
HOUSE BILL 1130

State of Washington

67th Legislature

2021 Regular Session

By Representatives Dye, Klicker, Young, Jacobsen, and Schmick

Prefiled 01/08/21. Read first time 01/11/21. Referred to Committee on Environment & Energy.

1 AN ACT Relating to consumer affordability and reliability in
2 energy supply; amending RCW 19.405.120; adding a new section to
3 chapter 19.405 RCW; adding a new chapter to Title 80 RCW; and
4 creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that Washingtonians
7 care about affordable and reliable energy. Washingtonians care about
8 low-income residents and vulnerable populations who struggle to pay
9 utility bills. Washingtonians care about those with health conditions
10 that make them vulnerable to power outages during heat waves or cold
11 snaps. Washingtonians care about the good jobs lost when good-paying
12 energy-intensive jobs pass on our state. While the state has
13 described the goals of affordability and reliability in various
14 places in statute, the state has never set a framework for achieving
15 these energy policy goals that our residents care about, such as
16 reducing the total cost of utility bills, reducing the number of
17 people in need of energy assistance, or reducing the number and
18 duration of power outages. Instead, to date, the state has only set a
19 mandate for achieving carbon emissions reductions.

20 The legislature finds that many families in Washington are
21 burdened by energy costs. Utility bill delinquency rates are growing

1 and there is a growing need for ratepayer-subsidized energy
2 assistance and home weatherization programs. The legislature
3 recognizes that this energy cost burden can fall disproportionately
4 on historically disadvantaged communities. As lower-income residents
5 in Washington face rising energy costs, these costs act as a
6 regressive tax, those residents pay a larger portion of their limited
7 income toward utility bills than those with higher incomes.

8 The legislature recognizes that for decades this state has
9 neglected to honor the values of affordability and reliability with
10 sufficient balance and commitment. Although affordability and
11 reliability are priorities of our state's residents, the state has no
12 mandates, statutory performance standards, or targets for affordable
13 energy prices and grid reliability. With the passage of the clean
14 energy transformation act in 2019, the state only recently directed
15 that the department of commerce begin the collection and reporting of
16 baseline data on the level of household energy burden and the number
17 of people in Washington in need of low-income energy assistance.
18 Household energy burden was defined as the share of household income
19 spent on home energy bills. Tracking the cost as a percentage of
20 income, rather than tracking total bill costs, may obscure real
21 localized increases in costs if average incomes in the state are
22 rising, or if additional taxes and fees are imposed. In addition,
23 tracking home energy burden alone can obscure increased costs to
24 families from electrification of transportation if the costs of
25 charging personal vehicles is not included in the data collected.

26 Therefore, the legislature intends to restore balance to its
27 energy policy by complementing its statutory commitment to clean
28 energy with a commitment to leadership in affordable and reliable
29 energy. The legislature intends to set targets for meaningful cost
30 reductions to utility bills and significant improvement in grid
31 reliability, direct a plan to achieve those reductions along with an
32 economic impact study, and direct better collection and presentation
33 of baseline data on energy cost experiences of Washington residents.

34 NEW SECTION. **Sec. 2.** (1)(a) The state shall limit retail
35 electricity and natural gas utility bill costs to achieve the
36 following cost reductions for Washington retail electric and natural
37 gas customers in all rate classes: By 2031, reduce cumulative bill
38 costs within each rate class for each electric and natural gas

1 utility to 50 percent below 1990 levels or 50 percent below 2020
2 levels, whichever is lower.

3 (b) For the purposes of this subsection, "bill costs" means the
4 amount spent to pay annual energy bills inclusive of any amounts paid
5 for electric vehicle charging, taxes, and fees.

6 (2) The state shall achieve the best reliability for the safety
7 and security of Washington retail electric and natural gas customers
8 in all rate classes by limiting service outages as follows: By 2031,
9 reduce cumulative power outages and energy supply disruptions to 50
10 percent below 1990 levels or 50 percent below 2020 levels, whichever
11 is lower.

