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HOUSE BILL 2101

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State of Washington

57th Legislature

2001 Regular Session

By Representatives Cooper, Delvin, Reardon, Crouse, Berkey and Campbell

Read first time 02/14/2001. Referred to Committee on Technology,  
Telecommunications & Energy.

1 AN ACT Relating to public utility district ownership and operation  
2 of electric generation facilities; amending RCW 54.44.010 and  
3 54.44.020; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature to allow  
6 public utility districts to enter into joint agreements with other  
7 public and private entities to own and operate electric generation  
8 facilities.

9 **Sec. 2.** RCW 54.44.010 and 1975-'76 2nd ex.s. c 72 s 1 are each  
10 amended to read as follows:

11 It is declared to be in the public interest and for a public  
12 purpose that cities of the first class, public utility districts, joint  
13 operating agencies organized under chapter 43.52 RCW, (~~regulated~~  
14 ~~electrical companies~~) port districts, irrigation districts, sewer  
15 districts, water districts, and((7)) rural electrical cooperatives  
16 including generation and transmission cooperatives, investor-owned  
17 utilities, private nonutility power plant developers and operators,  
18 commercial or industrial customers of any public utility owning a plant

1 under authority of this chapter, and direct service industrial  
2 customers of the Bonneville power administration be permitted to  
3 participate together in the development of nuclear and other  
4 (~~thermal~~) electric power facilities and transmission facilities as  
5 hereinafter provided as one means of achieving economies of scale and  
6 thereby promoting the economic development of the state and its natural  
7 resources to meet the future power needs of the state and all its  
8 inhabitants.

9       **Sec. 3.** RCW 54.44.020 and 1997 c 230 s 2 are each amended to read  
10 as follows:

11       (1) Except as provided in subsection (2) of this section, cities of  
12 the first class, public utility districts organized under chapter 54.08  
13 RCW, and joint operating agencies organized under chapter 43.52 RCW,  
14 any such cities and public utility districts which operate electric  
15 generating facilities or distribution systems and any joint operating  
16 agency shall have power and authority to participate and enter into  
17 agreements with each other and with (~~electrical companies which are~~  
18 ~~subject to the jurisdiction of the Washington utilities and~~  
19 ~~transportation commission or the public utility commissioner of Oregon,~~  
20 ~~hereinafter called "regulated utilities", and with~~) port districts,  
21 irrigation districts, water-sewer districts, entities formed under  
22 chapter 39.34 RCW, investor-owned utilities, rural electric  
23 cooperatives, including generation and transmission cooperatives,  
24 private nonutility developers and operators including affiliates of  
25 regulated utilities, direct service industrial customers of the  
26 Bonneville power administration, and any commercial or industrial  
27 customer of any utility participating in a joint ownership under this  
28 chapter for the undivided ownership of any type of electric generating  
29 plants and facilities, including, but not limited to nuclear and other  
30 thermal power generating plants and facilities and transmission  
31 facilities including, but not limited to, related transmission  
32 facilities, hereinafter called "common facilities", and for the  
33 planning, financing, acquisition, construction, operation and  
34 maintenance thereof. It shall be provided in such agreements that each  
35 city, public utility district, or joint operating agency shall own a  
36 percentage of any common facility equal to the percentage of the money  
37 furnished or the value of property supplied by it for the acquisition

1 and construction thereof and shall own and control a like percentage of  
2 the electrical output thereof.

3 (2) Cities of the first class, public utility districts organized  
4 under chapter 54.08 RCW, and joint operating agencies organized under  
5 chapter 43.52 RCW, shall have the power and authority to participate  
6 and enter into agreements for the undivided ownership of a coal-fired  
7 thermal electric generating plant and facility placed in operation  
8 before July 1, 1975, including related common facilities, and for the  
9 planning, financing, acquisition, construction, operation, and  
10 maintenance of the plant and facility. It shall be provided in such  
11 agreements that each city, public utility district, or joint operating  
12 agency shall own a percentage of any common facility equal to the  
13 percentage of the money furnished or the value of property supplied by  
14 the city, district, or agency, for the acquisition and construction of  
15 the facility and shall own and control a like percentage of the  
16 electrical output thereof. Cities of the first class, public utility  
17 districts, and joint operating agencies may enter into agreements under  
18 this subsection with each other, with regulated utilities, with rural  
19 electric cooperatives, with electric companies subject to the  
20 jurisdiction of the regulatory commission of any other state, and with  
21 any power marketer subject to the jurisdiction of the federal energy  
22 regulatory commission.

23 (3) Each participant shall defray its own interest and other  
24 payments required to be made or deposited in connection with any  
25 financing undertaken by it to pay its percentage of the money furnished  
26 or value of property supplied by it for the planning, acquisition and  
27 construction of any common facility, or any additions or betterments  
28 thereto. The agreement shall provide a uniform method of determining  
29 and allocating operation and maintenance expenses of the common  
30 facility.

31 (4) Each (~~city, public utility district, joint operating agency,~~  
32 ~~regulated utility, and cooperatives~~) participant participating in the  
33 ownership or operation of a common facility shall pay all taxes  
34 chargeable to its share of the common facility and the electric energy  
35 generated thereby under applicable statutes as now or hereafter in  
36 effect, and may make payments during preliminary work and construction  
37 for any increased financial burden suffered by any county or other  
38 existing taxing district in the county in which the common facility is  
39 located, pursuant to agreement with such county or taxing district.

1        NEW SECTION.    **Sec. 4.**    If any provision of this act or its  
2 application to any person or circumstance is held invalid, the  
3 remainder of the act or the application of the provision to other  
4 persons or circumstances is not affected.

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