
ENGROSSED SUBSTITUTE HOUSE BILL 1335

State of Washington

52nd Legislature

1991 Regular Session

By House Committee on Housing (originally sponsored by Representatives Nelson, Franklin, Ogden, Leonard, Wineberry, Mitchell, Winsley, Phillips, Jacobsen, Jones, Brekke, Spanel, Scott and Anderson).

Read first time February 26, 1991.

1 AN ACT Relating to low-income energy assistance; amending RCW
2 70.164.010, 70.164.020, and 80.28.260; adding new sections to chapter
3 70.164 RCW; adding new sections to chapter 80.28 RCW; adding a new
4 section to chapter 54.04 RCW; adding a new section to chapter 35.92
5 RCW; adding a new section to chapter 23.86 RCW; adding a new section to
6 chapter 43.63A RCW; and adding a new section to chapter 43.21F RCW.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 **Sec. 1.** RCW 70.164.010 and 1987 c 36 s 1 are each amended to read
9 as follows:

10 (1) The legislature finds and declares:

11 (a) The health, welfare, and prosperity of the people of the state
12 of Washington require that all citizens receive essential levels of
13 heat and electric service regardless of economic circumstance;

1 (b) That weatherization of the residences of low-income households
2 will help conserve energy resources in this state and can reduce the
3 need to obtain energy from more costly conventional energy resources((-
4 The legislature also finds))i

5 (c) That rising energy costs have had a negative effect on the
6 affordability of housing for low-income citizens and have made it
7 difficult for low-income citizens of the state to afford adequate fuel
8 for residential space heat((-))i

9 (d) Weatherization of residences will lower energy consumption,
10 making space heat more affordable for persons in low-income
11 households((-—It)), and will ((also)) reduce the uncollectible
12 accounts of fuel suppliers resulting from low-income customers not
13 being able to pay fuel bills((-))i

14 (e) That the best time to make energy conservation improvements to
15 existing residential dwellings is during rehabilitation;

16 (f) That energy conservation is an important component of housing
17 affordability; and

18 (g) That the public interest is served by the health and welfare of
19 low-income persons benefited by a substantial increase in the pace of
20 weatherizing low-income homes.

21 (2) The legislature declares that it is the policy of the state:

22 (a) To increase the pace of weatherization activities by requiring
23 energy suppliers to have low-income weatherization programs and by
24 improving financial incentives for regulated utilities toward this end;

25 (b) That energy conservation improvements through the retrofit of
26 existing residential dwellings shall be coordinated with
27 rehabilitation activities funded with state resources or resources
28 administered through the state; and

29 (c) To weatherize at least one-half of the existing low-income
30 households in the state by the year 2000.

1 (3) The program implementing the policy of this chapter is
2 necessary to support the poor and infirm and also to benefit the
3 health, safety, and general welfare of all citizens of the state.

4 **Sec. 2.** RCW 70.164.020 and 1987 c 36 s 2 are each amended to read
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in
7 this section apply throughout this chapter.

8 (1) "Department" means the department of community development.

9 (2) "Energy assessment" means an analysis of a dwelling unit to
10 determine the need for cost-effective energy conservation measures as
11 determined by the department.

12 (3) "Energy supplier" means an electric utility or natural gas
13 utility, whether privately or publicly owned, a heating oil dealer, or
14 a propane dealer.

15 (4) "Heating oil dealer" means a person who supplies fuel oil at
16 retail for space heating of dwellings.

17 (5) "Household" means an individual or group of individuals living
18 in a dwelling unit as defined by the department.

19 (~~(4)~~) (6) "Low income" means household income that is at or below
20 one hundred twenty-five percent of the federally established poverty
21 level.

22 (~~(5)~~) (7) "Nonutility sponsor" means any sponsor other than a
23 public service company, municipality, public utility district, mutual
24 or cooperative, furnishing gas or electricity used to heat low-income
25 residences.

26 (~~(6)~~) (8) "Propane dealer" means a person who supplies liquefied
27 petroleum gas at retail for space heating of dwellings.

28 (9) "Residence" means a dwelling unit as defined by the department.

