

1 **SSB 5390** - H COMM AMD

2 By Committee on Energy & Utilities

3 Strike everything after the enacting clause and insert:

4 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

5 (a) The ability of utilities to acquire cost effective
6 conservation measures is instrumental in assuring that Washington
7 citizens have reasonable energy rates and that utilities have
8 adequate energy resources to meet future energy demands;

9 (b) Customers may be more willing to accept investments in
10 energy efficiency and conservation if real and perceived
11 impediments to property transactions are avoided;

12 (c) Potential purchasers of real property should be notified
13 of any utility conservation charges at the earliest point possible
14 in the sale.

15 (2) It is the intent of the legislature to encourage utilities
16 to develop innovative approaches designed to promote energy
17 efficiency and conservation that have limited rate impacts on
18 utility customers. It is not the intent of the legislature to
19 restrict the authority of the utilities and transportation
20 commission to approve tariff schedules.

21 (3) It is also the intent of the legislature that utilities
22 which establish conservation tariffs should undertake measures to
23 assure that potential purchasers of property are aware of the
24 existence of any conservation tariffs. Measures that may be
25 considered include, but are not limited to:

26 (a) Recording notification of conservation tariff obligations
27 with a legal description with the county property records;

28 (b) Annually notifying customers who have entered agreements
29 of the conservation tariff obligation;

1 (c) Working with the real estate industry to provide for
2 disclosure of conservation tariff obligations in standardized
3 listing agreements and earnest money agreements; and

4 (d) Working with title insurance companies to provide recorded
5 conservation tariff obligations as an informational note to the
6 preliminary commitment for a policy of title insurance.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 80.28
8 RCW to read as follows:

9 (1) Upon request by an electrical or gas company, the
10 commission may approve a tariff schedule that contains rates or
11 charges for energy conservation measures, services, or payments
12 provided to individual property owners or customers. The tariff
13 schedule shall require the electrical or gas company to enter into
14 an agreement with the property owner or customer receiving services
15 at the time the conservation measures, services, or payments are
16 initially provided. The tariff schedule may allow for the payment
17 of the rates or charges over a period of time and for the
18 application of the payment obligation to successive property owners
19 or customers at the premises where the conservation measures or
20 services were installed or performed or with respect to which the
21 conservation payments were made.

22 (2) The electrical or gas company shall record a notice of a
23 payment obligation with a legal description resulting from an
24 agreement under this section with the county auditor or recording
25 officer as provided in RCW 65.04.030.

26 (3) The commission may prescribe by rule other methods by
27 which an electrical or gas company shall notify property owners or
28 customers of any such payment obligation.

29 NEW SECTION. **Sec. 3.** A new section is added to chapter 64.04
30 RCW to read as follows:

1 Prior to closing, the seller of real property subject to a
2 rate or charge for energy conservation measures, services, or
3 payments provided under a tariff approved by the utilities and
4 transportation commission pursuant to section 2 of this act shall
5 disclose to the purchaser of the real property the existence of the
6 obligation and the possibility that the purchaser may be
7 responsible for the payment obligation.

8 NEW SECTION. Sec. 4. A new section is added to chapter 48.29
9 RCW to read as follows:

10 A title insurer may disclose as an informational note to a
11 preliminary commitment for a policy of title insurance the
12 existence of a notice of payment obligation provided for under
13 section 2 of this act. Neither the inclusion nor the exclusion of
14 such an informational note shall create any liability against the
15 title insurer under a preliminary commitment for title insurance,
16 policy or otherwise."

EFFECT: Utilities must work with title insurers to include
tariff obligations as an informational note on a title
insurance policy. A title insurer is not liable for including
or excluding an informational note about a recorded
conservation obligation. The notice of obligation recorded
with the county must include a legal description of the
property subject to the obligation.