

RCW 80.28.260 Adoption of policies to provide financial incentives for energy efficiency programs. (1) The commission shall adopt a policy allowing an incentive rate of return on investment for programs that improve the efficiency of energy end use if priority is given to senior citizens and low-income citizens in the course of carrying out such programs. The incentive rate of return on investments set forth in this subsection is established by adding an increment of two percent to the rate of return on common equity permitted on the company's other investments.

(2) The commission shall consider and may adopt a policy allowing an incentive rate of return on investment in additional programs to improve the efficiency of energy end use including, but not limited to, tree planting programs and cool roof programs, or other incentive policies to encourage utility investment in such programs. Any tree planting program where energy reduction is a goal for which an electrical company seeks an incentive rate of return on investment under this subsection (2) should accomplish the following:

(a) Reduce the peak-load demand for electricity in residential and commercial business areas during the summer months through direct shading of buildings provided by strategically planted trees;

(b) Reduce wintertime demand for energy in residential areas by blocking cold winds from reaching homes, which lowers interior temperatures and drives heating demand;

(c) Protect public health by removing harmful pollution from the air and prioritize in communities with environmental health disparities;

(d) Utilize the natural photosynthetic and transpiration process of trees to lower ambient temperatures and absorb carbon dioxide;

(e) Lower electric bills for residential and commercial business ratepayers by limiting electricity consumption without reducing benefits;

(f) Relieve financial and demand pressure on the utility that stems from large peak-load electricity demand;

(g) Protect water quality and public health by reducing and cooling stormwater runoff and keeping harmful pollutants from entering waterways, with special attention given to waterways vital for the preservation of threatened and endangered salmon;

(h) Ensure that trees are planted in locations that limit the amount of public funding needed to maintain public and electric infrastructure;

(i) Measure program performance in terms of the estimated present value benefit per tree planted and equitable and accessible community engagement consistent with the department of health's environmental health disparities map recommendations 12 and 13, and with the community engagement plan guidance appendix C of the final report of the environmental justice task force established under chapter 415, Laws of 2019;

(j) Give special consideration to achieving environmental justice in goals and policies, avoid creating or worsening environmental health disparities, and make use of the department of health's environmental health disparities map to help guide engagement and actions; and

(k) Coordinate with the department of natural resources urban and community forestry program's efforts to identify areas of need related to urban tree canopy and to provide technical assistance and capacity building to encourage urban tree canopy.

(3) The commission shall consider and may adopt other policies to protect a company from a reduction of short-term earnings that may be a direct result of utility programs to increase the efficiency of energy use. These policies may include allowing a periodic rate adjustment for investments in end use efficiency or allowing changes in price structure designed to produce additional new revenue. [2021 c 11 § 6; 1996 c 186 § 520; 1990 c 2 § 9.]

Findings—Intent—2021 c 11: See note following RCW 35.92.355.

Findings—Intent—Part headings not law—Effective date—1996 c 186: See notes following RCW 43.330.904.

Effective dates—1990 c 2: See note following RCW 19.27.040.

Findings—Severability—1990 c 2: See notes following RCW 19.27A.015.