12 (3) (a) By December 1, 2022, the public counsel unit of the office
13 of the attorney general must submit a report to the legislature that:
14 (i) Describes the actions necessary to achieve the affordability and
15 reliability improvements in subsections (1) and (2) of this section
16 using existing statutory authority; and (ii) provides
17 recommendations, if any, for additional statutory authority as may be
18 necessary to achieve these objectives.

19 (b) The report required under this subsection must be informed by
20 an economic impact analysis that identifies the following:

21 (i) The cumulative cost impact of power outages in Washington
22 since 1990 and what the economic impact would be of a range of
23 percentage reductions in the number and duration of outages since
24 that time and up to 2050; and

25 (ii) The cumulative cost savings and economic and employment
26 impact of the additional cash flow in the economy resulting from the
27 statewide bill cost reductions required under subsection (1) of this
28 section.

29 (c) To the extent practicable, the report required under this
30 subsection must separately state the bill costs and reliability
31 experience of residents in Indian country in Washington and of any
32 other historically disadvantaged communities, as well as any
33 particularized benefits that those communities may experience from
34 improved reliability and lower bill costs, such as improved health
35 outcomes, increased employment opportunities, or increased disposable
36 incomes.

37 (d) The public counsel unit of the office of the attorney general
38 is authorized to require the submission by any utility provider,
39 agency, or political subdivision of the state of such information,
40 reports, and data as are necessary to document current and historical

1 bill costs, and the frequency and duration of loss of load events,
2 and to prepare the economic impact analysis required under subsection
3 (2)(b) of this section. Similar information, reports, and data may be
4 requested, but are not required, from sovereign tribal nations.

5 (e) It is the intent of the legislature to provide financial
6 resources to the public counsel unit of the office of the attorney
7 general sufficient to develop the plan required under this section by
8 providing at least as much as has been appropriated by the state
9 since 2013 to fund agency review and third-party consulting on the
10 removal of dams on the lower Snake river and for the evaluation of
11 Washington's potential for high-speed rail.

12 NEW SECTION. **Sec. 3.** A new section is added to chapter 19.405
13 RCW to read as follows:

14 To the extent practicable, rules developed under this chapter
15 must incorporate the policy objectives of reaching the targets for
16 reliability and cost established under section 2 (1) and (2) of this
17 act and the information that becomes available upon completion of the
18 report required in section 2(3) of this act.

19 **Sec. 4.** RCW 19.405.120 and 2019 c 288 s 12 are each amended to
20 read as follows:

21 (1) It is the intent of the legislature to ~~((demonstrate progress~~
22 ~~toward making energy assistance funds available to low-income~~
23 ~~households consistent with the policies identified in this section))~~
24 reduce the need for energy assistance funds by lowering the actual
25 amount retail electric and natural gas customers in the state spend
26 on energy in real dollar terms.

27 (2) An electric utility must make programs and funding available
28 for energy assistance to low-income households by July 31, 2021. Each
29 utility must demonstrate progress in providing energy assistance
30 pursuant to the assessment and plans in subsection (4) of this
31 section. To the extent practicable, priority must be given to low-
32 income households with a higher energy burden.

33 (3) Beginning July 31, 2020, the department must collect and
34 aggregate data estimating the energy burden, the number of electric
35 and gas utility customers with accounts delinquent more than 60 days
36 and the total average dollar amount of delinquency, and energy
37 assistance need and reported energy assistance for each electric
38 utility, in order to improve agency and utility efforts to serve low-

1 income households with energy assistance and to achieve the objective
2 of reducing real dollar amounts spent on energy. The department must
3 update the aggregated data on a biennial basis, make it publicly
4 accessible on its internet website and(~~(, to the extent practicable,~~
5 ~~include geographic attributes)) provide the aggregated data
6 differentiated by city, county, and legislative district in order to
7 increase political accountability.~~

8 (a) The aggregated data published by the department must include,
9 but is not limited to:

10 (i) The estimated number and demographic characteristics of
11 households served by energy assistance for each utility and the
12 dollar value of the assistance, and the number of accounts delinquent
13 more than 60 days and the total average dollar amount of delinquency
14 for each rate class;

15 (ii) The estimated level of energy burden, inclusive of electric
16 vehicle charging costs, and energy assistance need among customers
17 served, accounting for household income and other drivers of energy
18 burden;

19 (iii) Housing characteristics including housing type, home
20 vintage, and fuel types; and

21 (iv) Energy efficiency potential.

