

SENATE BILL REPORT

SHB 1037

As Reported By Senate Committee On:
Water, Energy & Telecommunications, March 30, 2007

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

Brief Description: Regarding electrical transmission.

Sponsors: House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Hudgins, Moeller and B. Sullivan).

Brief History: Passed House: 2/05/07, 88-3.

Committee Activity: Water, Energy & Telecommunications: 3/28/07, 3/30/07 [DPA, DNP].

SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

Majority Report: Do pass as amended.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Delvin, Fraser, Marr, Oemig and Regala.

Minority Report: Do not pass.

Signed by Senators Honeyford, Ranking Minority Member; Holmquist, Morton and Pridemore.

Staff: William Bridges (786-7424)

Background: Energy Facility Site Evaluation Council: EFSEC is the one-stop permitting and certificating authority for the siting of major energy facilities in Washington. EFSEC's jurisdiction does not extend to general electrical transmission lines; however, it does have jurisdiction over (1) new transmission lines that operate in excess of 115 kilovolts that are necessary to connect a power plant to the region's power grid, and (2) electrical transmission facilities in "national interest electric transmission corridors" as designated by the U.S. Secretary of Energy.

Federal Electrical Transmission Study: In August 2006, the Department of Energy issued the first National Electric Transmission Congestion Study (Study), which identified three classes of congestion: (1) areas where near-term action is needed, called "critical congestion areas"; (2) areas where additional analysis and information appear to be needed, called "congestion areas of concern"; and (3) areas where congestion would become a problem if new generation were to be developed without considering new transmission, called "conditional congestion areas."

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Study identified the I-5 corridor between Seattle and Portland as a "congestion area of concern." The U.S. Department of Energy has not identified a national interest electric transmission corridor.

Summary of Substitute Bill: A person constructing, reconstructing, or expanding transmission facilities of at least 115 kilovolts may choose to use the EFSEC siting process.

EFSEC is required, on or after July 1, 2009, to approve applications for siting electrical transmission facilities in corridors designated in a county or city comprehensive land use plan if the local government has:

- identified electrical transmission facility corridors;
- adopted regulations for the siting of electrical transmission facilities; and
- coordinated its plan and regulations with common borders or related regional electrical transmission facility siting issues.

EFFECT OF CHANGES MADE BY RECOMMENDED STRIKING AMENDMENT(S) AS PASSED COMMITTEE (Water, Energy & Telecommunications): Creates an opt-in provision for EFSEC jurisdiction over multi-jurisdictional electrical transmission facilities of at least 115 kilovolts; however, if the transmission corridor is wholly within a city or town, the local government has 120 days to accept or decline jurisdiction. Creates a preapplication process within EFSEC for siting electrical transmission facilities. The process includes the following: (1) a \$10,000 preapplication fee, with any unspent portions returned to the preapplicant; (2) a requirement that EFSEC consider existing corridors designated by local governments; and (3) negotiation and hearing requirements before EFSEC can make siting recommendations in jurisdictions that have not identified corridors. Defines the term "modify" and changes the definition of "associated facilities" to include lines of at least 115 kilovolts.

Appropriation: None.

Fiscal Note: Available on original bill.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Access to transmission will be crucial for bringing renewable energy to load centers. There is increasing demand for new power in the growing urban areas and most of the new power will need to be transmitted from rural areas of the state. Private transmission developers do not have eminent domain authority. A central siting authority is the most efficient way to site multi-jurisdictional transmission lines. EFSEC was not originally granted siting authority over transmission because the Bonneville Power Administration took care of it. This bill represents four years of work and is supported by counties, the Association of Washington Business, the Northwest Energy Coalition, and the Industrial Customers of Northwest Utilities.

OTHER: The bill would not help utilities trying to site transmission facilities in federal reservations. The term "modification" needs to be defined. The 115 kilovolt standard is not clear. The provisions concerning transmission corridors in cities need to be clarified. The City

of Kent has 30 to 50 miles of 115 kilovolt lines that may be subject to EFSEC jurisdiction. The EFSEC statutes were amended last year to accommodate transmission concerns, so why is it being revisited now? The opt-in process for cities may subject PUDs to EFSEC jurisdiction. The bill may subject PUDs to EFSEC operational control.

Persons Testifying: PRO: Representative Morris, prime sponsor; Dave Arbaugh, Chelan and Snohomish PUDs; Ken Johnson, Puget Sound Energy; Jim Luce, EFSEC.

OTHER: Dave Arbaugh, City of Bellevue; Kathleen Collins, PacifiCorp; Doug Levy, City of Kent; Victoria Lincoln, Association of Washington Cities; Dave Warren, Washington PUD Association.