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**HOUSE BILL 2594**

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**State of Washington 66th Legislature 2020 Regular Session**

**By** Representatives Boehnke, DeBolt, Shewmake, and Goehner

AN ACT Relating to disclosures to retail electric and natural gas customers; amending 2019 c 288 s 23 (uncodified); adding a new section to chapter 19.29A RCW; adding a new section to chapter 80.28 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  (1) The legislature finds that the enactment of the Washington clean energy transformation act, chapter 288, Laws of 2019, mandates remarkable changes in fuel sources for the state's electricity grid and energy supply, which will require investments in new energy plants and transmission and distribution infrastructure. In the Washington clean energy transformation act, the legislature declared a finding that the transition to one hundred percent clean energy can occur while maintaining safe and reliable electricity service to all retail electric customers at stable and affordable rates. The legislature therefore intends to provide transparency and accountability to the public about the impact of federal, state, and local policies on residential electricity rates.

(2) In chapter 285, Laws of 2019, the legislature established energy performance standards for commercial buildings and natural gas distribution companies. In doing so, the legislature made findings that state policy encouraging energy efficiency has been extremely successful in lowering customer energy bills, and therefore is determined to maximize energy efficiency from commercial buildings in part to keep energy costs low while reducing greenhouse gas emissions. Chapter 285, Laws of 2019 established efficiency performance requirements for natural gas distribution companies, recognizing the role that natural gas plays in heating buildings and powering equipment within buildings across the state. The legislature therefore intends to provide transparency and accountability to the public about the impact of federal, state, and local policies on residential natural gas rates.

NEW SECTION. **Sec.**  A new section is added to chapter 19.29A RCW to read as follows:

(1) Each electric utility offering service under tariff must publish or provide electronically all proposed changes to its tariff for at least thirty days. A utility must fulfill the requirements of (a), (b), or (c) of this subsection for any proposed tariff change that would increase recurring or per-occurrence charges or restrict access to services. The posting must include the information listed in subsection (2) of this section, regardless of the method of notification.

(a) To comply under this method, the utility must, at least thirty days before the stated effective date of the proposed change, mail or provide electronically the posting to each retail electric customer that would be affected by the proposed change.

(b) To comply under this method, the utility must, at least thirty days before the stated effective date of the proposed change, publish notice of the proposed change within the geographical areas where it offers service. To meet minimum publication requirements, a utility must:

(i) Distribute copies of the published notice to community agencies and organizations in the geographic area where it offers service for posting and publication by the agency or organization. The utility must include in its distribution list any agency or organization that requests these notices;

(ii) Cause to be printed in large print, as a paid advertisement, a complete copy of the published notice in the daily newspaper of general circulation with the greatest number of subscribers in each geographic area or each of the areas affected by the proposed tariff;

(iii) Provide to the news editor of every newspaper, television station, and radio station in the geographic area within which it offers service a news release or public service announcement summarizing the published notice. The release or announcement must include a toll-free number that customers can use to obtain more information from the electric utility. The department, in the case of a consumer-owned utility, or the commission, in the case of an investor-owned utility, must maintain a list of area newspapers, television stations, and radio stations and must provide the list on request to a utility; and

(iv) Post a complete copy of the published notice on an internet web site accessible to the public using generally available browser software.

(c) To comply under this method, the utility must:

(i) Mail or provide electronically the posting to each retail electric customer that would be affected by the proposed change at least fifteen days before the stated effective date of the proposed change;

(ii) At the time of the utility's filing with the commission, in the case of an investor-owned utility, or the governing body, in the case of a consumer-owned utility, distribute copies of the published notice in the same manner as provided in (b)(i) of this subsection;

(iii) At the time of the utility's filing with the commission, in the case of an investor-owned utility, or the governing body, in the case of a consumer-owned utility, provide news media notice in the same manner as provided in (b)(iii) of this subsection; and

(iv) At the time of the utility's filing with the commission, in the case of an investor-owned utility, or the governing body, in the case of a consumer-owned utility, post a complete copy of the published notice in the same manner as provided in (b)(iv) of this subsection.

(2) The published notice required under this section must include, when applicable:

(a) The date the notice is issued;

(b) The utility's name and address;

(c) A brief, plain language explanation of the reason or reasons the utility has requested the rate change and the portion of the rate change attributable to each identified reason including, but not limited to:

(i) Increase in labor costs;

(ii) Recovery of new plant investment;

(iii) Increased office expenses, such as postage and customer billing;

(iv) Increase in fuel costs for electricity generation; and

(v) Recovery of transmission or distribution infrastructure investment;

(d) A brief, plain language statement describing any regulatory or public policy decisions, including federal, state, and local laws, that have imposed obligations that increase costs for the utility and the portion of the rate change attributable to each identified regulatory or public policy decision, including separately identifying any portion of those costs reasonably attributable to chapter 19.405 RCW, the Washington clean energy transformation act, or rules adopted by state agencies to implement that chapter;

(e) A comparison of current and proposed rates by service;

(f) An example showing the monthly increase of the average customer's bill based on the proposed rates;

(g) The number of retail electric customers enrolled in the utility's low-income energy assistance programs under current rates and any expected increase in the number of enrollees under the proposed rates;

(h) When the rates will be billed;

(i) The requested effective date and, if different, the implementation date;

(j) A statement that the commission, in the case of an investor-owned utility, or the governing body, in the case of a consumer-owned utility, has the authority to set final rates that may vary from the utility's request, which may be either higher or lower depending on the results of the investigation;

(k) A description of how customers may contact the utility if they have specific questions or concerns or need additional information about the proposal; and

(l) Public involvement language.

