

HOUSE BILL REPORT

SSB 6135

As Reported by House Committee On: Environment & Energy

Title: An act relating to system reliability during the clean energy transformation act implementation.

Brief Description: Concerning system reliability during the clean energy transformation act implementation.

Sponsors: Senate Committee on Environment, Energy & Technology (originally sponsored by Senators Sheldon, Carlyle and Short).

Brief History:

Committee Activity:

Environment & Energy: 2/25/20, 2/27/20 [DP].

Brief Summary of Substitute Bill

- Requires the Department of Commerce and the Utilities and Transportation Commission to convene a resource-adequacy stakeholder meeting at least once every 12 months until January 1, 2025.

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:

Washington Clean Energy Transformation Act.

Under the Washington Clean Energy Transformation Act (CETA), electric utilities must:

- eliminate coal-fired resources from their allocation of electricity by December 31, 2025 (Coal Elimination Standard);

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- ensure that all retail sales of electricity to Washington customers are greenhouse gas neutral by January 1, 2030 (Greenhouse Gas Neutral Standard); and
- supply 100 percent of all retail sales to Washington customers with nonemitting and renewable resources by January 1, 2045 (Clean Energy Standard).

By January 1, 2024, and at least every four years thereafter, the Department of Commerce must submit a report to the Legislature that includes the following:

- a review of all three standards established under the CETA focused on technologies, forecasts, and existing transmission, and an evaluation of safety, environmental protection, affordability, and system reliability;
- an evaluation identifying the potential benefits and impacts on system reliability associated with achieving the Greenhouse Gas Neutral Standard and Clean Energy Standard; and
- an evaluation identifying the nature of any anticipated financial costs and benefits to electric utilities, including customer rate impacts and benefits.

If the report indicates adverse system reliability impacts from implementation of the Greenhouse Gas Neutral Standard or Clean Energy Standard, then the Governor may suspend or delay implementation of the Greenhouse Gas Neutral Standard or Clean Energy Standard until system reliability impacts can be addressed.

Energy Resource Plans.

Each electric utility must develop a resource plan. Utilities with 25,000 or more customers that are not fully served by the Bonneville Power Administration (BPA) must develop Integrated Resource Plans (IRPs). Utilities with fewer than 25,000 customers or that are fully served BPA customers must complete a less-detailed resource plan.

For utilities required to develop IRPs, the IRP must include certain elements, including:

- a determination of resource adequacy metrics for the IRP, consistent with 10-year generation and transmission capacity forecasts; and
- an identification of an appropriate resource adequacy requirement and measurement metric consistent with prudent utility practice in implementing the Coal Elimination Standard, Greenhouse Gas Neutral Standard, and Clean Energy Standard under the CETA.

Summary of Bill:

At least once every 12 months until January 1, 2025, the Department of Commerce (Department) and the Utilities and Transportation Commission (UTC) must jointly convene a meeting of representatives of electric utilities, regional planning organizations, transmission operators, and other stakeholders to:

- discuss the current, short-term, and long-term adequacy of energy resources to serve the state's electric needs; and
- address specific steps the utilities can take to coordinate planning in light of the significant changes to the regional power system.

The Department and the UTC must provide a summary of these meetings, including any specific action items, to the Governor and the Legislature within 60 days of a meeting.

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 is a complement to the Washington Clean Energy Transformation Act (CETA). This bill aims to create more awareness of the issues around resource adequacy. The utilities are doing a lot of work right now to define their resource adequacy requirements. Resource adequacy in the Northwest is a big issue and predates the CETA. Making sure that the state has sufficient resource adequacy requires regional planning. This bill will allow state agencies and utilities to have good, real-time information.

(Opposed) None.

Persons Testifying: Senator Sheldon, prime sponsor; Dave Danner, Utilities and Transportation Commission; Glenn Blackmon, Washington State Department of Commerce–Washington State Energy Office; Nicolas Garcia, Washington Public Utility District Association; and Raelene Gold, League of Women Voters of Washington.

Persons Signed In To Testify But Not Testifying: None.