

Initiative 937 – Energy Independence Act

Renewable Energy

In Washington the majority of our electricity is generated from hydroelectric facilities. According to the U.S. Energy Information Administration's latest available summary (2005), hydroelectric power generation accounts for 60.7 percent of net electricity generated; coal-fired represents 9.4 percent; petroleum-fired 9.4; nuclear powered 8.5 percent; natural-gas fired 8.4 percent; and. non-hydro renewable resources such as wind, solar, or biomass represent 3.6 percent.

Initiative 937

Initiative 937 passed in 2006 by 52 to 48 percent and became RCW 19.285, the Energy Independence Act. The initiative was sponsored by Washingtonians for Energy Security. Next session, the initiative will be subject to modification without needing a two-thirds majority vote.

Initiative Goals

The initiative requires electricity generating companies with more than 25,000 customers to obtain 3 percent of their electricity load from qualified renewable resources by January 1, 2012 through 2015, 9 percent by January 1, 2016 through 2019, and 15 percent by January 1, 2020, and each year thereafter.

The qualified renewable resources are: water; wind; solar energy; geothermal; landfill gas; wave, ocean and tidal; gas from sewage treatment facilities; and specified biodiesel. Hydropower is not included except for energy resulting from efficiency improvements because the purpose of the measure was to increase electricity from new renewable resources by 2020 and stabilize electricity prices.

Puget Sound Energy told members of the caucus in May 2008 that new generation from hydroelectric is going to be small and that the cost of wind power and other renewable resources is increasing because of the demand for alternative energy. No longer is developing new wind farms cost effective. The artificial manipulation of the market is increasing electricity prices, not stabilizing them.

Penalties for Noncompliance

Companies that fail to reach the annual renewable energy targets will be fined \$50 for each megawatt hour of shortfall, adjusted for inflation. The money is deposited into a special independence account to be used (a) to buy renewable energy credits (b) for energy conservation projects and public facilities (c) for local government facilities (d) for community colleges, or (e) for state universities.

Legislation

Representatives Kretz (HB 3341 in 2007) and Ericksen (HB 3341 in 2008) have both offered legislation to modify I-937 to increase the amount of qualified hydro-electric generation. These bills did not make it out of committee. Senator Rockefeller (SB 5287) introduced legislation to require state agencies to use specified amounts of alternative energy starting in 2011 and escalating to 50 percent by 2019. The bill died in the Senate Ways and Means Committee with a fiscal note of \$4.6 million in 2009-2011 and \$9.3 million for 2011-2013.

It is expected that both Democrats and Republicans will offer modifications to the initiative in 2009.