
Environment & Energy Committee

HB 1130

Brief Description: Concerning consumer affordability and reliability in energy supply.

Sponsors: Representatives Dye, Klicker, Young, Jacobsen and Schmick.

Brief Summary of Bill

- Requires the state to reduce cumulative bill costs within each rate class for each electric and natural gas utility to 50 percent below 1990 levels or 50 percent below 2020 levels, whichever is lower, by 2031.
- Requires the state to reduce cumulative power outages and energy supply disruptions to 50 percent below 1990 levels or 50 percent below 2020 levels, whichever is lower, by 2031.
- Amends the Washington Clean Energy Transformation Act.

Hearing Date: 1/22/21

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;
- ensure that all retail sales of electricity to Washington customers are greenhouse gas neutral by January 1, 2030; and
- supply 100 percent of all retail sales to Washington customers with non-emitting and renewable resources by January 1, 2045.

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

Each electric utility must make programs and funding available for energy assistance to low-income households by July 31, 2021. Each utility must demonstrate progress in providing energy assistance pursuant to an energy assistance needs assessment. To the extent practicable, priority must be given to low-income households with a higher energy burden.

Beginning July 31, 2020, the Department of Commerce (Department) must collect and aggregate data estimating the energy burden, energy assistance need, and reported energy assistance for each electric utility, in order to improve agency and utility efforts to serve low-income households with energy assistance. The Department must update the aggregated data on a biennial basis, make it publicly accessible on its Internet website, and to the extent practicable, include geographic attributes.

A consumer-owned utility may enter into an agreement with a public university, community-based organization, or joint operating agency to aggregate the disclosures required under the CETA.

Under the CETA, "energy assistance" includes, but is not limited to, weatherization, conservation and efficiency services, and monetary assistance intended to lower a household's energy burden. "Energy assistance" may also include direct customer ownership of distributed energy resources or other strategies if such strategies achieve a reduction in energy burden for the customer above other available conservation and demand-side measures.

Summary of Bill:

Statewide Affordability and Reliability Improvements.

The state must limit retail electricity and natural gas utility bill costs to achieve the following cost reductions for Washington retail electric and natural gas customers in all rate cases: By 2031, reduce cumulative bill costs within each rate class for each electric and natural gas utility to 50 percent below 1990 levels or 50 percent below 2020 levels, whichever is lower.

"Bill costs" means the amount spent to pay annual energy bills inclusive of any amounts paid for electric vehicle charging, taxes, and fees.

The state must achieve the best reliability for the safety and security of Washington retail electric and natural gas customers in all rate classes by limiting service outages as follows: By 2031, reduce cumulative power outages and energy supply disruptions to 50 percent below 1990 levels or 50 percent below 2020 levels, whichever is lower.

By December 1, 2022, the Public Counsel unit of the Office of the Attorney General must submit a report to the Legislature that:

- describes the actions necessary to achieve affordability and reliability improvements using existing statutory authority; and
- provides recommendations, if any, for additional statutory authority as may be necessary

to achieve the statewide affordability and reliability improvements.

The report must be informed by an economic impact analysis that identifies the following:

- the cumulative cost impact of power outages in Washington since 1990 and what the economic impact would be of a range of percentage reductions in the number and duration of outages since that time and up to 2050; and
- the cumulative cost savings and economic and employment impact of the additional cash flow in the economy resulting from the statewide bill reductions required to achieve the statewide affordability and reliability improvements.

The report must separately state the bill costs and reliability experience of residents in Indian country in Washington and of any other historically disadvantaged communities, as well as any particularized benefits that those communities may experience from improved reliability and lower bill costs, such as improved health outcomes, increased employment opportunities, or increased disposable incomes.

It is the intent of the Legislature to provide financial resources to the Public Counsel unit sufficient to develop the report by providing at least as much as has been appropriated by the state since 2013 to fund agency review and third-party consulting on the removal of dams on the lower Snake River and for the evaluation of Washington's potential for high-speed rail.

Washington Clean Energy Transformation Act.

The Clean Energy Transformation Act is amended to reflect that it is the intent of the Legislature to reduce the need for energy assistance funds by lowering the actual amount of retail electric and natural gas customers in the state spend on energy in real dollar terms, rather than demonstrate progress toward making energy assistance funds available to low-income households.

The Department of Commerce (Department) must collect and aggregate the number of electric and gas utility customers with accounts delinquent more than 60 days and the total average dollar amount of delinquency.

The biennial report submitted by the Department on energy assistance must aggregate information that includes total bill costs inclusive of fees and taxes, and energy assistance need, providing transparency to the public by displaying the data for each city, county, and legislative district. The report must also evaluate trends in the impact of electric vehicle charging costs on household and business energy burden, as well as trends for account delinquency, including total dollar amounts delinquent in each city, county, and legislative district.

Short Title.

The act may be known and cited as the Washington Consumer Affordability and Reliability in Energy Supply Act.

Appropriation: None.

Fiscal Note: Available.

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