

# HOUSE BILL REPORT

## HB 2340

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**As Reported by House Committee On:**  
Technology, Telecommunications & Energy

**Title:** An act relating to siting electrical transmission under the energy facility site evaluation council.

**Brief Description:** Regarding electrical transmission.

**Sponsors:** Representative Morris.

**Brief History:**

**Committee Activity:**

Technology, Telecommunications & Energy: 1/14/04, 1/21/04 [DPS].

**Brief Summary of Substitute Bill**

- Allows a person developing new transmission in excess of 115 kilovolts to seek site certification through the Energy Facility Site Evaluation Council (EFSEC).

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### HOUSE COMMITTEE ON TECHNOLOGY, TELECOMMUNICATIONS & ENERGY

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Morris, Chair; Ruderman, Vice Chair; Sullivan, Vice Chair; Crouse, Ranking Minority Member; Nixon, Assistant Ranking Minority Member; Anderson, Blake, Bush, Hudgins, McMahan, Tom, Wallace and Wood.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Delvin, Kirby, McMorris and Romero.

**Staff:** Pam Madson (786-7166).

**Background:**

The Energy Facility Site Evaluation Council (EFSEC) was created in 1970 to provide one-stop licensing for large energy projects. Council membership includes mandatory representation from five state agencies and discretionary representation from four additional state agencies. The council's membership may include representatives from

the particular city, county, or port district where potential projects may be located.

The EFSEC's jurisdiction includes the siting of large intrastate natural gas and petroleum pipelines, electric power plants above 350 megawatts, new oil refineries, large expansions of existing facilities, and underground natural gas storage fields. For electric power plants, EFSEC's jurisdiction extends to those associated facilities that include new transmission lines that operate in excess of 200 kilovolts and are necessary to connect the plant to the Northwest power grid. Developers of energy facilities that exclusively use alternative energy resources, regardless of the size of the facility's generation capacity, may choose to use the EFSEC process to site the facility.

The EFSEC siting process generally involves six steps: (1) A potential site study followed by an application; (2) State Environmental Policy Act review; (3) review for consistency with applicable local land use laws and plans; (4) a formal adjudication on all issues related to the project; (5) certain air and water pollution discharge permitting reviews as delegated by the U.S. Environmental Protection Agency; and (6) a recommendation to the Governor who then decides whether to accept, reject, or remand the application. A certification agreement approved by the Governor preempts any other state or local regulation concerning the location, construction, and operational conditions of an energy facility.

Under the EFSEC process, the applicant is required to pay the costs of the council in processing an application.

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**Summary of Substitute Bill:**

A person developing new transmission facilities or expanding or reconstructing existing transmission facilities that operate in excess of 115 kilovolts may use the EFSEC process to obtain siting approval for the transmission facilities.

**Substitute Bill Compared to Original Bill:**

The substitute bill clarifies and corrects definitions and the authority of EFSEC to accept applications for transmission siting that are voluntarily submitted to it.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** The issue of transmission siting will come up again and again in the near future. We need to start looking at it now. There are several issues here. The electrical grid is becoming more and more interconnected every day. Events in the Northeastern United States this summer and issues about critical infrastructure, interdependency and cascading effects that we have looked at in Washington and the Northwest are evidence of that. One issue is local benefit. Does transmission going through Washington have a local benefit in Washington? It may benefit people in Oregon but Washington has an indirect benefit in maintaining reliability of the grid. Those that are building most of the transmission now have eminent domain authority. We will see more merchant development of transmission that is privately financed and will not have eminent domain authority and may not be able to show direct benefit to local communities. In addition, the Federal Energy Regulatory Commission (FERC) may, under the proposed federal energy legislation, allow states and regions to compact to do transmission siting rather than having the federal agency step-in and do it. It may make sense to include 115 kilovolt lines as well. It is getting more difficult to site these facilities at the local level.

**Testimony Against:** There is concern about what impact this might have on local jurisdictions that might site transmission. There is no recent experience with transmission siting. There may be other alternatives than using the EFSEC process for this purpose. Under the EFSEC process, local jurisdictions have one seat at the table among all other interests. Local issues may not be sufficiently addressed.

**Persons Testifying:** (In support) Representative Morris, prime sponsor; Kathleen Collins, PacifiCorps; and Mike Tracy, Puget Sound Energy.

(Opposed) Victoria Lincoln, Association of Washington Cities.

**Persons Signed In To Testify But Not Testifying:** None.