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

(1) Each gas company offering service under tariff must publish or provide electronically all proposed changes to its tariff for at least thirty days. A gas company must fulfill the requirements of (a), (b), or (c) of this subsection for any proposed tariff change that would increase recurring or per-occurrence charges or restrict access to services. The posting must include the information listed in subsection (2) of this section, regardless of the method of notification.

(a) To comply under this method, the gas company must, at least thirty days before the stated effective date of the proposed change, mail or provide electronically the posting to each retail natural gas customer that would be affected by the proposed change.

(b) To comply under this method, the gas company must, at least thirty days before the stated effective date of the proposed change, publish notice of the proposed change within the geographical areas where it offers service. To meet minimum publication requirements, a gas company must:

(i) Distribute copies of the published notice to community agencies and organizations in the geographic area where it offers service for posting and publication by the agency or organization. The gas company must include in its distribution list any agency or organization that requests these notices;

(ii) Cause to be printed in large print, as a paid advertisement, a complete copy of the published notice in the daily newspaper of general circulation with the greatest number of subscribers in each geographic area or each of the areas affected by the proposed tariff;

(iii) Provide to the news editor of every newspaper, television station, and radio station in the geographic area within which it offers service a news release or public service announcement summarizing the published notice. The release or announcement must include a toll-free number that customers can use to obtain more information from the gas company. The commission must maintain a list of area newspapers, television stations, and radio stations and must provide the list on request to a gas company; and

(iv) Post a complete copy of the published notice on an internet web site accessible to the public using generally available browser software.

(c) To comply under this method, the gas company must:

(i) Mail or provide electronically the posting to each retail natural gas customer that would be affected by the proposed change at least fifteen days before the stated effective date of the proposed change;

(ii) At the time of the gas company's filing with the commission, distribute copies of the published notice in the same manner as provided in (b)(i) of this subsection;

(iii) At the time of the gas company's filing with the commission, provide news media notice in the same manner as provided in (b)(iii) of this subsection; and

(iv) At the time of the gas company's filing with the commission, post a complete copy of the published notice in the same manner as provided in (b)(iv) of this subsection.

(2) The published notice required under this section must include, when applicable:

(a) The date the notice is issued;

(b) The gas company's name and address;

(c) A brief, plain language explanation of the reason or reasons the gas company has requested the rate change and the portion of the rate change attributable to each identified reason including, but not limited to:

(i) Increase in labor costs;

(ii) Recovery of new plant investment;

(iii) Increased office expenses, such as postage and customer billing;

(iv) Increase in fuel costs; and

(v) Recovery of natural gas infrastructure investment;

(d) A brief, plain language statement describing any regulatory or public policy decisions, including federal, state, and local laws, that have imposed obligations that increase costs for the gas company and the portion of the rate change attributable to each identified regulatory or public policy decision, including separately identifying any portion of those costs reasonably attributable to chapter 285, Laws of 2019, or rules adopted by state agencies to implement that act;

(e) A comparison of current and proposed rates by service;

(f) An example showing the monthly increase of the average customer's bill based on the proposed rates;

(g) The number of retail natural gas customers enrolled in the gas company's low-income energy assistance programs under current rates and any expected increase in the number of enrollees under the proposed rates;

(h) When the rates will be billed;

(i) The requested effective date and, if different, the implementation date;

(j) A statement that the commission has the authority to set final rates that may vary from the gas company's request, which may be either higher or lower depending on the results of the investigation;

(k) A description of how customers may contact the gas company if they have specific questions or concerns or need additional information about the proposal; and

(l) Public involvement language.

**Sec.**  2019 c 288 s 23 (uncodified) is amended to read as follows:

(1) By January 1, 2020, the department of commerce must convene an energy and climate policy advisory committee to develop recommendations to the legislature for the coordination of existing resources, or the establishment of new ones, for the purposes of examining the costs and benefits of energy-related policies, programs, functions, activities, and incentives on an on-going basis and conducting other energy-related studies and analyses as may be directed by the legislature. The advisory committee must consider the establishment of a publicly accessible, statewide digital repository of utility and energy supply data including, but not limited to, data relating to tariff changes and the information required to be disclosed by electric and natural gas utilities under sections 2 and 3, chapter . . ., Laws of 2020 (sections 2 and 3 of this act).

(2) The advisory committee convened under this section must consist of, at minimum, representatives of each the state's public four-year institutions of higher education, the Pacific Northwest National Laboratory, and the Washington state institute for public policy.

(3) Subject to the availability of amounts appropriated for this specific purpose, and in compliance with RCW 43.01.036, the department of commerce must submit its recommendations in a report to the legislature by December 31, 2020.

(4) This section expires January 1, 2021.

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