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**SUBSTITUTE HOUSE BILL 1895**

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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, McCoy and B. Sullivan)

READ FIRST TIME 03/01/05.

1 AN ACT Relating to statewide energy efficiency; amending RCW  
2 44.39.010 and 44.39.070; adding new sections to chapter 44.39 RCW; and  
3 adding new sections to chapter 43.19 RCW.

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

5 **Sec. 1.** RCW 44.39.010 and 2001 c 214 s 30 are each amended to read  
6 as follows:

7 There is hereby created the joint committee on energy supply ((~~of~~  
8 ~~the legislature of the state of Washington~~)) and energy conservation.

9 **Sec. 2.** RCW 44.39.070 and 2002 c 192 s 1 are each amended to read  
10 as follows:

11 (1) The committee shall meet and function at the following times:

12 (a) At least once per year or at anytime upon the call of the chair to  
13 receive information related to the state or regional energy supply  
14 situation; (b) during a condition of energy supply alert or energy  
15 emergency; and (c) upon the call of the chair, in response to  
16 gubernatorial action to terminate such a condition. Upon the  
17 declaration by the governor of a condition of energy supply alert or  
18 energy emergency, the committee ((~~on energy supply~~)) shall meet to

1 receive any plans proposed by the governor for programs, controls,  
2 standards, and priorities for the production, allocation, and  
3 consumption of energy during any current or anticipated condition of  
4 energy supply alert or energy emergency, any proposed plans for the  
5 suspension or modification of existing rules of the Washington  
6 Administrative Code, and any other relevant matters the governor deems  
7 desirable. The committee shall review such plans and matters and shall  
8 transmit its recommendations to the governor for review. The committee  
9 may review any voluntary programs or local or regional programs for the  
10 production, allocation, or consumption of energy which have been  
11 submitted to the committee.

12 (2) The committee shall receive any request from the governor for  
13 the approval of a declaration of a condition of energy emergency as  
14 provided in RCW 43.21G.040 as now or hereafter amended and shall either  
15 approve or disapprove such request.

16 (3) During a condition of energy supply alert, the committee shall:  
17 (a) Receive any request from the governor for an extension of the  
18 condition of energy supply alert for an additional period of time not  
19 to exceed ninety consecutive days and the findings upon which such  
20 request is based; (b) receive any request from the governor for  
21 subsequent extensions of the condition of energy supply alert for an  
22 additional period of time not to exceed one hundred twenty consecutive  
23 days and the findings upon which such a request is based; and (c)  
24 either approve or disapprove the requested extensions. When approving  
25 a request, the committee may specify a longer period than requested, up  
26 to ninety days for initial extensions and one hundred twenty days for  
27 additional extensions.

28 (4) During a condition of energy emergency the committee shall:  
29 (a) Receive any request from the governor for an extension of the  
30 condition of energy emergency for an additional period of time not to  
31 exceed forty-five consecutive days and the finding upon which any such  
32 request is based; (b) receive any request from the governor for  
33 subsequent extensions of the condition of energy emergency for an  
34 additional period of time not to exceed sixty consecutive days and the  
35 findings upon which such a request is based; and (c) either approve or  
36 disapprove the requested extensions. When approving a request, the  
37 committee may specify a longer period than requested, up to forty-five  
38 days for initial extensions and sixty days for additional extensions.

1        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 44.39 RCW  
2 to read as follows:

3        It is the intent of the legislature to utilize lessons learned from  
4 efforts to conserve energy usage in single state buildings or complexes  
5 and extend conservation measures across all levels of government.  
6 Implementing conservation measures across all levels of government will  
7 create actual energy conservation savings, maintenance and cost savings  
8 to state and local governments, and savings to the state economy, which  
9 depends on affordable, realizable electricity to retain jobs.    The  
10 legislature intends that conservation measures be implemented across  
11 all levels of government and that the savings created from implementing  
12 conservation measures be retained to produce more efficient government  
13 operation.

14        NEW SECTION.    **Sec. 4.**    A new section is added to chapter 44.39 RCW  
15 to read as follows:

16        The definitions in this section apply for the purposes of this act  
17 unless the context clearly requires otherwise.

18        (1) "Committee" means the joint committee on energy supply and  
19 energy conservation.

20        (2) "Conservation" means reduced energy consumption or energy cost,  
21 or increased efficiency in the use of energy, and activities, measures,  
22 or equipment designed to achieve such results.

