

# FINAL BILL REPORT

## ESHB 1010

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Synopsis as Enacted

**Brief Description:** Concerning electric utility planning.

**Sponsors:** By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Hudgins, Morrell, Linville, B. Sullivan, McCoy and Chase).

**House Committee on Technology, Energy & Communications**  
**Senate Committee on Water, Energy & Environment**

### **Background:**

Many energy utilities develop long-term strategies, called "integrated resource plans" (IRPs) or "least cost plans" to select reliable and cost-effective resources for the planning horizon. The process typically involves public participation.

The Washington Utilities and Transportation Commission (UTC) requires each regulated energy utility to develop IRPs which describe the mix of supply resources and conservation that will meet the utility's current and future needs at the lowest reasonable cost to the utility and its ratepayers. The long-term forecast period under an IRP must be at least 10 years. At least two municipal utilities and one public utility district in the state use integrated resource plans: Seattle Public Utilities, Tacoma Public Utilities, and Snohomish Public Utility District.

### **Summary:**

All investor-owned and consumer-owned electric utilities in the state, with more than 25,000 customers, must develop detailed integrated resource plans (IRPs) by September 1, 2008. All other utilities in the state, including those that essentially receive all their power from the Bonneville Power Administration, must file either an IRP or a less detailed "resource plan" (RP) by the same date. The governing body of a consumer-owned utility must encourage public participation when developing either plan.

### Content of Integrated Resource Plans

An IRP must describe the mix of generating resources and conservation and efficiency resources that will meet current and projected needs at the lowest reasonable cost to the utility and its ratepayers. The plan must contain a number of elements, including (1) demand forecasts for at least the next 10 years, (2) assessments of commercially available conservation and efficiency resources, (3) assessments of commercially available utility scale renewable and nonrenewable generating technologies, (4) comparative evaluation of renewable and nonrenewable generating resources, (5) integration of the demand forecasts and resource evaluations into a long-range assessment describing the mix of supply side generating

resources and conservation and efficiency resource, and (6) a short-term plan identifying the specific actions to be taken by the utility consistent with long-range integrated resource plan.

#### Content of Resource Plans

An RP must (1) estimate loads for the next five and 10 years, (2) enumerate the resources that will be maintained and/or acquired to serve those loads, and (3) explain, if the resources chosen are not renewable resources or conservation and efficiency resources, why such a decision was made. In developing RPs, consumer-owned utilities are encouraged to use information provided to and by other state, regional, national, and international entities. Consumer-owned utilities are also encouraged to use determinations required under the federal Energy Policy Act of 2005. An RP must be updated at least every two years.

#### Reporting Requirements

Investor-owned utilities must submit their plans to the UTC. After the initial reporting date for IRPs, updated IRPs must be produced every four years and progress reports every two years. Consumer-owned utilities must submit their plans to the Department of Community, Trade and Economic Development (CTED) every two years after the initial reporting date of September 1, 2008. A statewide summary of all plans must be prepared by CTED, which must submit the summary as part of the biennial state energy report.

#### **Votes on Final Passage:**

House	96	1	
Senate	47	0	(Senate amended)
House			(House refused to concur)
Senate			(Senate receded)
Senate	46	0	(Senate amended)
House	98	0	(House concurred)

**Effective:** June 6, 2006.