H-3827.1

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**HOUSE BILL 2586**

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**State of Washington 66th Legislature 2020 Regular Session**

**By** Representatives Ramel, Fitzgibbon, Shewmake, Doglio, Stonier, Mead, Duerr, Lekanoff, Hudgins, and Macri

AN ACT Relating to the electrification of homes and buildings; adding a new section to chapter 35.92 RCW; adding a new section to chapter 54.16 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that:

(1) Programs for the electrification of homes and buildings have the potential to allow electric utilities to optimize the use of electric grid infrastructure, improve the management of electric loads, better manage the integration of variable renewable energy resources, reduce greenhouse gas emissions from the buildings sector, and improve indoor air quality.

(2) Legislative clarity is important for utilities to offer programs and services, including incentives, in the electrification of homes and buildings for their customers. It is the intent of the legislature to achieve parity among all electric utilities so that each utility, depending on its unique circumstances, can determine its appropriate role in advancing home and building electrification for its customers.

NEW SECTION. **Sec.**  A new section is added to chapter 35.92 RCW to read as follows:

(1) The governing authority of an electric utility formed under this chapter may adopt a beneficial electrification plan that establishes a finding that utility outreach and investment in the electrification of homes and buildings is in the public interest.

(2) In adopting a beneficial electrification plan under subsection (1) of this section, the governing authority may consider some or all of the following:

(a) The applicability of multiple options for electrification of various energy end-uses or other energy sources;

(b) The impact of beneficial electrification on the electric utility's load and whether demand response or other load management opportunities, including direct load control and dynamic pricing, are operationally appropriate;

(c) An assessment of conservation measures to offset load impacts of beneficial electrification;

(d) System reliability and distribution system efficiencies;

(e) The opportunity for greenhouse gas emission reductions, consistent with the emission reduction targets recommended by the department of ecology under RCW 70.235.040;

(f) The opportunity for indoor and outdoor air quality benefits to utility customers; and

(g) The overall benefits and costs of planned action, including the cost of greenhouse gas emissions calculated pursuant to RCW 80.28.405.

(3) In adopting a beneficial electrification plan under subsection (1) of this section, the governing authority of an electric utility formed under this chapter must prioritize the allocation of benefits to vulnerable populations in the electric utility's service territory.

(4) An electric utility formed under this chapter may, upon making a determination in accordance with subsection (1) of this section, offer incentives and other programs to accelerate the beneficial electrification of homes and buildings for its customers, including the promotion of electrically-powered equipment, advertising beneficial electrification programs and projects, educational programs, and customer incentives or rebates.

(5) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Beneficial electrification" means electrification of an energy end-use in a way that provides a net benefit to the utility or utility customers by improving the management of the electric grid, reducing customer costs, reducing greenhouse gas emissions from the buildings sector, improving indoor and outdoor air quality, or other public interest benefits.

(b) "Vulnerable populations" means communities that experience a disproportionate cumulative risk from environmental burdens due to: (i) Adverse socioeconomic factors including, but not limited to, unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and (ii) sensitivity factors, such as low birth weight and higher rates of hospitalization.

(6) Nothing in this section limits the existing authority of an electric utility formed under this chapter to offer incentives and other programs to accelerate the electrification of homes and buildings for its customers if such electrification is in the direct economic interest of the electric utility or its customers.

NEW SECTION. **Sec.**  A new section is added to chapter 54.16 RCW to read as follows:

(1) The commission of a public utility district may adopt a beneficial electrification plan that establishes a finding that outreach and investment in the electrification of homes and buildings is in the public interest.

(2) In adopting a beneficial electrification plan under subsection (1) of this section, the commission of a public utility district may consider some or all of the following:

(a) The applicability of multiple options for electrification of various energy end-uses or other energy sources;

(b) The impact of beneficial electrification on the district's load and whether demand response or other load management opportunities, including direct load control and dynamic pricing, are operationally appropriate;

(c) An assessment of conservation measures to offset load impacts of beneficial electrification;

(d) System reliability and distribution system efficiencies;

(e) The opportunity for greenhouse gas emission reductions, consistent with the emission reduction targets recommended by the department of ecology under RCW 70.235.040;

(f) The opportunity for indoor and outdoor air quality benefits to utility customers; and

(g) The overall benefits and costs of planned action, including the cost of greenhouse gas emissions calculated pursuant to RCW 80.28.405.

(3) In adopting a beneficial electrification plan under subsection (1) of this section, the commission of a public utility district must prioritize the allocation of benefits to vulnerable populations in the district's service territory.

(4) A public utility district may, upon making a determination in accordance with subsection (1) of this section, offer incentives and other programs to accelerate the beneficial electrification of homes and buildings for its customers, including the promotion of electrically-powered equipment, advertising beneficial electrification programs and projects, educational programs, and customer incentives or rebates.

(5) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Beneficial electrification" means electrification of an energy end-use in a way that provides a net benefit to the public utility district or its customers by improving the management of the electric grid, reducing customer costs, reducing greenhouse gas emissions from the buildings sector, improving indoor and outdoor air quality, or other public interest benefits.

(b) "Vulnerable populations" means communities that experience a disproportionate cumulative risk from environmental burdens due to: (i) Adverse socioeconomic factors including, but not limited to, unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and (ii) sensitivity factors, such as low birth weight and higher rates of hospitalization.

(6) Nothing in this section limits the existing authority of the commission of a public utility district to offer incentives and other programs to accelerate the electrification of homes and buildings for its customers if such electrification is in the direct economic interest of the public utility district or its customers.

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

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