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**SENATE BILL 6135**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Senators Sheldon, Carlyle, and Short

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1 AN ACT Relating to system reliability under the clean energy  
2 transformation act; and amending RCW 19.405.080.

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

4 **Sec. 1.** RCW 19.405.080 and 2019 c 288 s 8 are each amended to  
5 read as follows:

6 By January 1, 2024, and at least every four years thereafter,  
7 except as provided in subsection (2)(c) of this section, and in  
8 compliance with RCW 43.01.036, the department must submit a report to  
9 the legislature. The report must include the following:

10 (1) A review of the standards described in RCW 19.405.030 through  
11 19.405.050 focused on technologies, forecasts, and existing  
12 transmission, and an evaluation of safety, environmental and public  
13 safety protection, affordability, and system reliability.

14 (2)(a) An evaluation, produced in consultation with the  
15 commission, electric utilities, transmission operators in Washington,  
16 the reliability coordinator for electric utilities, any regional  
17 planning organization serving electric utilities, public interest and  
18 environmental organizations, and the regional entity for the western  
19 interconnection identifying the potential benefits, impacts, and  
20 risks on system reliability associated with achieving the standards  
21 described in RCW 19.405.040 and 19.405.050. The evaluation must

1 assess whether electric utilities have sufficient electric generation  
2 resources to meet forecasted retail electric load in addition to  
3 adequate transmission capability to implement RCW 19.405.030 through  
4 19.405.050 without: (i) Violating mandatory and enforceable  
5 reliability standards of the North American electric reliability  
6 corporation; (ii) violating prudent utility practice for assuring  
7 resource adequacy; or (iii) compromising the power quality or  
8 integrity of the electricity system. Subject to funding appropriated  
9 for this purpose, the department must consult with a national  
10 laboratory with expertise in grid reliability, security, and  
11 resilience. If the evaluation determines standards in RCW 19.405.040  
12 and 19.405.050 cannot be met without triggering (a)(i), (ii), or  
13 (iii) of this subsection, the department must provide specific  
14 recommendations for legislative action.

15 (b) The evaluation should assess the anticipated financial costs  
16 and benefits of investments necessary to correct those deficiencies  
17 at the lowest reasonable costs as identified by electric utilities,  
18 transmission operators in Washington, the regional entity for the  
19 western interconnection, or any regional planning organization  
20 serving electric utilities. The assessment of these investments in  
21 the report is not deemed to be approval of such investments for rate  
22 recovery by any authorizing entity.

23 (c) The department must submit the evaluation of system  
24 reliability under this subsection by January 1, 2022, two years prior  
25 to the full report required under this section. Additionally, updates  
26 reflecting changing forecasts for electric generation resources,  
27 retail electric load, and transmission capability must be provided  
28 every four years beginning January 1, 2026.

29 (3) An evaluation identifying the nature of any anticipated  
30 financial costs and benefits to electric utilities, including  
31 customer rate impacts and benefits including, but not limited to:

32 (a) Greenhouse gas emissions of electric utilities;

33 (b) The allocation of risk between customers and electric  
34 utilities;

35 (c) The allocation of financial costs among electric utilities in  
36 the state and whether retail electric customers are equitably bearing  
37 the financial costs of implementing RCW 19.405.030 through  
38 19.405.050;

39 (d) The timing of cost recovery for electricity generated by  
40 nonemitting electric generation or renewable resources;

- 1           (e) The resource procurement process of electric utilities; and  
2           (f) The barriers to, and benefits of, implementing RCW 19.405.040  
3 and 19.405.050.
- 4           (4) An evaluation of new or emerging technologies that could be  
5 considered to be a renewable resource.
- 6           (5) An assessment of the impacts of RCW 19.405.030 through  
7 19.405.050 on middle-income families, small businesses, and  
8 manufacturers in Washington.

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