

SHB 1853 - S COMM AMD

By Committee on Energy, Environment & Telecommunications

ADOPTED AND ENGROSSED 4/15/2015

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that the
4 transportation sector is Washington's largest contributor to
5 greenhouse emissions and hazardous air pollutants as defined by
6 federal national ambient air quality standards and mobile source air
7 toxics rules. The sector's portion is considerably higher than the
8 national average because our state relies heavily on hydropower for
9 electricity generation, unlike other states that rely on fossil fuels
10 such as coal, petroleum, and natural gas to generate electricity.

11 (2) The legislature also finds that federal clean air act
12 regulations and complementary Washington policies supporting
13 renewable energy generation, energy efficiency, and energy
14 conservation are likely to result in further reduction of emissions
15 in the electricity and in the combined residential, commercial, and
16 industrial sectors. The legislature finds that state policy can
17 achieve the greatest return on investment in reducing greenhouse gas
18 emissions and improving air quality by expediting the transition to
19 alternative fuel vehicles, including electric vehicles.

20 (3) The legislature finds that utilities, who are traditionally
21 responsible for understanding and engineering the electrical grid for
22 safety and reliability, must be fully empowered and incentivized to
23 be engaged in electrification of our transportation system. The
24 legislature further finds that it has given utilities other policy
25 directives to promote energy conservation which do not make the
26 benefits of building out electric vehicle infrastructure, as well as
27 any subsequent increase in energy consumption, readily apparent.
28 Therefore the legislature intends to provide a clear policy directive
29 and financial incentive to utilities for electric vehicle
30 infrastructure build-out.

31 NEW SECTION. **Sec. 2.** A new section is added to chapter 80.28
32 RCW to read as follows:

1 (1) In establishing rates for each electrical company regulated
2 under this title, the commission may allow an incentive rate of
3 return on investment on capital expenditures for electric vehicle
4 supply equipment that is deployed for the benefit of ratepayers,
5 provided that the capital expenditures do not increase costs to
6 ratepayers in excess of one-quarter of one percent. The commission
7 must consider and may adopt other policies to improve access to and
8 promote fair competition in the provision of electric vehicle supply
9 equipment.

10 (2) An incentive rate of return on investment under this section
11 may be allowed only if the company chooses to pursue capital
12 investment in electric vehicle supply equipment on a fully regulated
13 basis similar to other capital investments behind a customer's meter.
14 In the case of an incentive rate of return on investment allowed
15 under this section, an increment of up to two percent must be added
16 to the rate of return on common equity allowed on the company's other
17 investments.

18 (3) The incentive rate of return on investment authorized in
19 subsection (2) of this section applies only to projects which have
20 been installed after July 1, 2015, and which are reasonably expected,
21 at the time they are placed in the rate base, to result in real and
22 tangible benefits for rate payers by being installed and located
23 where electric vehicles are most likely to be parked for intervals
24 longer than two hours.

25 (4) The incentive rate of return on investment increment pursuant
26 to this section may be earned only for a period up to the depreciable
27 life of the electric vehicle supply equipment as defined in the
28 depreciation schedules developed by the company and submitted to the
29 commission for review. When the capital investment has fully
30 depreciated, an electrical company may gift the electric vehicle
31 supply equipment to the owner of the property on which it is located.

32 (5) By December 31, 2017, the commission must report to the
33 appropriate committees of the legislature with regard to the use of
34 any incentives allowed under this section, the quantifiable impacts
35 of the incentives on actual electric vehicle deployment, and any
36 recommendations to the legislature about utility participation in the
37 electric vehicle market."

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1 On page 1, line 2 of the title, after "build-out;" strike the
2 remainder of the title and insert "adding a new section to chapter
3 80.28 RCW; and creating a new section."

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