

# SENATE BILL REPORT

## SB 6135

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As of February 10, 2020

**Title:** An act relating to system reliability under the clean energy transformation act.

**Brief Description:** Concerning system reliability under the clean energy transformation act.

**Sponsors:** Senators Sheldon, Carlyle and Short.

**Brief History:**

**Committee Activity:** Environment, Energy & Technology: 1/21/20.

**Brief Summary of Bill**

- Requires the Department of Commerce (Commerce) to provide specific recommendations for legislative action if, as a result of the Clean Energy Transformation Act (CETA), specified reliability and resource-adequacy standards are violated.
- Requires Commerce's evaluation of system reliability under CETA to start two years sooner, in January 2022 rather than 2024.

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### SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

**Staff:** Kimberly Cushing (786-7421)

**Background:** In 2019, the Legislature passed the Clean Energy Transformation Act (CETA), which requires Washington's electric utilities to meet 100 percent of their retail electric load using non-emitting and renewable resources by January 1, 2045. Additionally, CETA requires electric utilities to eliminate coal-fired resources from their allocation of electricity by December 31, 2025, and make all retail sales of electricity greenhouse gas (GHG) neutral by January 1, 2030.

By January 1, 2024, and every four years thereafter, the Department of Commerce (Commerce) must report to the Legislature a review of the three CETA standards focused on technologies, forecasts, existing transmission, environmental and public safety, affordability, and reliability.

The full report must include the following:

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- an evaluation of impacts or costs and benefits on system reliability and utilities;
- an evaluation identifying anticipated financial costs and benefits to electric utilities;
- an evaluation of new or emerging technologies that could be considered renewable resources; and
- an assessment of the impacts on middle-income families, small businesses, and manufacturers in Washington.

**Summary of Bill:** Commerce must provide an evaluation of system reliability beginning January 1, 2022, two years sooner than the full report required by CETA. Beginning January 1, 2026, updates reflecting changing forecasts for electric generation resources, retail electric load, and transmission capability must be provided every four years.

Commerce must provide specific recommendations for legislative action if, as a result of its evaluation of the impacts or costs and benefits of the GHG neutral standard or 100 percent clean energy standard under CETA, any of the following are violated:

- reliability standards of the North American electric reliability corporation;
- prudent utility practice for resource adequacy; or
- power quality or integrity of the electricity system.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony:** PRO: This is about resource adequacy and system reliability. It asks Commerce to move ahead more quickly with their report. It is imperative we open up CETA and do some mechanical work on the bill. We need to make sure we do not have brownouts or blackouts in our region. Having information sooner rather than later will benefit utilities. We are concerned about coal-fired plants retiring sooner, which are relied upon to meet peak load. Increased reliance on renewable energy could pose a threat to system reliability. As CETA implementation continues questions are being raised. Industrial loads are highly sensitive to system outages. A qualified third party should perform the assessment. Ensuring reliable electricity system requires comprehensive approach. Building new resources will take time.

CON: This would prematurely move forward the reliability study. It will create confusion as well as a weak and inadequate study.

OTHER: The utilities are already doing planning work to identify resource adequacy metrics and the work is going well. The results of initial plans would be used by Commerce to create statewide assessment six years before the GHG neutral standard would go into effect. We would like to find a way to address this without opening CETA legislation.

**Persons Testifying:** PRO: Senator Tim Sheldon, Prime Sponsor; Brandon Houskeeper, Puget Sound Energy; Steve Taylor, Cowlitz PUD / Director of Regulatory & Regional

Affairs; Greg Cullen, Energy Northwest; Peter Godlewski, Association of Washington Business.

CON: Annabel Drayton, Northwest Energy Coalition.

OTHER: Glenn Blackmon, Washington Department of Commerce, State Energy Office.

**Persons Signed In To Testify But Not Testifying:** No one.