
Environment & Energy Committee

HB 1428

Brief Description: Concerning the disclosure of attributes of electricity products.

Sponsors: Representatives Shewmake, Tarleton, Lekanoff and Fitzgibbon; by request of Department of Commerce.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Makes changes to the state's fuel mix disclosure requirements for electric utilities.

Hearing Date: 1/28/19

Staff: Nikkole Hughes (786-7156).

Background:

Fuel Mix Disclosure.

Each electric utility must disclose its actual or imputed annual fuel mix used to generate electricity. The disclosure must provide the percentage attributable to each of the following generation sources: coal, hydroelectricity, natural gas, nuclear, and other. Utilities may separately report a subcategory of natural gas generation to identify high efficiency cogeneration. If a source categorized as other is more than 2 percent of a utility's total mix, then it must identify the component sources, such as biomass, geothermal, solar, and wind.

Any specifically identified source of electricity is considered a declared resource. Utilities that do not declare their resources must report the fuel mix of the Northwest power pool, called the "net system power mix". A renewable resource where the renewable attributes are separated and transferred to another entity must also be reported as the net system power mix. Utilities that purchase electricity from the Bonneville Power Administration (BPA) may disclose the source as the BPA system mix.

Retail electric utilities must make the following information available upon request:

- documentation of ownership of declared resources; or

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- documentation of contractual rights to a stated quantity of electricity from a specific generating facility.

The Department of Commerce compiles fuel mix data from all retail electric utilities in the state, calculates the net system power mix, and publishes an annual fuel mix report.

Summary of Bill:

Fuel Mix Disclosure.

Each electric utility must provide its fuel mix disclosure through an electricity product content label presented in a uniform format.

The fuel characteristics disclosure must identify, for each electricity product, the percentage of the total electricity product sold by an electric utility during the previous year from each of the following categories:

- coal, hydroelectric, natural gas, nuclear, petroleum, solar, and wind;
- unspecified sources; and
- other generation.

If the percentage amount of unspecified sources exceeds zero for an electricity product, the electric utility must include on the label a general description of unspecified sources and an explanation of why some power sources are unknown to the utility.

An electric utility may include with the electricity product content label additional information concerning the quantity of Renewable Energy Certificates (RECs), if not otherwise included in the utility's declared resources, that are retired for compliance with the Energy Independence Act in the reporting year.

Source and Disposition Report.

Each electric utility must report to the Department of Commerce (Department) each year, based on actual and verified activity in the prior year, the following information on its sources and uses of electricity in Washington:

- load, including losses, delivered to retail electric customers;
- purchases or receipts of electricity from declared resources used to serve retail electric customers, by generating facility and fuel types; and
- purchases or receipts of electricity from unspecified sources used to serve retail electric customers.

An electric utility must report an electricity purchase or receipt as a declared resource if the utility was the direct or indirect owner of the generating facility or acquired the electricity in a transaction, supported by an auditable contract trail, in which the buyer and seller specified the source or set of sources of the electricity. A utility must exclude from its declared resources all sales or deliveries of electricity to entities other than its retail electric customers.

An electric utility may not report a declared resource as a renewable resource if the utility does not own the REC or other instrument representing nonpower attributes associated with the resource. Any REC included in the source and disposition report must be created and retired within a certificate tracking system approved by the Department.

Unspecified Fuel Mix Report.

The Department must develop and publish an estimate of the fuel characteristics of the generation sources reasonably available to serve Washington customers and not included as a declared resource of any electric utility. The Department may include or exclude any electricity source as it deems reasonable to accurately represent the characteristics of residual electricity supplies used by electric utilities in Washington. The Department must make available documentation of the inputs and calculations used in making the estimate.

Rulemaking Authority.

The Department may adopt administrative rules to implement the fuel mix disclosure requirements.

Definitions.

"Electricity product content label" means information presented in a uniform format by an electric utility to its retail customers and disclosing information about the characteristics of an electricity product.

"Fuel attribute" means the characteristic of electricity determined by the fuel used in the generation of that electricity. For a renewable resource, the fuel attribute is included in its nonpower attributes.

"Unspecified source" means an electricity source for which the fuel attribute is unknown or has been separated from the energy.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.