
Environment & Energy Committee

HB 1623

Brief Description: Addressing the extent to which Washington residents are at risk of rolling blackouts and power supply inadequacy events.

Sponsors: Representatives Mosbrucker, Fitzgibbon, Leavitt, Ryu, Duerr, Graham and Wicks.

Brief Summary of Bill

- Extends the requirement for the Department of Commerce and the Utilities and Transportation Commission to convene energy resource adequacy meetings through calendar year 2029.
- Requires the 2022 energy resource adequacy stakeholder meeting to address the risk of rolling blackouts and inadequacy events, discuss how proposed electrification laws and regulations may require new state policy for resource adequacy, and identify incentives to enhance and ensure resource adequacy.

Hearing Date: 1/11/22

Staff: Megan McPhaden (786-7114).

Background:

Washington Clean Energy Transformation Act.

Under the Washington Clean Energy Transformation Act (CETA), electric utilities must:

- eliminate coal-fired resources from their allocation of electricity by December 31, 2025 (Coal Elimination Standard);
- ensure that all retail sales of electricity to Washington customers are greenhouse gas neutral by January 1, 2030 (Greenhouse Gas Neutral Standard); and
- supply 100 percent of all retail sales to Washington customers with nonemitting and

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

renewable resources by January 1, 2045 (Clean Energy Standard).

By January 1, 2024, and at least every four years thereafter, the Department of Commerce must submit a report to the Legislature that includes the following:

- a review of all three standards established under the CETA focused on technologies, forecasts, and existing transmission, and an evaluation of safety, environmental protection, affordability, and system reliability;
- an evaluation identifying the potential benefits and impacts on system reliability associated with achieving the Greenhouse Gas Neutral Standard and Clean Energy Standard; and
- an evaluation identifying the nature of any anticipated financial costs and benefits to electric utilities, including customer rate impacts and benefits.

If the report indicates adverse system reliability impacts from implementation of the Greenhouse Gas Neutral Standard or Clean Energy Standard, then the Governor may suspend or delay implementation of the Greenhouse Gas Neutral Standard or Clean Energy Standard until system reliability impacts can be addressed.

Energy Resource Plans.

Each electric utility is required develop a resource plan that includes at least 10-year estimates of electricity loads and resources to meet those loads, among numerous other requirements that are specific to the type of utility. Investor-owned utilities (IOUs) and consumer-owned utilities (COUs) with 25,000 or more customers that are not fully served by the Bonneville Power Administration (BPA) must develop Integrated Resource Plans (IRPs). Utilities with fewer than 25,000 customers or that are fully served BPA customers must either file an IRP or complete a less-detailed resource plan. All resource plans must be updated at least every two years.

Among other requirements for the IRPs, the IRP must include:

- a determination of resource adequacy metrics for the IRP, consistent with 10-year generation and transmission capacity forecasts; and
- an identification of an appropriate resource adequacy requirement and measurement metric consistent with prudent utility practice in implementing the Coal Elimination Standard, Greenhouse Gas Neutral Standard, and Clean Energy Standard under the CETA.

Resource Adequacy Stakeholder Meetings.

The Washington Department of Commerce and the Utilities and Transportation Commission (UTC) are required to jointly convene a stakeholder meeting at least annually through 2024 to discuss the adequacy of the state's energy resources for meeting electric needs and to address steps utilities can take to coordinate planning in light of changes to the northwest power system. The meeting must include representatives of the investor-owned utilities, consumer-owned utilities, regional planning organizations, transmission operators, and other stakeholders.

Recent Widespread Power Outage Events.

When demand for electricity exceeds available supply, a widespread electrical power outage event may occur, which is often referred to as a blackout. During an event of this nature, utilities

may temporarily shut off power to parts of the electric grid on a rolling basis, which is often referred to as a rolling blackout. Widespread electrical power outage events recently occurred in California in August 2020, and in Texas in February 2021.

Summary of Bill:

Resource Adequacy Stakeholder Meetings.

The Washington Department of Commerce and the UTC are required to jointly convene a stakeholder meeting at least annually through 2029 to discuss the adequacy of the state's energy resources for meeting electric needs and to address steps utilities can take to coordinate planning in light of changes to the northwest power system.

In 2022, the resource adequacy stakeholder meeting must specifically:

- address the extent to which Washington residents are at risk of rolling blackouts and inadequacy events;
- include a survey of stakeholders for policy recommendations to prevent severe blackouts;
- discuss how proposed building and transportation system electrification laws and regulations may require new state policy for resource adequacy; and
- seek to identify regulatory and statutory incentives to enhance and ensure energy resource adequacy and reliability.

Appropriation: None.

Fiscal Note: Not requested.

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