
HOUSE BILL 2750

State of Washington

62nd Legislature

2012 Regular Session

By Representatives Lias, Fitzgibbon, Reykdal, Dunshee, Hasegawa, Stanford, Pollet, and Ryu

Read first time 01/31/12. Referred to Committee on Environment.

1 AN ACT Relating to the full accounting of environmental expenses
2 associated with coal-based electricity generation; amending RCW
3 80.04.080; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that generating
6 electricity from the combustion of coal produces pollutants that are
7 harmful to human health and safety and the environment. The emissions
8 from the combustion of coal significantly impact visibility in
9 protected national park and tribal areas in the Northwest.

10 The legislature has previously recognized that greenhouse gas
11 emissions contribute to climate change and has found that Washington is
12 especially vulnerable to climate change. The legislature further finds
13 that, on average, eighteen percent of the state's annual power
14 consumption and fifty percent of the state's greenhouse gas emissions
15 from in-state electricity consumption comes from coal power plants.

16 The legislature finds that many coal power plants across the
17 country are in need of significant modernization to ensure fundamental
18 safeguards for clean air, water, and land.

1 The legislature further finds that electricity ratepayers in
2 Washington could suffer undue economic burden from continued expenses
3 for coal-based electricity resources if there is not a full accounting
4 of pending and future expenses from environmental compliance.

5 The legislature finds that the Washington state utilities and
6 transportation commission has begun to require financial accounting of
7 environmental expenses by administrative rule and finds that a statute
8 can ensure long-term consistency and legislative endorsement of the
9 principle of clear, transparent, and complete accounting.

10 **Sec. 2.** RCW 80.04.080 and 1989 c 107 s 1 are each amended to read
11 as follows:

12 (1) Every public service company shall annually furnish to the
13 commission a report in such form as the commission may require, and
14 shall specifically answer all questions propounded to it by the
15 commission, upon or concerning which the commission may need
16 information. Such annual reports shall show in detail the amount of
17 capital stock issued, the amounts paid therefor and the manner of
18 payment for same, the dividends paid, the surplus fund, if any, and the
19 number of stockholders, the funded and floating debts and the interest
20 paid thereon, the cost and value of the company's property, franchises
21 and equipment, the number of employees and the salaries paid each
22 class, the accidents to employees and other persons and the cost
23 thereof, the amounts expended for improvements each year, how expended
24 and the character of such improvements, the earnings or receipts from
25 each franchise or business and from all sources, the proportion thereof
26 earned from business moving wholly within the state and the proportion
27 earned from interstate business, the operating and other expenses and
28 the proportion of such expense incurred in transacting business wholly
29 within the state, and proportion incurred in transacting interstate
30 business, such division to be shown according to such rules of division
31 as the commission may prescribe, the balances of profit and loss, and
32 a complete exhibit of the financial operations of the company each
33 year, including an annual balance sheet. Such report shall also
34 contain such information in relation to rates, charges or regulations
35 concerning charges, or agreements, arrangements or contracts affecting
36 the same, as the commission may require; and the commission may, in its
37 discretion, for the purpose of enabling it the better to carry out the

1 provisions of this title, prescribe the period of time within which all
2 public service companies subject to the provisions of this title shall
3 have, as near as may be, a uniform system of accounts, and the manner
4 in which such accounts shall be kept. Such detailed report shall
5 contain all the required statistics for the period of twelve months
6 ending on the last day of any particular month prescribed by the
7 commission for any public service company. Such reports shall be made
8 out under oath and filed with the commission at its office in Olympia
9 on such date as the commission specifies by rule, unless additional
10 time be granted in any case by the commission. The commission shall
11 have authority to require any public service company to file monthly
12 reports of earnings and expenses, and to file periodical or special, or
13 both periodical and special, reports concerning any matter about which
14 the commission is authorized or required by this or any other law, to
15 inquire into or keep itself informed about, or which it is required to
16 enforce, such periodical or special reports to be under oath whenever
17 the commission so requires.

18 (2) Each electrical company shall provide an annual report to the
19 commission concerning electricity provided by the company, from coal
20 power plants owned in whole or in part by the company, to one or more
21 retail electric customers. The report must provide the full cost
22 accounting of environmental expenses associated with each plant, as
23 identified by or associated with:

24 (a) The most recent annual report to shareholders, if any, and any
25 subsequent quarterly reports to shareholders; the most recent federal
26 energy regulatory commission form 1 and form 2, if applicable, and the
27 company's federal securities and exchange commission form 10k's, form
28 10q's, any prospectuses for any issuances of securities, and quarterly
29 reports to stockholders, if any, for the most recent two years prior to
30 the filing date;

31 (b) Any proposed federal regulations concerning air emissions or
32 climate change. The regulations will need to be accounted for once the
33 federal government has proposed a draft rule or has published a date
34 for proposed regulations or is under a court order to file a rule,
35 regulation, or determination that affects a coal plant, or its adjacent
36 mine that provides coal for the plant, that serves electricity to
37 Washington state customers;

1 (c) Any proposed state rules concerning air emissions or climate
2 change. The rules will need to be accounted for once a state
3 government, which has jurisdiction over a coal-based resource that
4 provides electricity for Washington state customers, has proposed a
5 draft rule or has published a date for proposed rules or is under a
6 court order to file a rule, regulation, or determination that affects
7 a coal plant, or its adjacent mine that provides coal for the plant,
8 that serves electricity to Washington state customers;

9 (d) Any existing litigation against a coal plant that provides
10 electricity for Washington state customers; and

11 (e) Best estimates of potential future costs of compliance with
12 state or federal laws regulating carbon dioxide emissions from a coal
13 plant. The report must explain any differences between these estimates
14 and estimates used in the utility's most recently filed integrated
15 resource plan under chapter 19.280 RCW.

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