

SENATE BILL REPORT

ESHB 2031

AS REPORTED BY COMMITTEE ON WAYS & MEANS, APRIL 8, 1991

Brief Description: Providing rate regulation for low-level waste sites.

SPONSORS: House Committee on Energy & Utilities (originally sponsored by Representatives Grant, Neher, Bray and Ludwig; by request of Utilities & Transportation Commission).

HOUSE COMMITTEE ON ENERGY & UTILITIES

SENATE COMMITTEE ON ENERGY & UTILITIES

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Thorsness, Chairman; Saling, Vice Chairman; Jesernig, Nelson, Patterson, Roach, Stratton, and Sutherland.

Staff: Phil Moeller (786-7445)

Hearing Dates: March 28, 1991; April 5, 1991

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Energy & Utilities.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Bluechel, Cantu, Gaspard, Hayner, Johnson, Matson, Metcalf, Newhouse, Owen, Saling, L. Smith, and West.

Staff: Michael Groesch (786-7715)

Hearing Dates: April 8, 1991

BACKGROUND:

Federal legislation passed in 1980 allowed states to form compacts for the purpose of collectively finding solutions to the problem of disposing commercial low-level radioactive waste. Amendments to the federal legislation were passed in 1985 when certain enforcement mechanisms in the original legislation proved ineffective.

Washington is the host state for the Northwest Interstate Compact on Low-Level Radioactive Waste. Other compact members include the states of Alaska, Hawaii, Idaho, Montana, Oregon and Utah.

The Hanford facility is located on federal land leased to the state and then subleased to the operator of the site. This facility is scheduled to remain open after 1992, when federal law requires all states to develop their own sites or form compacts to develop a collective site. Of the three operating sites in the nation, only Hanford will remain open after 1992.

Beginning in 1993 the Hanford site is expected to be the only disposal option for in-region generators of this type of waste material. Entities generating this type of waste include industrial facilities, commercial power plants, hospitals, research universities, and biomedical research firms.

SUMMARY:

If the Washington Utilities and Transportation Commission (WUTC) finds that a monopoly situation exists as to the disposal of commercial low-level radioactive waste, the WUTC is directed to regulate the disposal rates for low-level radioactive waste.

By March 1, 1992, a low-level radioactive waste disposal site operator is directed to file with the WUTC a request for an initial maximum disposal rate, with the rate to be effective January 1, 1993. The maximum disposal rates are to be adjusted every six months. Disposal site operators may contract with waste generators for lower disposal rates. Provisions are made for allowing different disposal rates for extraordinary volumes of waste.

Conditions are outlined defining when a monopoly situation exists for disposal of low-level radioactive waste. The disposal site operator may petition the WUTC to be classified as competitive. If classified as competitive, the disposal site operator shall be exempt from WUTC regulation.

The basic rate of Business and Occupations tax on entities disposing of low-level radioactive waste is reduced from 15 percent to 10 percent on the day the bill is signed. The rate is further reduced to 5 percent on January 1, 1992.

A surcharge of \$7 per cubic foot of disposed waste is established. The sum of \$5 of this surcharge goes to the newly created radioactive waste disposal host area economic development account in the State Treasury. From it, monthly allocations are made to a regional revolving economic development loan fund. The remaining \$2 is remitted monthly to Benton County for its use.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: The bill contains an emergency clause and takes effect immediately.

SUMMARY OF PROPOSED SENATE ENERGY & UTILITIES AMENDMENT:

Beginning in 1993, a surcharge of \$5.25 on each cubic foot of low-level radioactive waste disposed in the state is made on the generator of such waste. Of this surcharge, \$3.25 is remitted to the county in which the disposal facility is located. \$2 of the surcharge is placed in a fund established for Hanford area infrastructure projects and economic development. "Hanford area" is defined as Benton and Franklin counties. Disbursements from the fund may only be made on authorization of the Director of the Department of Trade and Economic Development or the director's designee for the purpose of contracting with Hanford area associate development organizations.

TESTIMONY FOR:

This bill is needed to protect generators of low-level waste from being captive to a monopoly condition. Sections of the bill are also essential in meeting the conditions of a legal agreement reached between the state and the operator of the low-level site. The surcharge funds are best divided between the county government and the local associate development organization.

TESTIMONY AGAINST:

The surcharge funds should be higher and a larger portion should go towards funding a local revolving loan fund of a governmental conference.

TESTIFIED (Energy & Utilities): Raymond Isaacson, Benton County Commissioner (pro); Don Krupp, Department of Community Development; Barry Bede, U.S. Ecology (pro as amended)

TESTIFIED (Ways & Means): Barry Bede, U.S. Ecology