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**SUBSTITUTE HOUSE BILL 1326**

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**State of Washington**

**53rd Legislature**

**1993 Regular Session**

**By** House Committee on Energy & Utilities (originally sponsored by Representatives Finkbeiner, Grant, Miller, Casada, R. Meyers, Ludwig, Heavey, Long and Johanson)

Read first time 02/22/93.

1 AN ACT Relating to conservation tariffs allowing transfer of  
2 payment obligations to successive property owners; adding a new section  
3 to chapter 80.28 RCW; adding a new section to chapter 64.04 RCW; and  
4 creating a new section.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

7 (a) The ability of utilities to acquire cost effective conservation  
8 measures is instrumental in assuring that Washington citizens have  
9 reasonable energy rates and that utilities have adequate energy  
10 resources to meet future energy demands;

11 (b) Customers may be more willing to accept investments in energy  
12 efficiency and conservation if real and perceived impediments to  
13 property transactions are avoided;

14 (c) Potential purchasers of real property should be notified of any  
15 utility conservation charges at the earliest point possible in the  
16 sale.

17 (2) It is the intent of the legislature to encourage utilities to  
18 develop innovative approaches designed to promote energy efficiency and  
19 conservation that have limited rate impacts on utility customers. It

1 is not the intent of the legislature to restrict the authority of the  
2 utilities and transportation commission to approve tariff schedules.

3 (3) It is also the intent of the legislature that utilities which  
4 establish conservation tariffs should undertake measures to assure that  
5 potential purchasers of property are aware of the existence of any  
6 conservation tariffs. Measures that may be considered include, but are  
7 not limited to:

8 (a) Recording conservation tariffs with the county property  
9 records;

10 (b) Annually notifying customers who have entered agreements of the  
11 conservation tariff obligation; and

12 (c) Working with the real estate industry to provide for disclosure  
13 of conservation tariff obligations in standardized listing agreements  
14 and earnest money agreements.

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

17 (1) Upon request by an electrical or gas company, the commission  
18 may approve a tariff schedule that contains rates or charges for energy  
19 conservation measures, services, or payments provided to individual  
20 property owners or customers. The tariff schedule shall require the  
21 electrical or gas company to enter into an agreement with the property  
22 owner or customer receiving services at the time the conservation  
23 measures, services, or payments are initially provided. The tariff  
24 schedule may allow for the payment of the rates or charges over a  
25 period of time and for the application of the payment obligation to  
26 successive property owners or customers at the premises where the  
27 conservation measures or services were installed or performed or with  
28 respect to which the conservation payments were made.

29 (2) The electrical or gas company shall record a notice of a  
30 payment obligation resulting from an agreement under this section with  
31 the county auditor or recording officer as provided in RCW 65.04.030.

32 (3) The commission may prescribe by rule other methods by which an  
33 electrical or gas company shall notify property owners or customers of  
34 any such payment obligation.

35 NEW SECTION. **Sec. 3.** A new section is added to chapter 64.04 RCW  
36 to read as follows:

1       Prior to closing, the seller of real property subject to a rate or  
2 charge for energy conservation measures, services, or payments provided  
3 under a tariff approved by the utilities and transportation commission  
4 pursuant to section 2 of this act shall disclose to the purchaser of  
5 the real property the existence of the obligation and the possibility  
6 that the purchaser may be responsible for the payment obligation.

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