

HOUSE BILL REPORT

EHB 2565

As Passed Legislature

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.

Brief History:

Committee Activity:

Technology, Telecommunications & Energy: 1/26/00, 2/2/00 [DPA].

Floor Activity:

Passed House: 2/10/00, 95-2.

Passed Senate: 3/2/00, 45-0.

Passed Legislature.

Brief Summary of Amended Bill

- Retail suppliers of electricity will disclose fuel mix information to their customers in a label format at least semiannually.
- Small utilities and mutual operatives are required to distribute the disclosure label once per year.
- An electricity information coordinator will compile electricity generation and fuel mix information.

HOUSE COMMITTEE ON TECHNOLOGY, TELECOMMUNICATIONS & ENERGY

Majority Report: Do pass as amended. Signed by 12 members: Representatives Crouse, Republican Co-Chair; Poulsen, Democratic Co-Chair; DeBolt, Republican Vice Chair; Ruderman, Democratic Vice Chair; Bush; Cooper; Kastama; McDonald; Mielke; Morris; Reardon and Wolfe.

Minority Report: Without recommendation. Signed by 2 members: Representatives Delvin and Thomas.

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 Amended Bill:

Retail suppliers of electricity will disclose the fuel mix used to generate electricity in a label format to consumers.

The amended bill is almost identical to the original bill except that the disclosure requirements for small utilities and mutual operatives are reduced from at least semiannually to once per year.

Repeated language is deleted.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This will ensure accurate reporting. This is a collaborative effort and a workable deal. This educates consumers about a key service they use every day. This information is similar to a food label and provides information not otherwise readily available. Information should be given as often as possible without an undue burden on utilities. Small utilities should be able to disclose once per year unless they market the same products as the larger utilities and then will be subject to the same level of disclosure frequency.

Testimony Against: None.

Testified: Collins Sprague, Avista Corporation; Peter West, Renewable Northwest Project; Danielle Dixon, Northwest Energy Coalition; Aaron Jones, Washington Rural Electric Cooperative Association; Jim Harding, Seattle City Light; Allen J. Aldrich, Snohomish County Public Utility District No. 1; Lew McMurrin, Washington Public Utility Districts Association; and Mike Tracy, Puget Sound Energy.