

**ESSB 6001** - H AMD TO H AMD (H3547.1) **777**  
By Representative Morris

**ADOPTED 4/12/2007**

1 On page 11 of the amendment, beginning on line 1, strike all of  
2 subsections (5) and (6) and insert the following:

3 "(5) Upon application by an electrical company, the commission  
4 shall determine whether the company's proposed decision to acquire  
5 electric generation or enter into a power purchase agreement for  
6 electricity complies with the greenhouse gases emissions  
7 performance standard established under section 5 of this act,  
8 whether the company has a need for the resource, and whether the  
9 specific resource selected is appropriate. The commission shall  
10 take into consideration factors such as the company's forecasted  
11 loads, need for energy, power plant technology, expected costs, and  
12 other associated investment decisions. The commission shall not  
13 decide in a proceeding under this subsection (5) issues involving  
14 the actual costs to construct and operate the selected resource,  
15 cost recovery, or other issues reserved by the commission for  
16 decision in a general rate case or other proceeding for recovery of  
17 the resource or contract costs. A proceeding under this subsection  
18 (5) shall be conducted pursuant to chapter 34.05 RCW (Part IV). The  
19 commission shall adopt rules to provide that the schedule for a  
20 proceeding under this subsection takes into account both (a) the  
21 needs of the parties to the proposed resource acquisition or power  
22 purchase agreement for timely decisions that allow transactions to  
23 be completed and (b) the procedural rights to be provided to  
24 parties in chapter 34.05 RCW (Part IV), including intervention,  
25 discovery, briefing, and hearing.

26 (6) An electrical company may account for and defer for later  
27 consideration by the commission costs incurred in connection with  
28 the long-term financial commitment, including operating and  
29 maintenance costs, depreciation, taxes, and cost of invested  
30 capital. The deferral begins with the date on which the power plant  
31 begins commercial operation or the effective date of the power

1 purchase agreement and continues for a period not to exceed 24  
2 months; provided that if during such period the company files a  
3 general rate case or other proceeding for the recovery of such  
4 costs, deferral ends on the effective date of the final decision by  
5 the commission in such proceeding. Creation of such a deferral  
6 account does not by itself determine the actual costs of the  
7 long-term financial commitment, whether recovery of any or all of  
8 these costs is appropriate, or other issues to be decided by the  
9 commission in a general rate case or other proceeding for recovery  
10 of these costs."

11 On page 11 of the amendment, at the beginning of line 25,  
12 strike all of subsection (7)

13 Renumber the subsections consecutively and correct any internal  
14 references accordingly.

**EFFECT:** Requires the Utilities and Transportation Commission to determine, upon application by an electric company, whether a company's proposed decision to acquire electric generation or enter into a power purchase agreement complies with the greenhouse gases emissions performance standard, and whether the resource is needed and appropriate.

Requires the Utilities and Transportation Commission to adopt rules to develop a proceeding schedule which takes into account the need for timely decisions related to acquisition of electric resource by an electric company and protects other parties' procedural rights allowed under the Administrative Procedure Act.

Authorizes electric companies to defer for later consideration by the Utilities and Transportation Commission costs incurred in connection with a long-term financial commitment.

Limits the deferral to a period not to exceed 24 months, provided that if during the period the electric company files a general rate case or other proceeding for the recovery of costs, deferral ends on the effective date of the final decision by the commission in such proceeding.

Specifies that the deferral account established by an electric company does not determine the actual costs of the long-term financial commitment.