Smith, Sheldon, and Carrell

Revises the definition of "eligible renewable resource" for purposes of the energy independence act.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5412.pdf

TAX PREFS/MANUFACTURING CHASE

Senators Chase, Hasegawa, Conway, Nelson, Kohl-Welles, Keiser, and Kline

Requires an applicant to show a net benefit to the state in order to claim certain manufacturing machinery and equipment tax preferences.

Requires the department of revenue to issue a sales and use tax deferral certificate for certain sales and use taxes.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5429.pdf

5431 HYDROELECTRICITY ERICKSEN

 $Senators\ Ericksen,\ Carrell,\ Pearson,\ Benton,\ Padden,\ Smith,\ and\ Bailey$ 

Revises the energy independence act by recognizing hydroelectricity as an eligible renewable resource.

Full Text URL: <a href="http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/SenateBills/5431.pdf">http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/SenateBills/5431.pdf</a>

5438 <u>Conservation by utility</u> Ericksen

Senators Ericksen and Chase

Revises the energy independence act to allow conservation achieved by a qualifying utility in excess of its biennial acquisition target to be used to meet its subsequent biennia target.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5438.pdf

5448 <u>UTILITY PURCHASES</u> ERICKSEN

Senators Ericksen, Hewitt, Carrell, Schoesler, Honeyford, Delvin, Sheldon, Hatfield, Smith, Benton, Padden, and Chase

Revises the energy independence act to narrow the requirement that utilities purchase electricity, renewable energy credits, or electric generating facilities that are not needed to serve their customers' loads.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5448.pdf

5555 SPACE HEATING ERICKSEN

Senator Ericksen

Establishes the Washington state renewable energy space heating act.

Encourages the increased use and production of densified biomass wood pellets and the development and installation of densified biomass wood pellet space heating and water heating devices.

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5555.pdf

5707 NET METERING OF ELECTRICITY RANKER

Senators Ranker, Litzow, Frockt, Mullet, Harper, McAuliffe, Shin, Kline, Rolfes, and

Keiser

Excludes a third-party owner of a customer-sited renewable energy facility from the definition of "electrical company" for purposes of chapter 80.60 RCW (net metering of electricity).

Changes the cumulative generating capacity available to net metering systems.

Changes meter aggregation for customer-generators participating in certain generating facilities.

**Companion Bill:** 1106 Net metering of electricity H, Environment

Full Text URL: <a href="http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/SenateBills/5707.pdf">http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/SenateBills/5707.pdf</a>

5709 DENSIFIED BIOMASS PILOT PROG SMITH

Senators Smith, Ericksen, Sheldon, Holmquist Newbry, Dammeier, Brown, and Roach

Requires the Washington State University energy program to develop and initiate a pilot program to demonstrate the feasibility of using densified biomass to heat public schools.

Expires December 15, 2015.

Full Text URL: <a href="http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/SenateBills/5709.pdf">http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/SenateBills/5709.pdf</a>

5752 <u>SOLAR ENERGY SYSTEMS/B&O TAX</u> HOLMQUIST NEWBRY

Senators Holmquist Newbry, Chase, Parlette, Hobbs, and Kline

Delays, until June 30, 2016, the expiration of the existing business and occupation tax rate for the manufacture and wholesale of certain solar energy systems.

Companion Bill: 1912

Full Text URL: http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate Bills/5752.pdf

# 5769

## HYDROELECTRIC GENERATION

(Supplement not yet available.)

Full Text URL: <a href="http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate-Bills/5769.pdf">http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate-Bills/5769.pdf</a>

5796

EMERGENCY POWER/EMISSIONS

(Supplement not yet available.)

Full Text URL: <a href="http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate-Bills/5796.pdf">http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate-Bills/5796.pdf</a>

5802

GREENHOUSE GAS EMISSIONS

(Supplement not yet available.)

Companion Bill: 1915

Full Text URL: <a href="http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate-Bills/5802.pdf">http://www.leg.wa.gov/pub/billinfo/2013-14/Pdf/Bills/Senate-Bills/5802.pdf</a>