

HOUSE BILL REPORT

HB 2594

As Reported by House Committee On:
Environment & Energy

Title: An act relating to disclosures to retail electric and natural gas customers.

Brief Description: Concerning disclosures to retail electric and natural gas customers.

Sponsors: Representatives Boehnke, DeBolt, Shewmake and Goehner.

Brief History:

Committee Activity:

Environment & Energy: 2/4/20, 2/6/20 [DP].

Brief Summary of Bill

- Requires an electric utility or natural gas company to publish, or provide electronically, all proposed changes to its tariff for at least 30 days.
- Requires an electric utility's or natural gas company's tariff change publication to include certain information, including the expected rate impacts of certain regulatory or policy decisions.
- Requires the Energy and Climate Policy Advisory Committee convened by the Department of Commerce under the Washington Clean Energy Transformation Act to consider the establishment of a publicly accessible, statewide digital repository of utility and energy supply data.

HOUSE COMMITTEE ON ENVIRONMENT & ENERGY

Majority Report: Do pass. Signed by 10 members: Representatives Fitzgibbon, Chair; Lekanoff, Vice Chair; DeBolt, Ranking Minority Member; Dye, Assistant Ranking Minority Member; Boehnke, Doglio, Fey, Goehner, Mead and Shewmake.

Minority Report: Do not pass. Signed by 1 member: Representative Robinson.

Staff: Nikkole Hughes (786-7156).

Background:

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.

Disclosures to Retail Electric Customers.

Except for small utilities, each electric utility must provide certain information to its retail electric customers on an annual basis, including:

- a summary of the average electricity rates for each customer class, stated in cents per kilowatt-hour;
- the date of the electric utility's last general rate increase or decrease;
- the identity of the entity responsible for setting rates;
- an explanation of how to receive notice of public hearings where changes in rates will be considered or approved;
- an explanation of the amount invested by the electric utility in conservation, renewable resources, and low-income energy assistance programs, and the source of funding for the investments; and
- an explanation of the amount of federal, state, and local taxes collected and paid by the electric utility, including the amounts collected by the electric utility but paid directly by retail electric customers.

Tariff Changes by Investor-Owned Utilities.

Each investor-owned utility must publish, or provide electronically, all proposed changes to its tariff for at least 30 days. For any proposed tariff change that would increase recurring or per-occurrence charges or restrict access to services, the utility must fulfill certain publication requirements established by the Utilities and Transportation Commission.

Washington Clean Energy Transformation Act.

The Washington Clean Energy Transformation Act (CETA) requires that all retail sales of electricity to Washington customers be greenhouse gas neutral by January 1, 2030, and that nonemitting and renewable resources supply 100 percent of all retail sales of electricity to Washington customers by January 1, 2045.

As part of the CETA, the Department of Commerce was directed to convene an Energy and Climate Policy Advisory Committee by January 1, 2020, to develop recommendations to the Legislature for the coordination of existing resources, or the establishment of new ones, for the purposes of examining the costs and benefits of energy-related policies, programs, functions, activities, and incentives on an ongoing basis and conducting other energy-related studies and analyses as may be directed by the Legislature.

Summary of Bill:

Disclosures to Retail Electric Customers.

Each electric utility, including small utilities, offering service under tariff must publish, or provide electronically, all proposed changes to its tariff for at least 30 days. The publication must be provided for any proposed tariff change that would increase recurring or per-occurrence charges or restrict access to services. The publication must include certain information, such as:

- a brief, plain language explanation of the reason or reasons the utility has requested the rate change and the portion of the rate change attributable to factors such as

- increased labor costs, increased fuel costs, and recovery of transmission or distribution infrastructure investment;
- a brief, plain language statement describing: (a) any regulatory or public policy decisions, including federal, state, and local laws, that have imposed obligations that increase costs for the utility; and (b) the portion of the rate change attributable to each identified regulatory or public policy decision, including separately identifying any portion of those costs reasonably attributable to the Washington Clean Energy Transformation Act (CETA) or rules adopted by state agencies to implement it; and
- the number of retail electric customers enrolled in the utility's low-income energy assistance programs under current rates and any expected increase in the number of enrollees under the proposed rates.

Disclosures to Natural Gas Customers.

Each natural gas company offering service under tariff must publish, or provide electronically, all proposed changes to its tariff for at least 30 days. The publication must be provided for any proposed tariff change that would increase recurring or per-occurrence charges or restrict access to services. The publication must include certain information, such as:

- a brief, plain language explanation of the reason or reasons the company has requested the rate change and the portion of the rate change attributable to factors such as increased labor costs, increased fuel costs, and recovery of natural gas infrastructure investment;
- a brief, plain language statement describing any regulatory or public policy decisions, including federal, state, and local laws, that have imposed obligations that increase costs for the company and the portion of the rate change attributable to each identified regulatory or public policy decision; and
- the number of retail gas customers enrolled in the company's low-income energy assistance programs under current rates and any expected increase in the number of enrollees under the proposed rates.

Washington Clean Energy Transformation Act.

The Energy and Climate Advisory Committee convened by the Department of Commerce must consider the establishment of a publicly accessible, statewide digital repository of utility and energy supply data, including, but not limited to, data relating to tariff changes and the information required to be disclosed to retail customers by electric and natural gas utilities.

Appropriation: None.

Fiscal Note: Requested on January 29, 2020.

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

Staff Summary of Public Testimony:

(In support) This bill is about transparency, accountability, and good government in relation to utility costs. This bill requires the inclusion of plain-language explanations for rate changes. If rates are going up due to local and state decisions, ratepayers should be made aware of that. We should have a state repository collecting statewide energy data. This would serve as a dashboard that would allow members of the public to dial down into discrete data categories.

(Opposed) None.

(Other) The Washington Clean Energy Transformation Act includes cost containment mechanisms. Utilities already go through the notification processes outlined in this bill.

Persons Testifying: (In support) Representative Boehnke, prime sponsor.

(Other) Isaac Kastama, Benton Public Utility District and Franklin Public Utility District; Dave Arbaugh, City of Richland; and Laura Wilkeson, Puget Sound Energy.

Persons Signed In To Testify But Not Testifying: None.