

2SSB 6253 - S AMD 667

By Senator Ranker

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

3 NEW SECTION. **Sec. 1.** (1) The legislature finds that Washington  
4 should continue its leadership in clean energy, climate change  
5 mitigation, and economic growth through the development of emerging  
6 clean energy technologies.

7 (2) By putting utilities on a pathway to one hundred percent  
8 fossil-free electricity, Washington can build on the state's  
9 foundation of hydroelectric generation with clean energy resources.  
10 Clean energy creates more jobs per unit of energy produced than  
11 fossil fuel sources, so this transition will contribute job growth in  
12 Washington while addressing our climate crisis head on.

13 (3) The legislature declares that Washington can promote energy  
14 independence, create high-quality jobs in the clean energy sector,  
15 maintain stable and affordable rates for all customers, and protect  
16 clean air and water in the Pacific Northwest.

17 NEW SECTION. **Sec. 2.** The definitions in this section apply  
18 throughout this chapter unless the context clearly requires  
19 otherwise.

20 (1) "Attorney general" has the same meaning as defined in RCW  
21 19.285.030.

22 (2) "Auditor" has the same meaning as defined in RCW 19.285.030.

23 (3) "Coal-fired resource" means a facility that uses coal-fired  
24 generating units, or that uses units fired in whole or in part by  
25 coal as feedstock, to generate electricity.

26 (4) "Commission" means the Washington state utilities and  
27 transportation commission.

28 (5) "Conservation" has the same meaning as defined in RCW  
29 19.285.030.

30 (6) "Consumer-owned utility" has the same meaning as defined in  
31 RCW 19.29A.010.

1 (7) "Customer" has the same meaning as defined in RCW 19.285.030.

2 (8) "Department" means the department of commerce or its  
3 successor.

4 (9) "Electric utility" has the same meaning as defined in RCW  
5 19.29A.010.

6 (10) "Fossil fuel" means petroleum products that are intended for  
7 combustion, including natural gas, crude oil, petroleum, coal, or  
8 coke of any kind, or any form of solid, liquid, or gaseous fuel  
9 derived from these products including but not limited to motor  
10 vehicle fuel, special fuel, aircraft fuel, marine fuel, still gas,  
11 propane, and petroleum residuals such as bunker fuel.

12 (11) "Fossil fuel generating resource" is an electric generating  
13 unit that generates electricity from the combustion or oxidation of  
14 fossil fuels.

15 (12) "Investor-owned utility" has the same meaning as defined in  
16 RCW 19.29A.010.

17 (13) "Low-income" means household income as defined by the  
18 department or commission, provided that the definition may not exceed  
19 eighty percent of area median household income, adjusted for  
20 household size.

21 (14) "Market customer" means a nonresidential customer of an  
22 electric utility that: (a) Purchases electricity from an entity or  
23 entities other than the electric utility with which it is directly  
24 interconnected; or (b) generates electricity to meet its own needs.

25 (15) "Natural gas" means naturally occurring mixtures of  
26 hydrocarbon gases and vapors consisting principally of methane,  
27 whether in gaseous or liquid form, including methane clathrate.

28 (16) "Petroleum product" has the same meaning as defined in RCW  
29 82.23A.010.

30 (17) "Renewable resource" has the same meaning as defined in RCW  
31 19.285.030.

32 (18) "Rule" means rules adopted by an agency or other entity of  
33 Washington state government to carry out the intent and purposes of  
34 this chapter.

35 NEW SECTION. **Sec. 3.** (1)(a) On or before January 1, 2030, all  
36 electric utilities must eliminate from electric rates all costs  
37 associated with delivering electricity to customers that is generated  
38 from a coal-fired resource. This does not include costs associated  
39 with decommissioning and remediation of these facilities.

1 (b) The commission may accelerate depreciation schedules for any  
2 coal-fired resource owned by investor-owned utilities to a date no  
3 later than January 1, 2030.

4 (2) Electric utilities and market customers must demonstrate that  
5 they have reduced the total number of megawatt hours from fossil fuel  
6 generating resources compared to a 2017 baseline approved by the  
7 commission, for investor-owned utilities and market customers of  
8 investor-owned utilities, and the department of commerce, for  
9 consumer-owned utilities and market customers of consumer-owned  
10 utilities, used to serve the utility's load by the following annual  
11 targets:

12 (a) At least a twenty-five percent reduction from 2017 levels by  
13 January 1, 2030, and through December 31, 2034;

14 (b) At least a fifty percent reduction from 2017 levels by  
15 January 1, 2035, and through December 31, 2039;

16 (c) At least a seventy-five percent reduction from 2017 levels by  
17 January 1, 2040, and through December 31, 2044; and

18 (d) One hundred percent reduction by December 31, 2045.

