

Legislative Review of the Energy Independence Act

Guiding Principle: The goal of changes to the Energy Independence Act is to make the statutes work more effectively for Washington's environment, utilities, consumers and businesses without undermining the original intent of the initiative to generate additional renewable generation capacity in the state. With the 2012 renewable energy targets in effect, the 2012 session is the appropriate time for a careful review of the act to ensure that we have the right policies in place to successfully move towards the 2016 targets.

Scope of Issues for Consideration:

- Potential expansions of the definition of eligible renewable resources to incorporate additional energy sources from emergent and mature technologies that are not covered by existing law. Options to be considered include: yard and food waste, biomass, black liquor, incremental hydro, and technology neutral approaches. This work has the possibility of spreading the benefits of, and building support for, the initiative throughout the state as well as modernizing the statutes to recognize newer technologies.
- Generation of options to allow potential investors to receive preapproval about whether the power produced by a facility will qualify under the initiative. Current practice requires significant investment to be made without certainty of the value of the power at the end of the process. Addressing this issue could be a cost effective way to promote additional development in the state.
- Considerations of appropriate policy options for utilities without load growth and those with low-density service areas. It is important to give careful consideration to these practical issues in

order to maintain and grow public support for renewable energies.

- Examination of the desirability providing credit under the renewable portfolio portion of the act for utilities that undertake efficiency measures beyond what is required by the conservation portion of the act. Conservation is often the most cost effective option available to utilities, and there may be ways to promote it without undermining the goal of creating investment in new renewables.
- Discussions of whether there are balanced options that will help utilities manage costs by expanding the geographic scope of qualifying energies beyond those produced in the Pacific Northwest to include energy produced within the boundaries of the Western Electricity Coordinating Council, if this can be done without undermining the intent of the initiative.

Potential Interim Process Timeline:

- July 2011 – Initial meeting to discuss interest in a process to examine potential changes for the 2012 session. Focus on the process and the general scope of review.
- July 2011 – October 2011 – Stakeholder Meetings, subgroups by issue area.
- July 2011 – October 2011 – Meetings with key members as the stakeholder groups progress.
- November 2011 – Final decisions on elements of potential bill.
- December 2011 – Drafting of potential bill.
- December 2011 – House Environment Committee work session on the elements of proposal.
- January 2012 – Bill Pre-filed.