

SENATE BILL REPORT

SHB 1117

As Passed Senate - Amended, April 11, 2023

Title: An act relating to addressing the extent to which Washington residents are at risk of rolling blackouts and power supply inadequacy events.

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

Sponsors: House Committee on Environment & Energy (originally sponsored by Representatives Mosbrucker, Dye, Leavitt, Schmidt, Christian and Walsh).

Brief History: Passed House: 3/4/23, 95-0.

Committee Activity: Environment, Energy & Technology: 3/17/23, 3/24/23 [DPA].

Floor Activity: Passed Senate - Amended: 4/11/23, 47-2.

Brief Summary of Bill (As Amended by Senate)

- Extends the requirement for the Department of Commerce and the Utilities and Transportation Commission to convene the annual resource adequacy meetings from January 1, 2025, to January 1, 2031.
- Requires the 2023 resource adequacy meeting to address strategies to ensure power supply adequacy and avoid the risk of rolling blackouts, discuss how proposed electrification laws and regulations may require new state policy for resource adequacy, identify incentives to enhance and ensure resource adequacy and reliability, and invite Pacific Northwest National Laboratory (PNNL) to provide relevant analytics if their regional energy analytics capability is established.
- Adds PNNL to the list of stakeholders for the annual resource adequacy meetings.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

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.

Majority Report: Do pass as amended.

Signed by Senators Nguyen, Chair; Lovelett, Vice Chair; MacEwen, Ranking Member; Boehnke, Lovick, Short, Trudeau and Wellman.

Staff: Kimberly Cushing (786-7421)

Background: Clean Energy Transformation Act. In 2019, the Legislature passed the Clean Energy Transformation Act (CETA), which requires Washington's electric utilities to meet 100 percent of their retail electric load using non-emitting and renewable resources by January 1, 2045. CETA requires electric utilities to eliminate coal-fired resources from their allocation of electricity by December 31, 2025, and make all retail sales of electricity greenhouse gas (GHG) neutral by January 1, 2030.

Resource Adequacy Meetings. At least once every 12 months, the Department of Commerce (Commerce) and the Utilities and Transportation Commission (UTC) must jointly convene a meeting of representatives of the investor-owned utilities, consumer-owned utilities, regional planning organizations, transmission operators, and other stakeholders to discuss the current, short-term, and long-term adequacy of energy resources to serve Washington's electric needs and address specific steps the utilities can take to coordinate planning in light of changes to the northwest power system.

The changes may include technological developments, retirements of legacy baseload power generation resources, and changes in the laws and regulations affecting power supply options.

The first resource adequacy meeting was held on May 11, 2021. The requirement to hold annual meetings expires January 1, 2025.

Summary of Amended Bill: The 2023 resource adequacy meeting convened by Commerce and the UTC must:

- address strategies to ensure power supply adequacy to avoid the risk of rolling blackouts;
- discuss how proposed laws and regulations might require new state policy for resource adequacy;
- seek to identify regulatory and statutory incentives to enhance and ensure resource adequacy and reliability; and
- invite the Pacific Northwest National Laboratory (PNNL), if regional energy analytics capability has been established at PNNL, to provide relevant analytics to inform the discussion.

The requirement to hold annual resource adequacy meetings is extended six years to January 1, 2031. Representatives from PNNL's energy analytics experts are added to the list of stakeholders to be included in the annual meetings.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Substitute House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: As we transition into a green environment, we need to ensure that the grid we use every single day maintains stability. This is a simple bill that passed the House and Senate unanimously last year. The bill brings additional scrutiny to CETA and is another tool to protect against customer costs. Reliability risks will be a growing problem in Washington and we believe this bill is an important tool to figure out those risks. While we've been doing system reliability and integration of renewables since 1995, we all know CETA is pushing the system and we need to make sure the planning is done along with the visionary policies put in place.

Persons Testifying: PRO: Representative Gina Mosbrucker, Prime Sponsor; Peter Godlewski, Association of Washington Business; Nicolas Garcia, WPUDA; Jim Smith, Public Utility District #1 of Klickitat County.

Persons Signed In To Testify But Not Testifying: No one.