



# Ambassador Update

The Washington State Legislature will convene on January 11, 2010 in Olympia for a short session. Early in December, Governor Christine Gregoire presented a draft budget for the second year of the state's biennium budget. The supplemental budget is required by law to balance with projected revenues which have decreased in the economic recession. The supplemental budget includes severe cuts to services. Virtually no program is left untouched, including education, basic health and social services.

The Governor has stated that she does not want to have to live with the budget that includes such drastic reductions in service. It is likely that a tax increase will be proposed in 2010 to increase revenues and reinstate services on the chopping block. No one in the state capital thinks that 2010 is going to be easy. With only a 60-day session, legislators will have little time to agree on a budget and resolve several complex issues before heading home to begin the election season.

This is the twelfth year of the Electric Ambassador grassroots program. Thank you for your continued support to help keep power reliable and affordable! If you have any questions, please contact us at [info@electricambassadors.com](mailto:info@electricambassadors.com)!



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**AMBASSADOR  
UPDATE**



**Live  
From  
Olympia**

**SPECIAL  
EDITION**

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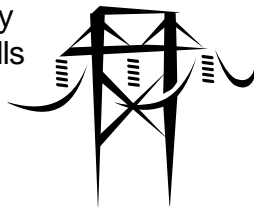
# What's happening at the state capitol?

The Washington Rural Electric Cooperative Association (WRECA) - the statewide association for your member-owned electric cooperative - anticipates the following issues to be proposed as legislation in the 2010 session.

## Feed-in Tariffs

Distributed generation is when electricity is produced on-site or very near to where it is used, often renewable forms of energy. Many distributed generation sites have net-metering agreements with their local utility.

WRECA anticipates seeing a bill in 2010 that would establish feed-in tariffs (FITs) on certain types of distributed generation. FITs would require a utility to pay a prescribed price, usually several times the cost of power currently paid by a utility and would force the non-generating customers to subsidize the payments to the generators. WRECA is opposed to any form of subsidization or bills that erode an elected utility board's local control.



## Amending the RPS

In 2006 a voter-initiative passed in Washington State creating a Renewable Portfolio Standard (RPS) for utilities. The

state has implemented those standards into law. Electric cooperatives (co-ops) that are subject to the RPS, like Peninsula Light Company in Gig Harbor, are already implementing changes to meet the defined renewable resources—federal hydropower is excluded-requirements.

WRECA has been working with a coalition of utilities and industrial customers to get several important changes made to the RPS statute that will make it easier and more cost-effective to comply with the law using a combination of renewable energy purchases, renewable energy credits (RECs), and conservation efforts. The changes that WRECA is seeking are:

- Change the geographic area of eligible renewables to the full western US region similar to RPS statutes in other states.
- Allow hydro power produced as a result of efficiency upgrades at federal dams (Bonneville Power Administration's incremental hydropower) to count as a renewable resource.
- Reconcile the REC banking language to allow utilities who make early investments to count the resulting renewable energy credits towards RPS requirements in the future.
- Blend the renewable standards with the conservation standards to encourage conservation efforts beyond the minimum requirements.



## GHG Reporting Requirements

The state Department of Ecology has drafted an "agency request" bill that concerns amendments to the state's greenhouse gas (GHG) reporting requirements. It is designed to bring our state's reporting requirements more in line with the federal government's requirements. However, even if the requested changes are passed, Washington's reporting requirements will still be more stringent than the federal Requirements. In fact, it's likely to remain the most stringent in the nation. WRECA would like to see the state's requirements repealed so that businesses only have to meet the federal requirements.

## Vegetation Management

Trees and shrubs that are not properly maintained contribute to outages during storms and can provide a wildfire risk. Utilities have and implement plans to manage vegetation that would impact their system. In 2010 WRECA will support legislation that would improve the accessibility to properties that the utility does not own but has equipment on for the purpose of managing vegetation to minimize the potential for storm outages. Additionally, WRECA would like to limit the liability for damages caused by wildfire when a utility is not negligent.