22 (b) Each utility must disclose information to the department for
23 use under this subsection, including:

24 (i) The amount and type of energy assistance and the number and
25 type of households, if applicable, served for programs administered
26 by the utility;

27 (ii) The amount of money passed through to third parties that
28 administer energy assistance programs; and

29 (iii) Subject to availability, any other information related to
30 the utility's low-income assistance programs that is requested by the
31 department.

32 (c) The information required by (b) of this subsection must be
33 from the electric utility's most recent completed budget period and
34 in a form, timeline, and manner as prescribed by the department.

35 (4)(a) In addition to the requirements under subsection (3) of
36 this section, each electric utility must submit biennially to the
37 department an assessment of:

38 (i) The programs and mechanisms used by the utility to reduce
39 energy burden and the effectiveness of those programs and mechanisms
40 in both short-term and sustained energy burden reductions;

1 (ii) The outreach strategies used to encourage participation of
2 eligible households, including consultation with community-based
3 organizations and Indian tribes as appropriate, and comprehensive
4 enrollment campaigns that are linguistically and culturally
5 appropriate to the customers they serve in vulnerable populations;
6 and

7 (iii) A cumulative assessment of previous funding levels for
8 energy assistance compared to the funding levels needed to meet: (A)
9 Sixty percent of the current energy assistance need, or increasing
10 energy assistance by fifteen percent over the amount provided in
11 2018, whichever is greater, by 2030; and (B) ninety percent of the
12 current energy assistance need by 2050.

13 (b) The assessment required in (a) of this subsection must
14 include a plan to improve the effectiveness of the assessed
15 mechanisms and strategies toward meeting the energy assistance need.

16 (5) A consumer-owned utility may enter into an agreement with a
17 public university, community-based organization, or joint operating
18 agency organized under chapter 43.52 RCW to aggregate the disclosures
19 required in this section and submit the assessment required in
20 subsections (3) and (4) of this section.

21 (6)(a) The department must submit a biennial report to the
22 legislature that:

23 (i) Aggregates information into a statewide summary of energy
24 assistance programs, energy burden, ~~((and energy assistance need))~~
25 total bill costs inclusive of fees and taxes, and energy assistance
26 need, providing transparency to the public by displaying the data for
27 each city, county, and legislative district;

28 (ii) Identifies and quantifies current expenditures on low-income
29 energy assistance; ~~((and))~~

30 (iii) Evaluates the effectiveness of additional optimal
31 mechanisms for energy assistance including, but not limited to,
32 customer rates, a low-income specific discount, system benefits
33 charges, and public and private funds; and

34 (iv) Evaluates trends in the impact of vehicle charging costs on
35 household and business energy burden, and trends for account
36 delinquency, including total dollar amounts delinquent in each city,
37 county, and legislative district.

38 (b) The department must also assess mechanisms to prioritize
39 energy assistance towards low-income households with a higher energy
40 burden.

1 (7) Nothing in this section may be construed to restrict the
2 rate-making authority of the commission or the governing body of a
3 consumer-owned utility as otherwise provided by law.

4 NEW SECTION. **Sec. 5.** Sections 1 and 2 of this act constitute a
5 new chapter in Title 80 RCW.

6 NEW SECTION. **Sec. 6.** This act may be known and cited as the
7 Washington consumer affordability and reliability in energy supply
8 act.

--- END ---