

***Technology, Telecommunications  
& Energy Committee***

***SSB 5292***

***Brief Description:*** *Modifying the definition of a major public energy project.*

***Sponsors:*** *By Senators T. Sheldon, McDonald, Fraser, Hochstatter, Regala, Stevens, Kastama, Snyder, Honeyford, Patterson, Eide and Hale.*

***Brief Summary of Bill***

- *Eliminates the requirement for a public vote to authorize public financing for major public energy facilities except for nuclear power plants.*
- *Requires an independent cost-effectiveness study for large non-nuclear power plant projects (250 megawatts or more) and a public hearing prior to approval of financing by the public agency proposing the project.*

***Hearing Date:*** *March 19, 2001.*

***Staff:*** *Pam Madson (786-7166).*

***Background:***

*In 1981, voters approved Initiative No. 394, the Washington State Energy Financing Voter Approval Act. Under the act, a public utility district (PUD) or a group of PUDs organized as a joint operating agency, a city, or a county is prohibited from selling bonds to finance the construction or acquisition of a major public energy project unless the voters of the respective governmental entity approve a ballot proposition authorizing the expenditure of funds.*

*Prior to a vote, the public agency must submit a cost-effectiveness study of the project conducted by an independent consultant to the voters. The study must be available for public review and comment for 30 days. Information both pro and con may be submitted to the voters by the proponents and the opponents in a voter's pamphlet distributed by the Secretary of State. The voter's pamphlet must contain information about the project, its*

*cost and level of public financing, and projected rate increases for consumers using the electricity generated. The rate increase is that necessary to repay total indebtedness of the project.*

*A major public energy project is an electrical generating facility capable of generating more than 250 megawatts of electricity and is not limited to any particular type of generation. Each plant located on the same geographic site is considered a separate energy project. An expansion of an existing facility is not subject to a vote unless the expansion produces more than 250 megawatts of electricity.*

***Summary of Bill:***

*Only public energy projects for the construction or acquisition of a nuclear power plant of any size using public financing must seek approval from voters of the public agency proposing the project.*

*Large non-nuclear power plant projects not subject to voter approval must comply with similar disclosure requirements to those required for voter-approved projects. A cost-effectiveness study on the project conducted by an independent consultant must be submitted to the governing body of the agency proposing the project. The study must be available for public review and comment for at least 30 days after submission to the governing body.*

*At the end of the 30 day comment period, the public agency must conduct a public hearing on the project and the study. Notice of the hearing must contain information about the project, its cost and level of public financing, and projected rate increases for consumers using the electricity generated. The rate increase is that necessary to repay total indebtedness of the project.*

*A large non-nuclear project is a non-nuclear plant capable of generating electricity of 250 megawatts or more. Each large plant at the same site is considered a separate project. Any addition to an existing facility qualifies as a large project if the addition itself is capable of generating 250 megawatts.*

***Appropriation:*** None.

***Fiscal Note:*** Not Requested.

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