

# HOUSE BILL REPORT

## EHB 2819

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### As Passed Legislature

**Title:** An act relating to designating pumped storage projects located in a county bordering the Columbia river utilizing statutorily authorized water rights to be projects of statewide significance.

**Brief Description:** Designating pumped storage projects located in a county bordering the Columbia river utilizing statutorily authorized water rights to be projects of statewide significance.

**Sponsors:** Representatives Mosbrucker, Blake, Chandler, Hoff, Fitzgibbon, Dent, Shewmake and Boehnke.

#### **Brief History:**

##### **Committee Activity:**

Environment & Energy: 2/3/20, 2/4/20 [DP].

##### **Floor Activity:**

Passed House: 2/18/20, 96-0.

Passed Senate: 3/6/20, 43-5.

Passed Legislature.

#### **Brief Summary of Engrossed Bill**

- Expands the definition of "Project of Statewide Significance" to include a pumped storage project using water rights approved by the Legislature for that purpose.

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### HOUSE COMMITTEE ON ENVIRONMENT & ENERGY

**Majority Report:** Do pass. Signed by 11 members: Representatives Fitzgibbon, Chair; Lekanoff, Vice Chair; DeBolt, Ranking Minority Member; Dye, Assistant Ranking Minority Member; Boehnke, Doglio, Fey, Goehner, Mead, Robinson and Shewmake.

**Staff:** Nikkole Hughes (786-7156).

#### **Background:**

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*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.*

### Projects of Statewide Significance.

Industrial development projects located in the state may apply to the Department of Commerce for designation as a Project of Statewide Significance, which provides for voluntary expedited permitting treatment by local government jurisdictions in partnership with the Governor's Office for Regulatory Innovation and Assistance. To qualify for the designation, a project must be a private industrial development with private capital investment in manufacturing or research and development, a development that will provide a net environmental benefit, or a project designated and codified as such by the Legislature. Additional criteria include providing significant economic benefit to the local or state economy and alignment with the state's comprehensive plan for economic development.

### Pumped Storage Generating Facilities.

Pumped storage generating facilities move water between two reservoirs located at different elevations to store energy and generate electricity. When electricity demand is low, excess electric generation capacity is used to pump water from the lower reservoir to the upper reservoir. When electricity demand is high, the stored water is released from the upper reservoir to the lower reservoir through a turbine to generate electricity.

In 2012 the Legislature authorized a qualifying public utility district (PUD) to supply water to any entity that sells electric energy or water to the public for the purpose of use in a pumped storage generating facility.

To qualify, the PUD must have satisfied all of the following requirements prior to June 7, 2012:

- border the Columbia River;
- obtained a water right from an industrial user; and
- hold a water right for which power generation is an authorized purpose.

Water supplied to an entity for use in a pumped storage generating facility must be supplied consistent with a contract that contains the terms and conditions deemed appropriate by the commission of the qualifying PUD. Contracts must be made pursuant to a resolution of the commission that is introduced at a meeting of the commission at least 10 days prior to the date of the adoption of the resolution.

Licenses for the siting and operation of pumped storage generating facilities are under the jurisdiction of the Federal Energy Regulatory Commission (FERC). As of September 1, 2019, the FERC has issued preliminary permits for two pumped storage projects located in Washington.

### Washington Clean Energy Transformation Act.

Hydroelectric generation from a pumped storage generating facility may be used by an electric utility in meeting both the utility's 2030 compliance obligations and its 2045 compliance obligations under the Washington Clean Energy Transformation Act.

### **Summary of Engrossed Bill:**

The definition of "project of statewide significance" is amended to include a pumped storage project using water rights approved by the Legislature for that purpose.

Counties and cities with designated projects of statewide significance in their jurisdictions must include a plan for consultation with affected tribes in their agreement with the Office of Regulatory Innovation and Assistance.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) This bill would apply to a cutting-edge pumped storage project that is being developed in Eastern Washington. The project that this bill applies to will provide family-wage jobs in a rural part of the state. The designation as a Project of Statewide Significance would expedite and coordinate multiple layers of permitting, not preempt it. A project of this size would provide direct and immediate benefits to the people of the county in which it is located. The state will not be able to meet its obligations under the Washington Clean Energy Transformation Act without projects of this magnitude.

(Opposed) The tribal stakeholders are very concerned about the location of the project to which this bill would apply. A tribal consultation process should be included in the bill; without such a process, there will be ambiguity about the role of the tribe in siting the project.

**Persons Testifying:** (In support) Representative Mosbrucker, prime sponsor; Dave Warren, National Grid; Dana Peck, Goldendale Chamber of Commerce; Dave Sauter, Klickitat County Commission; and Mark Riker, Washington State Building and Construction Trades Council.

(Opposed) Dawn Vyvyan, Yakama Nation; and Michael Moran, Confederated Tribes of the Colville Reservation.

**Persons Signed In To Testify But Not Testifying:** None.