

---

**Technology, Energy &  
Communications Committee**

---

**HB 1895**

**Brief Description:** Modifying duties of the joint committee on energy supply and energy conservation.

**Sponsors:** Representatives Morris, Hudgins, McCoy and B. Sullivan.

**Brief Summary of Bill**

- Establishes procedures for aggregating energy conservation within state and local government, capturing the electricity saved, and providing a revenue stream to finance conservation efforts.

**Hearing Date:** 2/17/05

**Staff:** Sarah Dylag (786-7109).

**Background:**

Performance-based contracting allows a facility to complete energy-saving improvements within an existing budget by financing them with money saved through reduced utility expenditures. Facilities make no up-front investments and instead finance projects through guaranteed annual energy savings.

The Joint Committee on Energy Supply (Committee) is a legislative committee of eight members that is authorized to meet (a) annually; (b) at the call of the chair to receive information on the status of the state's or the region's energy supply; or (c) upon the call of the chair when the Governor acts to terminate an energy supply alert or energy emergency. Any member of the House of Representatives or Senate is eligible to be appointed to the Committee.

**Summary of Bill:**

Intent

The Legislature recognizes that implementing conservation measures across all levels of government will create actual energy conservation savings, maintenance and cost savings to state and local governments, and savings to the state economy. The Legislature intends that conservation measures be implemented across all levels of government and that the savings created from implementing conservation measures be retained to produce more efficient government operation.

## Conservation Projects

In addition to the Committee's existing duties, the Committee is given the authority to identify conservation measures to be implemented by all levels of state and local government utilizing performance bonding and contract financing to generate energy conservation.

To identify these projects, the Committee shall:

- Review information acquired through energy audits;
- Direct the Department of General Administration (Department) to solicit requests for proposals for projects implementing conservation measures across a single electric utility's service territory;
- Require the participation of local governments in implementing conservation measures within a single electric utility's service territory or otherwise acquire, through eminent domain procedures, lands, real estate and other property, and interests therein necessary for the aggregation of conservation projects within a single electric utility's service territory;
- Request the Department to report on contracts to implement conservation measures, including responses to requests for proposals, costs, and proposed contractors to carry out conservation measures identified by the Committee;
- Approve contractors selected by the Department to carry out conservation projects identified by the Committee;
- Request the Department to report to the Committee on the progress of projects; and
- Request electric utilities to identify, once the conservation measures are completed, the avoided cost between cost of generation before implementation of the conservation measures and cost of generation after implementation of the conservation measure and reflect those avoided cost savings in the rate class that represents the electric utility's largest volume users.

## Financing

Financing for conservation measures identified by the Committee shall be carried out with bonds issued by the Washington Economic Development Finance Authority. To administer the financing the Department may:

- Provide technical assistance to contractors to obtain bonds issued by Washington Economic Development Finance Authority; and
- Identify an amount equal to the difference between the cost of energy consumed by state and local governments before conservation measures are implemented and the cost of energy consumed by state and local governments after conservation measures are implemented.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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