19 (3) To achieve the targets in subsection (2) of this section,  
20 electric utilities and market customers shall demonstrate that they  
21 have achieved all feasible conservation measures or investments,  
22 reductions in demand, and demand management prior to making new  
23 investments to meet projected demand; and, to the maximum extent  
24 feasible, shall:

25 (a) Achieve the targets in subsection (2) of this section at the  
26 lowest possible costs;

27 (b) Avoid the imposition of the pollution mitigation charge in  
28 section 4(1)(a) of this act; and

29 (c) In the construction of new resources:

30 (i) Maximize the creation of family wage jobs, insofar as doing  
31 so is consistent with (a) of this subsection; and

32 (ii) Rely on renewable resources.

33 (4) Any resource for which the environmental attribute or  
34 attributes have been sold, transferred, or used for other purposes,  
35 except for an electric utility's own compliance with the renewable  
36 energy requirements under chapter 19.285 RCW, must be considered a  
37 fossil fuel generating resource for the purpose of this act.

38 (5) Hydroelectric generation may not include new diversions, new  
39 impoundments, new bypass reaches, or expansion of existing reservoirs  
40 constructed after the effective date of this section unless the

1 diversions, bypass reaches, or reservoir expansions are necessary for  
2 the operation of a pumped storage facility that: (a) Does not  
3 conflict with existing state or federal fish recovery plans; and (b)  
4 complies with all local, state, and federal laws and regulations.

5 NEW SECTION. **Sec. 4.** (1)(a) An electric utility or market  
6 customer shall pay a pollution mitigation charge to the department  
7 for fossil fuel megawatt hours in excess of limits established in  
8 section 3(2) of this act. This charge must be set per megawatt hour  
9 and increase according to the schedule below:

Year	Level	Annual escalation
2030	Fifty dollars/MWh	None
2040	Seventy-five dollars/MWh	None
2045	One hundred dollars/MWh	Two percent

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18 (b) All dollar amounts set forth in (a) of this subsection are in  
19 2018 dollars. Beginning on the effective date of this section, this  
20 charge must be adjusted annually according to the rate of change of  
21 the inflation indicator, gross domestic product-implicit price  
22 deflator, as published by the bureau of economic analysis of the  
23 United States department of commerce or its successor.

24 (2)(a) For an investor-owned utility, the commission shall  
25 determine compliance with the provisions of this chapter and assess  
26 charges as provided in subsection (1) of this section.

27 (b) For a consumer-owned utility, the department is responsible  
28 for assessing charges as provided in subsection (1) of this section.  
29 The auditor shall determine compliance with the provisions of this  
30 chapter and the attorney general is responsible for enforcing  
31 compliance.

32 (c) For a market customer, the auditor shall determine compliance  
33 with this chapter and the attorney general is responsible for  
34 enforcing compliance, except that the commission shall determine  
35 compliance with section 3 of this act for a market customer of an  
36 investor-owned utility.

1 (3)(a) By June 1, 2025, and annually thereafter, each electric  
2 utility and market customer shall report to the department on  
3 progress towards the reduction in the total number of megawatt hours  
4 from fossil fuel generating resources under section 3 of this act.

5 (b) Each investor-owned utility shall also report all information  
6 required in (a) of this subsection to the commission.

7 (c) All electric utilities shall also make reports required in  
8 this section available to its customers and each market customer  
9 shall make all information required in this subsection available to  
10 the attorney general.

11 (4) Moneys collected from electric utilities and market customers  
12 pursuant to subsection (1)(a) of this section must be expended by the  
13 department to assist electric utilities and market customers in  
14 eliminating future payments of the pollution mitigation charge in the  
15 following manner:

16 (a) One-third of revenue must be expended on projects that reduce  
17 energy spending by low-income electricity customers, with priority  
18 for distributed generation and conservation projects in excess of  
19 existing requirements; and

20 (b) The remaining funds must be expended for projects that assist  
21 electric utilities and market customers in meeting the carbon  
22 reduction requirements in section 3 of this act including, but not  
23 limited to: (i) Smart grid and grid modernization projects; and (ii)  
24 research and deployment of renewable resources with capacity factors  
25 above fifty percent.

