

## Thermal renewable energy credits – measurement and tracking

(WAC Chapter 194-40-XXX)

### Authority & Purpose

As directed by the 2019 Clean Energy Transformation Act ([E2SSB 5116](#)), the Washington Department of Commerce is adopting rules to provide for the measuring and tracking of “thermal renewable energy credits” (T-RECs) that may be used for compliance under [RCW 19.405.040](#). Per [RCW 19.405.20](#), credits may be available to facilities generating electricity using “biomass energy” that also generate thermal energy for a secondary purpose.

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

Production and marketing of T-RECs is only applicable to the new requirements of the Clean Energy Transformation Act, and not compliance obligations under the 2006 Energy Independence Act (I-937).

### Draft Rules

- (1) T-RECs may be used to comply with the requirements of RCW 19.405.040 if they are created in association with the generation of qualifying thermal energy at a facility that meets the requirements of Section (3) and generated in a manner that meets the requirements of Section (4).
- (2) Qualifying thermal energy must be in the form of direct heat, steam, hot water, or other useful thermal form.
- (3) The facility must generate electricity from biomass energy as defined in 19.405.020 and must also generate thermal energy for a secondary purpose.
- (4) The thermal energy must be generated as a byproduct of the generation of electricity using biomass energy. For multiple-fuel facilities, only the portion of thermal energy that is generated from eligible biomass sources is eligible for the generation of T-RECs.
- (5) Thermal energy may not be used to comply with RCW 19.405.040 if: (a) It is returned to the biomass conversion device that initially created the eligible thermal resource; (b) it bypasses the electricity production device; or (c) it is generated while the electricity production equipment is out of service.
- (6) Each T-REC is equivalent to three million four hundred twelve thousand British thermal units (3.412 MMBtu) of energy used for secondary purposes.
- (7) All T-RECs are considered unbundled renewable energy credits that are sold, delivered, or purchased separately from electricity.