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**ENGROSSED SUBSTITUTE SENATE BILL 6187**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Senate Energy, Environment & Technology (originally sponsored by Senators Palumbo, Carlyle, McCoy, Hobbs, Wellman, Sheldon, Hawkins, Mullet, Conway, and Brown)

AN ACT Relating to the electrification of transportation; adding a new section to chapter 35.92 RCW; adding a new section to chapter 54.16 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that:

(1) Programs for the electrification of transportation have the potential to allow electric utilities to optimize the use of electric grid infrastructure, improve the management of electric loads, and better manage the integration of variable renewable energy resources. Depending upon each utility's unique circumstances, electrification of transportation programs may provide cost-effective energy efficiency, through more efficient use of energy resources, and more efficient use of the electric delivery system. Electrification of transportation may result in cost savings and benefits for all ratepayers.

(2) State policy can achieve the greatest return on investment in reducing greenhouse gas emissions and improving air quality by expediting the transition to alternative fuel vehicles, including electric vehicles. Potential benefits associated with electrification of transportation include the monetization of environmental attributes associated with carbon reduction in the transportation sector.

(3) The utilities and transportation commission is authorized to allow an incentive rate of return on investment on capital expenditures for electric vehicle supply equipment for an electrical company regulated under chapter 80.28 RCW. Similar legislative clarity is important for consumer-owned utilities to offer incentive programs and services in the electrification of transportation for its customers. It is the intent of the legislature to achieve parity among all electric utilities, so each electric utility, depending on its unique circumstances, can determine its appropriate role in the development of electrification of transportation infrastructure.

NEW SECTION. **Sec.**  A new section is added to chapter 35.92 RCW to read as follows:

(1) The governing authority of an electric utility formed under this chapter may adopt an electrification of transportation plan that, at a minimum, establishes a finding that utility outreach and investment in the electrification of transportation infrastructure is: Cost-effective, as determined using a methodology that assesses both the expected benefits and expected costs to ratepayers served by the utility.

(2) In adopting an electrification of transportation plan under subsection (1) of this section, the governing authority may consider some or all of the following: (a) The applicability of multiple options for electrification of transportation across all customer classes; (b) the impact of electrification on the utility's load, and whether demand response or other load management opportunities, including direct load control and dynamic pricing, are operationally appropriate; (c) system reliability and distribution system efficiencies; (d) interoperability concerns, including the interoperability of hardware and software systems in electrification of transportation proposals; and (e) overall customer experience.

(3) The governing authority of an electric utility formed under this chapter may, upon making a cost-effectiveness determination in accordance with subsection (1) of this section, offer incentive programs in the electrification of transportation for its customers, including advertising programs to promote the utility's services, incentives, or rebates. Incentive programs offered under this subsection may not increase costs to ratepayers in excess of one-quarter of one percent.

NEW SECTION. **Sec.**  A new section is added to chapter 54.16 RCW to read as follows:

(1) The commission of a public utility district may adopt an electrification of transportation plan that, at a minimum, establishes a finding that outreach and investment in the electrification of transportation infrastructure is: Cost-effective, as determined using a methodology that assesses both the expected benefits and expected costs to customers served by the district.

(2) In adopting an electrification of transportation plan under subsection (1) of this section, the commission of a public utility district may consider some or all of the following: (a) The applicability of multiple options for electrification of transportation across all customer classes; (b) the impact of electrification on the district's load, and whether demand response or other load management opportunities, including direct load control and dynamic pricing, are operationally appropriate; (c) system reliability and distribution system efficiencies; (d) interoperability concerns, including the interoperability of hardware and software systems in electrification of transportation proposals; and (e) overall customer experience.

(3) The commission of a public utility district may, upon making a cost-effectiveness determination in accordance with subsection (1) of this section, offer incentive programs in the electrification of transportation for its customers, including advertising programs to promote the district's services, incentives, or rebates. Incentive programs offered under this subsection may not increase costs to customers in excess of one-quarter of one percent.

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