

SENATE BILL REPORT

SHB 1623

As Passed Senate, March 1, 2022

Title: An act relating to addressing the extent to which Washington residents are at risk of rolling blackouts and power supply inadequacy events.

Brief Description: Addressing the extent to which Washington residents are at risk of rolling blackouts and power supply inadequacy events.

Sponsors: House Committee on Environment & Energy (originally sponsored by Representatives Mosbrucker, Fitzgibbon, Leavitt, Ryu, Duerr, Graham, Wicks, Callan, Fey, Paul, Ramos, Wylie, Slatter, Kloba and Harris-Talley).

Brief History: Passed House: 2/10/22, 93-0.

Committee Activity: Environment, Energy & Technology: 2/16/22, 2/22/22 [DP].

Floor Activity: Passed Senate: 3/1/22, 49-0.

Brief Summary of Bill

- Requires the 2022 resource adequacy meeting convened by the Department of Commerce and the Utilities and Transportation Commission to specifically address the risk of rolling blackouts and power supply inadequacy events, discuss how proposed electrification laws and regulations may require new state policy for resource adequacy, and identify incentives to enhance and ensure resource adequacy and reliability.
- Extends the annual resource adequacy meetings through calendar year 2029.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Majority Report: Do pass.

Signed by Senators Carlyle, Chair; Lovelett, Vice Chair; Short, Ranking Member;

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Brown, Das, Fortunato, Lias, Lovick, Nguyen, Schoesler, Stanford and Wellman.

Staff: Kimberly Cushing (786-7421)

Background: Clean Energy Transformation Act. 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. 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.

Resource Adequacy Meetings. At least once every 12 months, the Department of Commerce (Commerce) and the Utilities and Transportation Commission (UTC) must jointly convene a meeting of representatives of the investor-owned utilities, consumer-owned utilities, regional planning organizations, transmission operators, and other stakeholders to discuss the current, short-term, and long-term adequacy of energy resources to serve Washington's electric needs and address specific steps the utilities can take to coordinate planning in light of changes to the northwest power system.

The changes may include technological developments, retirements of legacy baseload power generation resources, and changes in the laws and regulations affecting power supply options.

The first resource adequacy meeting was held on May 11, 2021. The requirement to hold annual meetings expires January 1, 2025.

Summary of Bill: The 2022 resource adequacy meeting convened by Commerce and the UTC must specifically address the risk of rolling blackouts and power supply inadequacy events for Washington residents. Stakeholders must be surveyed for recommendations on policy options to prevent severe blackouts.

The meeting must also focus on how proposed laws and regulations seeking an aggressive timeline for building electrification and transportation system electrification might require new state policy for resource adequacy. The stakeholder meeting must seek to identify regulatory and statutory incentives to enhance and ensure resource adequacy and reliability as the clean energy transition evolves.

The requirement to hold annual resource adequacy meetings expires January 1, 2030, instead of 2025.

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: A lot of seniors live in rural Washington and are at risk of being cold in the winter if their power goes out. Resource adequacy means ensuring there is enough generation on the grid. Reliability gets power into your house. We are in a huge transition to clean energy, and we need to analyze whether there is adequate generation. Power adequacy is a major concern as we shift toward implementation of clean energy. The worst thing that can happen for grocery stores is for the power to go out. We need to think about back up power. Regional capacity is trending downward due to coal curtailment at the same time we are setting ambitious targets for electrification. This bill builds on an existing process to evaluate the risks of blackout events. We support forums like this that highlight the planning and pragmatism needed to keep the light on.

Persons Testifying: PRO: Representative Gina Mosbrucker, Prime Sponsor; Dave Warren, Klickitat PUD; Peter Godlewski, Association of Washington Business; Isaac Kastama, Benton PUD; Carolyn Logue, NW Hearth, Patio and Barbecue Association/WA Air Conditioning Contractors Association.

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