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**SUBSTITUTE HOUSE BILL 1010**

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**State of Washington**

**59th Legislature**

**2005 Regular Session**

**By** House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Hudgins, Morrell, Linville, B. Sullivan, McCoy and Chase)

READ FIRST TIME 02/28/05.

1       AN ACT Relating to energy efficiency and renewable energy; and  
2 adding a new chapter to Title 19 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4       NEW SECTION.   **Sec. 1.** It is the intent of the legislature to  
5 establish a goal of encouraging the construction and development of  
6 renewable energy in the state of Washington to meet increasing demand  
7 for affordable and reliable electricity. Since electricity supply may  
8 lag behind electricity demand, the result may be a sharp increase in  
9 electricity prices. The legislature finds that it is desirable to  
10 shorten the time it takes to bring new electricity generation to  
11 market. Washington is a leader in the development of renewable energy  
12 technologies and the legislature acknowledges that encouraging the  
13 development of renewable technologies in meeting increased electricity  
14 demand will create jobs for Washington's citizens. The legislature  
15 intends that information obtained from integrated resource planning  
16 under this chapter will be used to assist in identifying and developing  
17 renewable energy to meet electricity demand.

1           NEW SECTION.   **Sec. 2.** The definitions in this section apply  
2 throughout this chapter unless the context clearly requires otherwise.

3           (1) "Commission" means the Washington state utilities and  
4 transportation commission.

5           (2) "Consumer-owned utility" includes a municipal electric utility  
6 formed under Title 35 RCW, a public utility district formed under Title  
7 54 RCW, an irrigation district formed under chapter 87.03 RCW, a  
8 cooperative formed under chapter 23.86 RCW, a mutual corporation or  
9 association formed under chapter 24.06 RCW, a port district formed  
10 under Title 53 RCW, or a water-sewer district formed under Title 57  
11 RCW, that is engaged in the business of distributing electricity to one  
12 or more retail electric customers in the state.

13           (3) "Department" means the department of community, trade, and  
14 economic development.

15           (4) "Electric utility" means a consumer-owned or investor-owned  
16 utility.

17           (5) "Governing body" means the board of directors, city council,  
18 commissioners, or board of any consumer-owned utility.

19           (6) "Integrated resource plan" or "plan" means a plan describing  
20 the mix of generating resources and improvements in the efficient  
21 generation, transmission, distribution, and use of electricity that  
22 will meet current and future needs at the lowest reasonable cost to the  
23 utility and its ratepayers.

24           (7) "Investor-owned utility" means a corporation owned by investors  
25 that meets the definition in RCW 80.04.010 and is engaged in  
26 distributing electricity to more than one retail electric customer in  
27 the state.

28           (8) "Renewable resources" means electricity generation facilities  
29 fueled by: (a) Water; (b) wind; (c) solar energy; (d) geothermal  
30 energy; (e) landfill gas; (f) biomass energy based on animal waste or  
31 solid organic fuels from wood, forest, or field residues, or dedicated  
32 energy crops that do not include wood pieces that have been treated  
33 with chemical preservatives such as creosote, pentachlorophenol, or  
34 copper-chrome-arsenic; (g) wave or tidal power; or (h) gas from sewage  
35 treatment facilities.

36           NEW SECTION.   **Sec. 3.** When an electric utility purchases, from any  
37 combination of sources, increased generation that amounts to at least

1 one percent of its total load on July 1, 2006, that electric utility  
2 must develop an integrated resource plan consistent with the provisions  
3 of this section. Such a plan shall be updated on a regular basis  
4 including in 2009, 2014, and 2019, and, at a minimum, must include:

5 (1) A range of forecasts of future customer demand using methods  
6 that examine the effect of economic forces on the consumption of  
7 electricity and that address changes in the number, type, and  
8 efficiency of electrical end-uses;

9 (2) An assessment of technically feasible improvements in the  
10 efficient generation, transmission, distribution, and use of  
11 electricity, including load management and fuel switching, as well as  
12 currently employed and new policies and programs needed to obtain the  
13 efficiency improvements;

14 (3) An assessment of technically feasible generating technologies  
15 including but not limited to renewable resources, cogeneration, power  
16 purchases, and thermal resources;

17 (4) An evaluation comparing the cost-effectiveness of generating  
18 resources with the cost-effectiveness of improvements in the efficient  
19 use of electricity;

20 (5) The integration of the demand forecasts and resource  
21 evaluations into a long-range integrated resource plan describing the  
22 mix of resources and efficiency measures that will meet current and  
23 future needs at:

24 (a) The lowest reasonable cost, including but not limited to, all  
25 direct costs of a project or resource over its effective life and  
26 quantifiable environmental costs and benefits directly attributable to  
27 the project or resource; and

28 (b) The lowest reasonable risk, including but not limited to, an  
29 assessment of risk associated with fuel price, fuel availability,  
30 hedging, and future environmental regulations, to the utility and its  
31 ratepayers;

32 (6) A short-term plan outlining the specific actions to be taken by  
33 the utility consistent with the long-range integrated resource plan;  
34 and

35 (7) For all plans subsequent to the initial integrated resource  
36 plan, a progress report that relates the new plan to the previous plan.

1        NEW SECTION.    **Sec. 4.**    (1) Investor-owned utilities shall submit  
2 integrated resource plans to the commission.    The commission shall  
3 establish by rule the requirements for preparation and submission of  
4 integrated resource plans.

5        (2) The commission may adopt additional rules as necessary to  
6 clarify the requirements of section 3 of this act as they apply to  
7 investor-owned utilities.

8        NEW SECTION.    **Sec. 5.**    (1) Each consumer-owned utility shall  
9 develop and publish a work schedule for the preparation of an  
10 integrated resource plan.    The work schedule shall set forth the  
11 proposed content of the integrated resource plan, the proposed schedule  
12 of preparation, and provisions for public involvement in the  
13 preparation and review of the plan.    The governing body of each utility  
14 shall approve an integrated resource plan only after it has provided  
15 public notice and hearing on the proposed plan.    Upon approval of its  
16 governing board, each consumer-owned utility shall publish a final  
17 integrated resource plan either as part of an annual report or as a  
18 separate document available to the public.

19        (2) Each consumer-owned utility shall transmit a copy of its  
20 integrated resource plan to the department by July 31, 2006, and  
21 transmit subsequent plans to the department in 2009, 2014, and 2019.

22        (3) Consumer-owned utilities may develop integrated resource plans  
23 jointly with other consumer-owned utilities.    Data and assessments  
24 included in joint reports must be identifiable to each individual  
25 utility.

26        NEW SECTION.    **Sec. 6.**    The department shall review the integrated  
27 resource plans of consumer-owned utilities and prepare a report to the  
28 legislature assessing the utilities' conformance with this section.  
29 The report shall include a statewide summary of utility load forecasts,  
30 load/resource balance, and utility plans for the development of thermal  
31 generation, renewable resources, and efficiency resources.    The  
32 commission shall provide the department with data summarizing  
33 activities of investor-owned utilities for use in the department's  
34 statewide summary.    The department shall submit the initial report by  
35 December 1, 2006, and subsequent reports on December 1, 2010, December

1 1, 2015, and December 1, 2020. Where appropriate, the department may  
2 include reports required by this section within the biennial report  
3 required under RCW 43.21F.045.

4 NEW SECTION. **Sec. 7.** Integrated resource plans shall not be a  
5 basis for customers to bring legal action against electric utilities.

6 NEW SECTION. **Sec. 8.** Sections 1 through 7 of this act constitute  
7 a new chapter in Title 19 RCW.

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