26 NEW SECTION. **Sec. 5.** (1)(a) The legislature finds and declares  
27 all of the following:

28 (i) There is insufficient information available to fully realize  
29 the potential of solar photovoltaic energy generation to serve low-  
30 income customers, including those in disadvantaged communities.

31 (ii) There is insufficient understanding of the barriers to  
32 access for low-income customers to all forms of renewable energy  
33 being generated in the state.

34 (iii) There is insufficient understanding of the barriers to  
35 access for low-income customers to energy efficiency investments.

36 (iv) There is insufficient understanding of the barriers to  
37 access for low-income customers to zero emission and near-zero  
38 emission transportation options.

1 (b) By January 1, 2019, the department of commerce, with input  
2 from relevant state agencies and the public, shall conduct and  
3 complete a study on both of the following:

4 (i) Barriers to, and opportunities for, solar photovoltaic energy  
5 generation as well as barriers to, and opportunities for, access to  
6 other renewable energy by low-income customers; and

7 (ii) Barriers to contracting opportunities for local small  
8 businesses in disadvantaged communities.

9 (c) By January 1, 2019, the department of commerce, with input  
10 from relevant state agencies and the public, shall develop and  
11 publish a study on barriers for low-income customers to energy  
12 efficiency and weatherization investments, including those in  
13 disadvantaged communities, as well as recommendations on how to  
14 increase access to energy efficiency and weatherization investments  
15 to low-income customers.

16 (d) By January 1, 2019, the department of commerce, with input  
17 from relevant state agencies and the public, shall develop and  
18 publish a study on barriers for low-income customers to zero emission  
19 and near-zero emission transportation options, including those in  
20 disadvantaged communities, as well as recommendations on how to  
21 increase access to zero emission and near-zero emission  
22 transportation options to low-income customers, including those in  
23 disadvantaged communities.

24 (2) By January 1, 2025, the department of commerce, with input  
25 from relevant state agencies and the public, shall develop and  
26 publish a study on the impact of chapter . . . , Laws of 2018 (this  
27 act) on utility rates as it affects individuals of varying income  
28 levels, ethnic backgrounds, and racial backgrounds.

29 (3) By January 1, 2025, the department of commerce shall complete  
30 a study determining projected and current worker hours in  
31 construction manufacturing, operations, and maintenance created as a  
32 result of compliance with this act. The study must also include  
33 estimates of direct, indirect, and induced job creation. This study  
34 must be repeated every five years.

35 (4) The definitions in RCW 19.285.030 apply throughout this  
36 section.

37 (5) This section expires July 1, 2019.

1        NEW SECTION.    **Sec. 6.**    The commission, in the case of investor-  
2 owned utilities, and the department, in the case of consumer-owned  
3 utilities, shall adopt rules to implement this act.

4        NEW SECTION.    **Sec. 7.**    Sections 1 through 4 and 6 of this act  
5 constitute a new chapter in Title 19 RCW.

6        NEW SECTION.    **Sec. 8.**    If any provision of this act or its  
7 application to any person or circumstance is held invalid, the  
8 remainder of the act or the application of the provision to other  
9 persons or circumstances is not affected."

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10        On page 1, line 2 of the title, after "standard;" strike the  
11 remainder of the title and insert "adding a new chapter to Title 19  
12 RCW; creating a new section; prescribing penalties; and providing an  
13 expiration date."

EFFECT:    Removes the definition of "clean resources" and  
"emission."

Removes the requirement that the UTC may not extend the  
depreciation schedule for any fossil fuel generating resource.

Specifies that electric utilities and market customers must  
demonstrate they have reduced their total number of MWh compared to a  
2017 baseline approved by the UTC, for IOUs and market customers of  
IOUs, or Commerce, for COUs and market customers of COUs.

Specifies time periods for targets.

Requires electric utilities and market customers to demonstrate  
that they have achieved all feasible conservation measures or  
investments, reductions in demand, and demand management prior to  
making new investments to meet projected demand.

Requires that to the maximum extent feasible, construction of new  
resources shall maximize the creation of family wage jobs and rely on  
renewable resources.

Delays the start of annual reporting requirements for electric  
utilities and market customers from June 1, 2020, to June 1, 2025.

Delays the Commerce study regarding the impact of utility rates  
on individuals from January 1, 2019, to January 1, 2025.

Adds a new study that Commerce must complete by January 1, 2025,  
determining projected and current worker hours in construction

manufacturing, operations, and maintenance, created as a result of compliance with this act. The study must occur every 5 years.

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