1 (~~(7)~~) (10) "Sponsor" means any entity that submits a proposal
2 under RCW 70.164.040, including but not limited to any local community
3 action agency, community service agency, or any other participating
4 agency or any public service company, municipality, public utility
5 district, mutual or cooperative, or any combination of such entities
6 that jointly submit(~~(8)~~) a proposal.

7 (~~(8)~~) (11) "Sponsor match" means the share, if any, of the cost
8 of weatherization to be paid by the sponsor.

9 (~~(9)~~) (12) "Weatherization" means materials or measures, and
10 their installation, that are used to improve the thermal efficiency of
11 a residence, including educational programs to enable residents to make
12 best use of materials or measures.

13 (~~(10)~~) (13) "Weatherizing agency" means any approved department
14 grantee or any public service company, municipality, public utility
15 district, mutual or cooperative, or other entity that bears the
16 responsibility for ensuring the performance of weatherization of
17 residences under this chapter and has been approved by the department.

18 NEW SECTION. Sec. 3. A new section is added to chapter 70.164 RCW
19 to read as follows:

20 (1) Energy suppliers either individually or jointly through a
21 common fund or otherwise by December 31, 1991, shall submit a plan to
22 the department to complete weatherization of one-half of the residences
23 of their low-income customers by the year 2001. The residences to be
24 included in the plan are all low-income households in existence on the
25 effective date of this section.

26 (2) Before submitting a weatherization plan required under this
27 section, the energy supplier shall make the proposed plan available to
28 its customers, public agencies, and other interested parties for a
29 thirty-day review and comment period. The energy supplier shall

1 consider any comments or views on the proposed weatherization plan. A
2 summary of these comments or views must be attached to the plan and
3 submitted to the department.

4 (3) The department shall review and comment on weatherization plans
5 required under subsection (1) of this section. After an energy
6 supplier's weatherization plan has been reviewed by the department, the
7 department shall transmit the plan from energy suppliers regulated by
8 the utilities and transportation commission and any written comments to
9 the utilities and transportation commission.

10 (4) By December 31, 1992, and every year thereafter until December
11 31, 2001, energy suppliers shall annually review and report, in a form
12 prescribed by the department, on the progress the energy supplier has
13 made in carrying out its weatherization plan. This progress report
14 must include an evaluation of the energy supplier's progress in meeting
15 its goal of weatherizing one-half of the low-income residences in their
16 service area by the year 2001. The report must also include
17 information on the number and type of households served, the level of
18 weatherization assistance per household, and energy education efforts
19 by the energy supplier.

20 NEW SECTION. **Sec. 4.** A new section is added to chapter 70.164 RCW
21 to read as follows:

22 The department shall develop model energy education programs to be
23 provided as a part of the department's energy assistance and
24 weatherization programs. The model energy education programs shall
25 include, but are not limited to, necessary instruction and
26 demonstration of energy conservation measures and money management
27 techniques that the household can adopt to effectively use and preserve
28 energy resources. The model energy education programs shall also

1 provide written educational materials, instructional aids, and follow-
2 up procedures.

3 NEW SECTION. **Sec. 5.** A new section is added to chapter 70.164 RCW
4 to read as follows:

5 The director of the department of community development, by January
6 1 of each year, shall prepare an annual report and send copies to the
7 house of representatives committee on housing and energy and utilities
8 committee and the senate committee on energy and utilities on the
9 progress and status of the low-income weatherization programs
10 authorized in this act. Such report shall include, but not be limited
11 to, the stated low-income weatherization goals of energy suppliers, the
12 actual number of low-income residences weatherized by energy suppliers,
13 the source of funding for low-income weatherization activities under
14 this act, and recommendations for improvement of the programs
15 authorized under this act.

16 NEW SECTION. **Sec. 6.** A new section is added to chapter 80.28 RCW
17 to read as follows:

18 The commission shall require that electrical and gas company low-
19 income residence weatherization programs include all energy efficiency
20 measures that are in the public interest, taking into account the
21 measures that are cost-effective in reference to the company's avoided
22 cost for additional energy supplies, the savings for all ratepayers
23 that can be realized by reducing costs associated with uncollectible
24 accounts, and levels of weatherization for low-income residences
25 determined in consultation with the department of community
26 development.