23        (3) "Consumer-owned utility" includes a municipal electric utility  
24 formed under Title 35 RCW, a public utility district formed under Title  
25 54 RCW, an irrigation district formed under chapter 87.03 RCW, a  
26 cooperative formed under chapter 23.86 RCW, a mutual corporation or  
27 association formed under chapter 24.06 RCW, a port district formed  
28 under Title 53 RCW, or a water-sewer district formed under Title 57  
29 RCW, that is engaged in the business of distributing electricity to one  
30 or more retail electric customers in the state.

31        (4) "Department" means the department of general administration.

32        (5) "Electric utility" means an investor-owned or a consumer-owned  
33 utility.

34        (6) "Energy audit" has the meaning provided in RCW 43.19.670.

35        (7) "Investor-owned utility" means a corporation owned by investors  
36 that meets the definition in RCW 80.04.010 and is engaged in

1 distributing electricity to more than one retail electric customer in  
2 the state.

3 NEW SECTION. **Sec. 5.** A new section is added to chapter 44.39 RCW  
4 to read as follows:

5 (1) In addition to the committee's existing duties under RCW  
6 44.39.070, the committee shall review and identify conservation  
7 measures that can be implemented by all levels of state and local  
8 government using performance bonding and contract financing to generate  
9 energy conservation.

10 (2) The committee shall:

11 (a) Review information acquired through energy audits conducted  
12 under chapter 43.19 RCW or through separate energy audits, conducted by  
13 the department under section 6 of this act, of state and local-owned  
14 facilities;

15 (b) Review reports from the department regarding requests for  
16 proposals to identify conservation measures that may be implemented by  
17 all levels of state and local government across a single electric  
18 utility's service territory, costs to implement those conservation  
19 measures, and proposed contractors to carry out conservation measures;

20 (c) Review and approve contractors selected by the department to  
21 carry out conservation measures identified by the committee; and

22 (d) Request the department to report to the committee on the  
23 progress of the implementation of conservation measures in a single  
24 electric utility's service territory.

25 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.19 RCW  
26 to read as follows:

27 To administer the implementation of conservation measures  
28 identified by the joint committee on energy supply and energy  
29 conservation under section 5 of this act, the department shall:

30 (1) Conduct energy audits of state and local-owned facilities, if  
31 necessary;

32 (2) Provide technically qualified personnel, at a fee, to assist  
33 with contracting for implementation of conservation measures; and

34 (3) Collect information regarding local government implementation  
35 of conservation measures under section 7 of this act.

1        NEW SECTION.    **Sec. 7.** A new section is added to chapter 43.19 RCW  
2 to read as follows:

3        (1) Local governments may implement conservation measures  
4 identified by the joint committee on energy supply and energy  
5 conservation under section 5 of this act.

6        (2) Local governments that implement conservation measures  
7 identified by the joint committee on energy supply and energy  
8 conservation under section 5 of this act shall report to the department  
9 on the progress of those projects.

10       (3) Local governments that do not implement conservation measures  
11 identified by the joint committee on energy supply and energy  
12 conservation under section 5 of this act shall report this information  
13 to the department.

14       (4) The department shall prepare a report summarizing local  
15 governments that implement conservation measures identified by the  
16 joint committee on energy supply and energy conservation under section  
17 5 of this act and the local governments that do not implement  
18 conservation measures identified by the joint committee on energy  
19 supply and energy conservation under section 5 of this act.

20       NEW SECTION.    **Sec. 8.** A new section is added to chapter 43.19 RCW  
21 to read as follows:

22       (1) Financing to implement conservation measures identified by the  
23 joint committee on energy supply and energy conservation under section  
24 5 of this act, including fees charged by the department under section  
25 6 of this act, shall be carried out with bonds issued by the Washington  
26 economic development finance authority under chapter 43.163 RCW.

27       (2) To administer the financing for conservation measures  
28 identified by the joint committee on energy supply and energy  
29 conservation under section 5 of this act, the department shall:

30       (a) Provide technical assistance to secure funding through the  
31 issuance of bonds issued by the Washington economic development finance  
32 authority;

33       (b) Identify an amount equal to the difference between the cost of  
34 energy consumed by state and local governments before conservation  
35 measures are implemented and the cost of energy consumed by state and  
36 local governments after conservation measures are implemented to be

1 collected and applied towards the bonds issued by the Washington  
2 economic development finance authority.

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