H-1150.1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**HOUSE BILL 1895**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Smith, Tarleton, and Young

AN ACT Relating to smart grid technology reporting; and adding a new section to chapter 80.28 RCW.

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

NEW SECTION. **Sec.**  A new section is added to chapter 80.28 RCW to read as follows:

(1) An electrical company must file with the commission a smart grid technology report by September 1st of each even-numbered year through September 1, 2026.

(2) Unless otherwise ordered by the commission, the reporting requirement in subsection (1) of this section expires after the filing of the report due September 1, 2026.

(3) At a minimum, a smart grid technology report must include:

(a) A description of the smart grid technologies that the electrical company has integrated or has considered for integration into its system, and the electrical company's evaluation of such technologies;

(b) The goal or purpose of the smart grid technologies considered by the electrical company;

(c) Total costs of the deployment and use of smart grid technologies, including meter or other equipment costs, installation costs, and any incremental administration costs, including the cost of changes to data storage, processing, and billing systems;

(d) Overall cost-effectiveness of smart grid technologies planned to be implemented and, to the extent it can be quantified, possible impacts on customer bills;

(e) Operational savings associated with meter reading or other electrical company functions;

(f) Effects on employment anticipated from operational savings associated with meter reading or other electrical company functions;

(g) Effects on system capability to meet or modify energy or peak loads;

(h) Effects on service reliability, including storm damage response and recovery, outage frequency and duration, and voltage quality;

(i) Effects on integration of new utility loads, such as recharging batteries in electrically powered vehicles;

(j) Cyber and physical security of utility operational information;

(k) Cyber and physical security of customer information and effects, if any, on existing consumer protection policies;

(l) A description of what energy use data is collected from customers by the electrical company's smart grid technologies;

(m) An assessment of the potential privacy impacts of collecting customer information and of sharing energy use data in an aggregated or disaggregated form with private data brokers;

(n) Interoperability and upgradability of technology and compliance with applicable national standards;

(o) Customer acceptance and behavioral response;

(p) Tariff and rate design changes necessary to implement the technology;

(q) Nonquantifiable societal benefits, if any;

(r) Economic considerations recognizing the factors in (a) through (q) of this subsection;

(s) Identification of any smart grid technologies that may be cost-effective and available for the electrical company and its customers during the subsequent ten-year period; and

(t) A description of the electrical company's plans and timeline for implementing any smart grid technologies during the two years immediately following submission of the report.

(4) Each smart grid technology report must include information on the electrical company's progress on any smart grid technologies scheduled for implementation as stated in its previously filed report and any smart grid pilot project the electrical company has undertaken.

(5) The smart grid technology report may include:

(a) The electrical company's assessment of the risk of investment in smart grid technologies and any recommendations for regulatory treatment, supported by the electrical company's rationale for such treatment; and

(b) Any other factors considered by the electrical company.

(6) To the extent that some of the information required or allowed to be included in a smart grid technology report is also included in other reports, such as the electrical company's most recent integrated resource plan under chapter 19.280 RCW, the electrical company may incorporate that information by specific reference.

(7) The commission may consider the information contained in a smart grid technology report when it evaluates, in rate and other appropriate proceedings, the performance of the electrical company and its investments in transmission, distribution, and metering infrastructure.

(8) For the purposes of this section:

(a) "Smart grid function" means one or more of the following:

(i) The ability to develop, store, send, and receive digital information concerning electricity use, costs, prices, time of use, nature of use, storage, or other information relevant to management of the electricity grid, electrical company operations, or customer energy use.

(ii) The ability to sense local disruptions or changes in power flows on the electricity grid and to communicate such information instantaneously and automatically for purposes of enabling automatic protective responses or to inform the electrical company to make manual changes to sustain reliability and security or improve efficiency of grid operations.

(iii) The ability of the electrical company to deliver signals, measurements, or communications to allow an end-use load device to respond automatically or in a manner programmed by its owner or operator without human action.

(iv) The ability to use digital information to operate functions on the electricity grid that were previously electromechanical or manual.

(v) The ability to use digital controls to manage and modify electricity demand, enable congestion management, assist in voltage control, provide operating reserves, or provide frequency regulation.

(vi) The ability to use two-way communication to enable different customer contracts or programs, such as real time prices or demand response programs.

(vii) The ability to manage new, end-use services to reduce operating or power costs, improve reliability, or improve energy efficiency, such as charging electric vehicles.

(viii) The ability to use real time measurement of power generated from customer-owned power facilities to reduce operating or power costs, improve energy efficiency, or improve reliability.

(ix) The ability to use digital information to improve the reliability or efficiency of generating equipment in an integrated manner to improve flexibility, functionality, interoperability, cyber security, situational awareness, and operational efficiency of the transmission and distribution system.

(b) "Smart grid pilot" means a project designed to test the feasibility of smart grid technologies or customer acceptance of such technologies.

(c) "Smart grid technologies" means any technology intended to improve the reliability or efficiency, or to reduce the operating costs, of electrical transmission and distribution systems by enabling one or more smart grid functions. Smart grid technologies include but are not limited to measurement devices, communication equipment, information processing equipment and software, and control devices.

(d) "Smart grid technology report" or "report" means a report describing the electrical company's evaluation of, and any implementation plans for, smart grid technologies.

**--- END ---**