

# HOUSE BILL ANALYSIS

## HB 2565

---

---

**Title:** An act relating to disclosure of attributes of electricity products.

**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 AND ENERGY

**Meeting Date:** January 26, 2000.

**Staff:** Julia Harmatz (786-7135)

**Background:**

The primary goal of electricity labeling or disclosure is to provide consumers information about price, environmental characteristics, and other attributes of their power, as per the Washington Electric Utility Service Quality, Reliability, Disclosure and Cost Report submitted to the Legislature by the Washington Utilities and Transportation Commission (WUTC) and the State Auditor December 1998. Labels are essential to consumers faced with electricity choices, as they allow those consumers the ability to compare available products and to make informed choices. With the choices they make, those consumers can influence the price of their electricity as well as the type of generation used to produce it. Even in states not engaged in electricity competition, labels can inform and educate retail customers about the characteristics of their power. Labels can prepare those customers for possible choices they may be faced with in the future.

Many utilities now offer customers a choice of products, such as hydroelectric and wind products, known as "green" products. In light of increasing choice 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 of Bill:**

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**

Definitions for biomass generation,– Bonneville power administration system mix,– coal generation,– declared resource,– electricity information coordinator,– electricity product,– fuel mix,– geothermal generation,– high efficiency cogeneration,– hydroelectric generation,– landfill gas generation,– natural gas generation,– northwest power pool,– net system power mix,– oil generation,– retail supplier,– solar generation,– waste incineration generation,– and wind generation– are added to chapter 19.29A.010 RCW.

### **Disclosures in Label Format**

Each retail supplier of electricity will provide fuel mix information to its customers. This information will be provided in a label format at least semiannually. The label will be accurate and simple to understand.

### *Prohibited*

The bill prohibits retail suppliers from attributing claims of environmental quality or environmental impact statement to particular fuel sources.

### **Fuel Mix**

The fuel mix is attributed to either declared resources, the net system power mix, or both. The disclosures will show the percentage attributable to each generation source (coal, hydro, natural gas, nuclear, or other). If a source, which 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).

### *Retail Suppliers*

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

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

### **Community Trade and Economic Development (CTED)**

#### *Coordinator Selection*

CTED will form a work group of interested parties to select an electricity information coordinator. If a coordinator is not selected by November 1, 2000, CTED will notify the committees of the house and senate energy committees that it will serve as the coordinator. CTED would assign evaluation and reporting requirements to an independent third party.

The work group may also suggest modifications to improve the content, readability, consumer understanding, and efficiency of the disclosure process.

CTED will report any suggested modifications to the disclosure requirements to the Legislature no later than December 1, 2003.

*Electricity Information Coordinator*

The 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.

**Appropriation:** None

**Fiscal Note:** Requested January 19, 2000.

**Effective Date of Bill:** Ninety days after adjournment of session in which bill is passed.