
**Technology & Economic Development
Committee**

HB 1895

Brief Description: Concerning smart grid technology reporting.

Sponsors: Representatives Smith, Tarleton and Young.

Brief Summary of Bill

- Requires an electrical company to file with the Utilities and Transportation Commission a smart grid technology report by September 1 of each even-numbered year through September 1, 2026.

Hearing Date: 2/11/15

Staff: Nikkole Hughes (786-7156).

Background:

Smart Grid Technology.

"Smart grids" are electricity transmission and distribution grids, which are characterized by:

- increased use of digital information and controls technology;
- development and incorporation of demand response, demand-side resources, and energy efficiency resources;
- deployment of "smart" technologies (real-time, automated, interactive technologies that optimize the physical operation of appliances and consumer devices) for metering, communications concerning grid operations and status, and distribution automation; and
- deployment and integration of advanced electricity storage and peak-shaving technologies.

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

Using funds under the American Recovery and Reinvestment Act of 2009, the U.S. Department of Energy launched the Pacific Northwest Smart Grid Demonstration Project (PNW-SGDP) in 2010. The PNW-SGDP has facilitated at least six smart grid pilot projects across Washington.

In 2014, the Washington State Energy Office disbursed smart grid grants from the state's Clean Energy Fund to three electric utilities.

Utilities and Transportation Commission.

The Utilities and Transportation Commission (UTC) regulates the rates, services, and practices of privately-owned utilities and transportation companies. Among the companies under regulation by the UTC are electrical and natural gas companies. The UTC is required to ensure that rates charged by these companies are "fair, just, and reasonable."

The UTC currently requires the submission by certain electric utilities of periodic reports of smart grid technologies that are available or likely soon to be available and any plans for implementing smart grid technologies affecting or applicable to ratepayers of Washington. Utilities required to submit a smart grid technology report by rule include any business entity (e.g., corporation, company, association, joint stock association, or partnership) or person, including a lessee, trustee, or court appointed receiver that meets the following conditions:

- owns, controls, operates, or manages any electric plant for hire in Washington state; and
- is subject to the commission's jurisdiction.

Electrical Companies.

"Electrical company" includes any corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever (other than a railroad or street railroad company generating electricity solely for railroad or street railroad purposes or for the use of its tenants and not for sale to others), and every city or town owning, operating or managing any electric plant for hire within this state.

"Electrical company" does not include a company or person employing a cogeneration facility solely for the generation of electricity for its own use or the use of its tenants or for sale to an electrical company, state or local public agency, municipal corporation, or quasi municipal corporation engaged in the sale or distribution of electrical energy, but not for sale to others, unless such company or person is otherwise an electrical company.

The UTC currently requires the submission of periodic reports of an electrical company's evaluation of smart grid technologies that are available or likely soon to be available and any plans for implementing smart grid technologies affecting or applicable to ratepayers of Washington.

Electrical Companies.

"Electrical company" includes any corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever (other than a railroad or street railroad company generating electricity solely for railroad or street

railroad purposes or for the use of its tenants and not for sale to others), and every city or town owning, operating or managing any electric plant for hire within the state.

Summary of Bill:

Smart Grid Technology Report.

An electrical company must file with the Utilities and Transportation Commission (UTC) a smart grid technology report by September 1 of each even-numbered year through September 1, 2026. Unless otherwise ordered by the UTC, the smart grid reporting requirement expires after the filing of the report due September 1, 2026.

A smart grid technology report must contain several required components, including:

- a description of the smart grid technologies that the electrical company has integrated into its system, including smart grid pilot projects;
- cyber and physical security of customer information and effects, if any, on existing consumer protection policies;
- customer acceptance and behavior response; and
- tariff and rate design changes necessary to implement the technology.

The UTC may consider 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.

Definitions.

Several new definitions relating to smart grid technology reporting are created.

"Smart grid function" is defined to include the ability to develop, store, send, and receive digital information concerning electricity use, costs, prices, time of use, nature of use, storage, and other information relevant to management of the electricity grid, electrical company operations, or customer energy use.

"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.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.