
Environment & Energy Committee

HB 2586

Brief Description: Concerning the electrification of homes and buildings.

Sponsors: Representatives Ramel, Fitzgibbon, Shewmake, Doglio, Stonier, Mead, Duerr, Lekanoff, Hudgins and Macri.

Brief Summary of Bill

- Authorizes the governing body of a municipal electric utility or a public utility district to adopt a beneficial electrification plan and to offer incentives and other programs to accelerate the beneficial electrification of homes and buildings for the utility's customers.

Hearing Date: 1/27/20

Staff: Nikkole Hughes (786-7156).

Background:

Municipal Electric Utilities and Public Utility Districts.

Municipalities are authorized to operate as utilities and set the rates and charges for the provision of water, sewer, electric power, heating fuel, solid waste removal, and transportation facility services. Public utility districts (PUDs) are a type of special-purpose district authorized for the purpose of generating and distributing electricity, providing water and sewer services, and providing telecommunications services. A PUD may operate on a countywide basis or may encompass a small jurisdiction. A PUD is governed by a board of either three or five elected commissioners.

Municipal electric utilities are authorized to provide electric service both within and outside of their jurisdictional boundaries. Some municipal electric utilities provide electricity to adjoining areas, both to incorporated cities and to unincorporated areas under county authority.

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A PUD may build and operate generation, distribution, and transmission facilities both within and outside the county boundary to furnish electricity to the county's inhabitants or other persons, provided that such activity is reasonably related to the PUD's core purpose of serving its own customers. If a PUD wants to build utility plant inside a city or town, the city's governing body must consent to the service and approve the plan for construction.

Electrification.

Substitute House Bill 1512 (C 109 L 19) authorizes the governing body of a municipal electric utility or a PUD to adopt an electrification of transportation plan that, at a minimum, establishes a finding that utility outreach and investment in the electrification of transportation infrastructure does not increase net costs to ratepayers in excess of 0.25 percent.

Upon making a net cost determination, a municipal electric utility or a PUD may offer incentive programs in transportation electrification for its customers, including the promotion of electric vehicle adoption and advertising programs that promote the utility's services, incentives, or rebates.

Summary of Bill:

The governing body of a municipal electric utility or PUD may adopt a beneficial electrification plan that establishes a finding that utility outreach and investment in the electrification of homes and buildings is in the public interest. In adopting a beneficial electrification plan, the governing body may consider some or all of the following:

- the applicability of multiple options for electrification of various energy end-uses or other energy sources;
- the impact of beneficial electrification on the utility's load and whether demand response or other local management opportunities, including direct load control and dynamic pricing, are operationally appropriate;
- an assessment of conservation measures to offset load impacts of beneficial electrification;
- system reliability and distribution system efficiencies;
- the opportunity for greenhouse gas emissions reductions;
- the opportunity for indoor and outdoor air quality benefits to utility customers; and
- the overall benefits and costs of planned action, including the societal cost of greenhouse gas emissions.

The governing body must prioritize the allocation of benefits to vulnerable populations in the electric utility's service territory.

Upon making a public interest determination, a municipal electric utility or PUD may offer incentives and other programs to accelerate the beneficial electrification of homes and buildings for its customers, including the promotion of electrically powered equipment, advertising beneficial electrification programs and projects, educational programs, and customer incentives or rebates.

"Beneficial electrification" means electrification of an energy end use in a way that provides a net benefit to the utility or utility customers by improving the management of the electric grid,

reducing customer costs, reducing greenhouse gas emissions from the buildings sector, improving indoor and outdoor air quality, or other public interest benefits.

Nothing in the authorization to engage in beneficial electrification limits the existing authority of a municipal electric utility or PUD to offer incentives and other programs to accelerate the electrification of homes and buildings for its customers, if such electrification is in the direct economic interest of the electric utility or its customers.

Appropriation: None.

Fiscal Note: Not requested.

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