1 NEW SECTION. **Sec. 7.** A new section is added to chapter 80.28 RCW
2 to read as follows:

3 Each electrical and gas company shall file an energy conservation
4 tariff, including a component applicable to low-income residential
5 customers, with the commission by December 31, 1991, and at least every
6 five years thereafter until the year 2011. The filing shall include
7 all energy conservation tariffs in effect at the time of filing and any
8 proposed conservation tariff. Conservation tariffs shall reflect low-
9 income weatherization plans required by section 3 of this act.

10 **Sec. 8.** RCW 80.28.260 and 1990 c 2 s 9 are each amended to read as
11 follows:

12 (1) The commission shall adopt a policy allowing an incentive rate
13 of return on investment (a) for payments made under RCW 19.27A.035 and
14 (b) for programs that improve the efficiency of energy end use if
15 priority is given to senior citizens and low-income citizens in the
16 course of carrying out such programs. The incentive rate of return on
17 investments set forth in this subsection is established by adding an
18 increment of two percent to the rate of return on common equity
19 permitted on the company's other investments.

20 (2) The commission shall consider and may adopt a policy allowing
21 an incentive rate of return on investment in additional programs to
22 improve the efficiency of energy end use or other incentive policies to
23 encourage utility investment in such programs.

24 (3) The commission shall consider and may adopt other policies to
25 protect a company from a reduction of short-term earnings that may be
26 a direct result of utility programs to increase the efficiency of
27 energy use. These policies may include allowing a periodic rate
28 adjustment for investments in end use efficiency or allowing changes in

1 price structure designed to produce additional new revenue and
2 encourage adoption of least cost planning and operation.

3 (4) The commission may adopt a policy allowing the recovery of a
4 utility's expenses incurred under RCW 19.27A.055.

5 NEW SECTION. Sec. 9. A new section is added to chapter 54.04 RCW
6 to read as follows:

7 Public utility districts shall provide low-income residence
8 weatherization programs that include all energy efficiency measures
9 that are in the public interest, taking into account the measures that
10 are cost-effective in reference to the company's avoided cost for
11 additional energy supplies, the savings for all ratepayers that can be
12 realized by reducing costs associated with uncollectible accounts, and
13 levels of weatherization for low-income residences determined in
14 consultation with the department of community development.

15 NEW SECTION. Sec. 10. A new section is added to chapter 35.92 RCW
16 to read as follows:

17 Municipal-owned utility companies shall provide low-income
18 residence weatherization programs that include all energy efficiency
19 measures that are in the public interest, taking into account the
20 measures that are cost-effective in reference to the company's avoided
21 cost for additional energy supplies, the savings for all ratepayers
22 that can be realized by reducing costs associated with uncollectible
23 accounts, and levels of weatherization for low-income residences
24 determined in consultation with the department of community
25 development.

26 NEW SECTION. Sec. 11. A new section is added to chapter 23.86 RCW
27 to read as follows:

1 An electric cooperative or mutual shall provide low-income
2 residence weatherization programs that include all energy efficiency
3 measures that are in the public interest, taking into account the
4 measures that are cost-effective in reference to the company's avoided
5 cost for additional energy supplies, the savings for all ratepayers
6 that can be realized by reducing costs associated with uncollectible
7 accounts, and levels of weatherization for low-income residences
8 determined in consultation with the department of community
9 development.

10 NEW SECTION. **Sec. 12.** A new section is added to chapter 43.63A
11 RCW to read as follows:

12 The department shall require applicants requesting assistance to
13 rehabilitate either single-family or multifamily residential dwellings
14 to coordinate available energy conservation assistance with
15 rehabilitation activities funded through the Washington housing trust
16 fund under chapter 43.185 RCW and the community development block grant
17 program for states and small cities under the Title I housing and
18 community development act of 1974 (42 U.S.C. 5301 et seq.).

19 NEW SECTION. **Sec. 13.** A new section is added to chapter 43.21F
20 RCW to read as follows:

21 The office, in consultation with the department of community
22 development, may prepare proposals to sell low-income conservation to
23 utilities.

24 NEW SECTION. **Sec. 14.** If any provision of this act or its
25 application to any person or circumstance is held invalid, the
26 remainder of the act or the application of the provision to other
27 persons or circumstances is not affected.