

SENATE BILL REPORT

E2SHB 2009

As Reported By Senate Committee On:
Energy, Telecommunications & Utilities, March 30, 1995

Title: An act relating to the energy office.

Brief Description: Eliminating the state energy office.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Casada, Huff, Campbell, Clements, Goldsmith, Elliot, Pelesky, Backlund, Reams, Smith, Delvin, Blanton and Beeksma).

Brief History:

Committee Activity: Energy, Telecommunications & Utilities: 3/28/95, 3/30/95 [DPA].

SENATE COMMITTEE ON ENERGY, TELECOMMUNICATIONS & UTILITIES

Majority Report: Do pass as amended.

Signed by Senators Sutherland, Chair; Finkbeiner, Hochstatter and Owen.

Staff: Phil Moeller (786-7445)

Background: The Washington State Energy Office (WSEO) was created statutorily in 1976. The WSEO performs functions related to energy policy analysis, implementation of the state energy strategy, energy facility siting, nuclear safety and environmental monitoring, energy emergencies, renewable energy development, energy efficiency, energy codes, energy efficient transportation and public sector energy conservation. In fulfilling these functions, the WSEO provides technical assistance to individuals, businesses, industries, and governmental institutions to help reduce energy costs. WSEO provides assistance, space, and other necessary support for the activities of the state's two representatives to the Pacific Northwest Electric Power and Conservation Planning Council.

The WSEO is primarily supported by federal funds and other non-state general funds made available to the state for energy conservation related purposes. Funds for these purposes are forecast to decline over the next few years. In the Governor's proposed budget for the 1995-97 biennium, \$1,333,000 or 3 percent of the WSEO budget is provided by the state general fund.

The Air Pollution Control Account (APCA), established in 1991 as part of the Clean Air Act, receives revenues from vehicle registration fees and permit fees. APCA funds are used to implement programs that reduce traffic congestion and air pollution. In passing the Clean Air Act of 1991, the Legislature also established the Commute Trip Reduction Program requiring employers of 100 employees or more to reduce the number of commute trips made by their employees, and a statewide task force to organize the implementation of the program. Supported by APCA funds, the WSEO coordinates the Commute Trip Reduction

Task Force and provides technical assistance to local jurisdictions and employers in meeting commute trip reduction goals.

The WSEO also maintains a data base regarding petroleum consumption in the state of Washington. The data base provides information and analysis regarding petroleum supply, prices, trends, and uses of specific products.

In 1993, the Legislature created the Department of Community, Trade, and Economic Development (CTED) by merging the Department of Community Development and the Department of Trade and Economic Development. CTED is responsible, among other things, for promoting community and economic development within the state, coordinating and administering energy assistance and residential energy conservation programs, serving as central coordinator for state government in implementing the Growth Management Act, and providing emergency management services.

The Department of Transportation (DOT) is responsible for managing, financing, and constructing the state's highway and road system.

Private nonprofit corporations can be formed separate from state government as a means of delivering technical assistance, research, and informational functions that might otherwise be provided by the state. The Western Library Network is an example of such a corporation.

Summary of Amended Bill: A striking amendment was adopted. The Department of Community, Trade, and Economic Development is directed to develop a plan by November 30, 1995, for the future of the State Energy Office. The plan is to include a consideration of the possible closure or transfer of any duties of the State Energy Office to other governmental or nongovernmental entities. The department presents the plan in a report to the Legislature and the Governor.

Amended Bill Compared to Second Substitute Bill: The second substitute bill repealed the statute establishing the Washington State Energy Office, transferred some of the duties to CTED and DOT, and eliminated other duties.

DUTIES TRANSFERRED TO CTED. The director of CTED is given the discretion to determine the extent to which WSEO employees are hired to perform functions transferred to CTED. Some duties transferred to CTED are to be transferred later to any or all of the following successor organizations: (1) a private nonprofit corporation established through the efforts of CTED; (2) any private, nonprofit, tax-exempt corporation, such as a trade association, that has been involved in energy conservation education and assistance; and (3) any governmental entity authorized by law to perform those duties. Other duties remain the responsibility of CTED.

Functions to be Transferred to One or More Successor Organizations. CTED is assigned duties regarding energy information, promoting energy conservation, energy codes, and renewable energy resources, but is to transfer these duties to one or more successor organizations by June 30, 1996, when CTED's authority to perform these duties ceases.

Duties Retained by CTED. The state's role in the coordination and regulation of energy emergencies is reestablished in CTED's Emergency Management Division unless legislation is passed designating the Military Department to perform emergency management duties.

CTED is to be the repository of the petroleum data base, and is to provide assistance, space, and other necessary support for the activities of the state's two representatives to the Pacific Northwest Electric Power and Conservation Planning Council.

DUTIES TRANSFERRED TO DOT. Transportation demand management and commute trip reduction functions are transferred to DOT. The secretary of DOT is given the discretion to determine the extent to which WSEO employees are hired to perform functions transferred to DOT.

DOT becomes responsible for administering air pollution control funds to local jurisdictions to assist employers in reaching commute trip reduction goals. DOT may receive funds to further the development of alternative fuels to meet the requirements of the Clean Air Act.

ELIMINATED WSEO DUTIES. Public Sector Energy Conservation and Cogeneration. The role of WSEO in energy conservation and cogeneration projects in publicly owned buildings is eliminated. A state agency other than a university no longer may acquire, construct, operate, or maintain cogeneration and facility heating and cooling measures or equipment, or contract to purchase fuel for, or the output of, cogeneration plants at its facilities.

Technical Assistance and Policy Guidance. WSEO's responsibility for providing energy guidance and technical assistance to policy makers and others is eliminated, along with responsibility for coordinating the implementation of the state energy strategy.

TECHNICAL CORRECTIONS. References to the WSEO are stricken, and statutes are otherwise updated.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: State government needs streamlining and this bill will allow needed functions to be transferred while eliminating those functions not essential to state government. Even though a small percentage of this agency's budget comes from the state general fund, ratepayers or taxpayers are still paying the rest.

Testimony Against: The State Energy Office provides several vital services to the state, including policy analysis, energy emergency contingency plans, a petroleum data base and others. The office leverages other funds effectively and receives contracts that otherwise could be awarded to entities outside the state.

Testified: Representative Sarah Casada, prime sponsor; Representative Larry Crouse, sponsor; Mike Tracy, Puget Power (con); Bob Ferguson, Kitsap Transit (con); Will Miller,

NW Energy Efficiency Council (con); K. C. Golden, NW Conservation Act Coalition (con); Patricia McKay, WNG (con); Ted Coates, Seattle City Light (con); Scott Merriman, WA Environmental Council (con); Alan Mountjoy-Venning, Devone Smith, Marvin Young, WFSE (con); Ray Tobiason, WA Assn. of School Administrators (con); Katy Taylor, Spokane County (con); Judith Merchant, WSEO (con); Robert Fleagle, UW (con); Aaron Jones WRECA (con); Charles Dawsey, Benton REA (pro); Rob Orton, Peninsula Light Co. (pro); Leonard Sanderson, Peninsula Light Co. (pro); Bill Wortley, WNG (con); Laura Porter, CTED (con); Steve McLellan, WUTC (con); Jim Harding, NWPPC (con); Stan Finkelstein, Assoc. of WA Cities (con); Grant Fredricks, GA (con); Stu Clark, Ecology (con); Vic Ericson, EDC of Seattle & King County (con).