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**HOUSE BILL 1853**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Magendanz, Bergquist, Morris, Muri, Tarleton, Fitzgibbon, and Tharinger

AN ACT Relating to utility leadership in electric vehicle charging infrastructure build-out; adding a new section to chapter 80.28 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  (1) The legislature finds that the transportation sector is Washington's largest contributor to greenhouse emissions and hazardous air pollutants as defined by federal national ambient air quality standards and mobile source air toxics rules. The sector's portion is considerably higher than the national average because our state relies heavily on hydropower for electricity generation, unlike other states that rely on fossil fuels such as coal, petroleum, and natural gas to generate electricity.

(2) The legislature also finds that federal clean air act regulations and complementary Washington policies supporting renewable energy generation, energy efficiency, and energy conservation are likely to result in further reduction of emissions in the electricity and in the combined residential, commercial, and industrial sectors. The legislature finds that state policy can achieve the greatest return on investment in reducing greenhouse gas emissions and improving air quality by expediting the transition to alternative fuel vehicles, including electric vehicles.

(3) The legislature finds that utilities, who are traditionally responsible for understanding and engineering the electrical grid for safety and reliability, must be fully empowered and incentivized to be engaged in electrification of our transportation system. The legislature further finds that it has given utilities other policy directives to promote energy conservation which do not make the benefits of building out electric vehicle infrastructure, as well as any subsequent increase in energy consumption, readily apparent. Therefore the legislature intends to provide a clear policy directive and financial incentive to utilities for electric vehicle infrastructure build-out.

NEW SECTION. **Sec.**  A new section is added to chapter 80.28 RCW to read as follows:

(1) In establishing rates for each gas and electric company regulated by this chapter, the commission must adopt policies to encourage electric vehicle charging infrastructure build-out. These policies must include but are not limited to allowing a return on investment on capital expenditures for electric vehicle infrastructure that is deployed for the benefit of ratepayers.

(2) A return on investment under this section may be allowed only if the company chooses to pursue capital investment in electric vehicle infrastructure on a fully regulated basis similar to other capital investments in generation, transmission, and distribution assets. In the case of a return on investment allowed under this section, an increment of two percent must be added to the rate of return on common equity allowed on the company's other investments.

(3) Measures or projects encouraged under this section are limited to those for which construction or installation begins after July 1, 2015, and which are reasonably expected, at the time they are placed in the rate base, to result in real and tangible electric vehicle infrastructure being installed and located where customers are most likely to park their vehicles for intervals longer than two hours.

(4) The rate of return increment pursuant to this section may be earned only for a period up to the depreciable life of the asset as defined in the depreciation schedules developed by the company and submitted to the commission for review.

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