

# FINAL BILL REPORT

## EHB 2565

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Synopsis as Enacted

**Brief Description:** Providing for disclosure to consumers regarding the characteristics associated with their electric energy product.

**Sponsors:** Representatives Poulsen, Crouse, Morris, Cooper, Radcliff, Ruderman, Reardon, Linville, Conway, Schual-Berke, Kenney, Keiser, Santos and O'Brien.

**House Committee on Technology, Telecommunications & Energy**  
**Senate Committee on Energy, Technology & Telecommunications**

### **Background:**

According to the Washington Electric Utility Service Quality, Reliability, Disclosure and Cost Report submitted to the Legislature by the Washington Utilities and Transportation Commission and the State Auditor in December 1998, the primary goal of electricity labeling or disclosure is to provide consumers information about price, environmental characteristics, and other attributes of their power.

Labels are essential to consumers faced with electricity choices, as labels allow consumers the ability to compare products and to make informed choices. Such labels may prepare customers for possible choices of electricity products and suppliers that may be available in the future.

Many utilities offer customers a choice of products, such as hydroelectric and wind products, known as "green" products. In light of increasing choices of power products and suppliers, regional efforts have been underway over the past two years to examine various issues relating to disclosure and environmental claims.

### **Summary:**

Beginning in 2001, retail suppliers of electricity are required to disclose the attributes of the fuel mix used to generate the electricity sold to consumers.

Intent. The Legislature finds that there is a need to disclose reliable, accurate, and timely information that identifies the fuel source(s) for all electricity products. Disclosure is clearly established in nutrition labels, uniform food prices (net weight shelf tags in grocery stores), truth in lending, and other consumer information programs.

Definitions. Numerous definitions are provided that include the following:

- "Bonneville power administration system mix" is the fuel generation mix sold by BPA.
  - "electricity information coordinator" is the coordinator of generation information for the Northwest power pool.
  - "electricity product" is the energy produced for sale to retail electric customers.
  - "fuel mix" is the source of electricity sold to retail electric customers expressed as a percentage.
- "northwest power pool" means the generating resources in the Northwest.

Disclosure Label. The disclosure label will be accurate and simple to understand. The label will disclose the actual fuel mix used to generate the electricity sold to the consumer.

Retail suppliers of electricity will provide the fuel mix information in a label format at least semiannually. Small utilities and mutual cooperatives have reduced disclosure requirements.

Certain Attributions Prohibited. Retail suppliers are prohibited from making claims of environmental quality or from making environmental impact statements as to particular fuel sources.

Fuel Mix Disclosure requirements. The fuel mix must be attributed to either declared resources, or the net system power mix, or both. The disclosures must provide the percentage attributable to each generation source (coal, hydro, natural gas, nuclear, or other). If a source is categorized as "other" totals more than 2 percent of the total mix, it may be attributed to its source (biomass, geothermal, landfill gas, oil, solar, waste or wind).

If a retail supplier purchases an electricity product from the Bonneville power administration, the supplier may disclose the source as the Bonneville power system mix.

Retail suppliers may declare resources owned by contractual right or if the contracts are unavailable, by the net system power mix.

The Department of Community Trade and Economic Development (DCTED):  
Electricity Information Coordinator Selection. The DCTED must form a work group of interested parties to select an electricity information coordinator. If a coordinator is not selected by November 1, 2000, the DCTED must notify the energy committees of the House and Senate that it will serve as the coordinator. If DCTED serves as coordinator, DCTED must assign evaluation and reporting requirements to an independent third party.

The work group may suggest modifications to improve the content, readability, consumer understanding, and efficiency of the disclosure process. The DCTED will report any suggested modifications to the disclosure requirements to the Legislature no later than December 1, 2003.

The electricity information coordinator is required to: compile actual generation in the Northwest power pool expressed in megawatt hours; calculate the quantity of declared resources; calculate the net system power mix; and coordinate with other comparable organizations in the western interconnection power grid.

**Votes on Final Passage:**

House	95	2
Senate	45	0

**Effective:** June 8, 2000