
Environment & Energy Committee

HB 1327

Brief Description: Concerning on-bill disclosures to retail electric customers.

Sponsors: Representatives Dye, Boehnke, Ybarra, Eslick, Chambers and Dent.

Brief Summary of Bill

- Requires each electric utility to provide an illustrative graphic on retail electric customers' billing statements that compares customers' actual bill total with an estimated expected bill total for that customer's rate class if the utility were to supply an electricity product comprised exclusively of least-cost resources.

Hearing Date: 2/4/21

Staff: Nikkole Hughes (786-7156).

Background:

Energy Independence Act.

The Energy Independence Act (EIA) was approved by voters in 2006. The EIA requires an electric utility with more than 25,000 customers to meet targets for energy conservation and to meet a certain percent of its annual load with eligible renewable resources. Utilities that are required to comply with the requirements of the EIA are referred to as "qualifying utilities."

Beginning January 1, 2030, a qualifying utility is considered to be in compliance with an annual renewable energy target under the EIA if the utility uses electricity from renewable resources, nonemitting electric generation, and renewable energy credits in an amount equal to 100 percent of the utility's average annual retail electric load.

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.

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 nonemitting and renewable resources by January 1, 2045.

Disclosures to Retail Electric Customers.

Except for small utilities, each electric utility must provide its retail electric customers with certain information disclosures. The utility must notify all of its retail electric customers that these disclosures are available without charge upon request. The notification must be provided at the time service is established and either included as a prominent part of each customer's bill or in a written notice mailed to each customer at least once per year. Required disclosures must be provided without charge, in writing using plain language that is understandable to an ordinary customer, and presented in a form that is clear and conspicuous.

Integrated Resource Planning.

Utilities with more than 25,000 customers that are not full requirements customers of the Bonneville Power Administration must develop an integrated resource plan (IRP). Among the required components of an IRP are the following:

- a comparative evaluation of renewable and nonrenewable generating resources, including transmission and distribution delivery costs, and conservation and efficiency resources using "lowest reasonable cost" as a criterion;
- the integration of demand forecasts, resource evaluations, and resource adequacy requirements into a long-range assessment describing the mix of supply-side generating resources and conservation and efficiency resources that will meet current and projected needs, including mitigating overgeneration events and implementing the CETA, at the lowest reasonable cost and risk to the utility and its customers, while maintaining and protecting the safety, reliable operation, and balancing of its electric system; and
- a 10-year Clean Energy Action Plan for implementing the CETA at the lowest reasonable cost, and at an acceptable resource adequacy standard, that identifies the specific actions to be taken by the utility consistent with the long-range IRP.

"Lowest reasonable cost" means the lowest cost mix of generating resources and conservation and efficiency resources determined through a detailed and consistent analysis of a wide range of commercially available resources. At a minimum, this analysis must consider resource cost, market-volatility risks, demand-side resource uncertainties, resource dispatchability, resource effect on system operation, the risks imposed on the utility and its ratepayers, public policies regarding resource preference adopted by Washington state or the federal government, and the

cost of risks associated with environmental effects including emissions of carbon dioxide.

Summary of Bill:

An electric utility must provide, in a prominent manner on all billing statements sent to retail electric customers, an illustrative graphic comparing the retail electric customer's actual bill total with an estimated expected bill total for that customer's rate class if the utility were to supply an electricity product comprised exclusively of least-cost resources. The illustrative graphic must include a footnote with the following information: "Direct subsidies to generators of renewable power from wind and solar projects are paid for by Washington taxpayers. Purchase of this subsidized renewable power from wind and solar projects by electric utilities is mandated by the state Energy Independence Act (chapter 19.285 RCW) and by the state Clean Energy Transformation Act (chapter 19.405 RCW)."

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.