

SENATE BILL REPORT

SB 5165

As of January 17, 2023

Title: An act relating to electric power system transmission planning.

Brief Description: Concerning electric power system transmission planning.

Sponsors: Senators Nguyen, Mullet, Boehnke, Frame, Hasegawa, Keiser, Nobles and Stanford;
by request of Office of the Governor.

Brief History:

Committee Activity: Environment, Energy & Technology: 1/18/23.

Brief Summary of Bill

- Changes required transmission planning from a 10- to 20-year forecast under integrated resource plans.
- Requires transmission planners to consider conditional firm service for renewable energy projects.
- Requires a transmission project to seek certification from the Energy Facility Site Evaluation Council if it is over 500,000 volts, located in more than one county, and located in more than one electric utility's service territory.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

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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

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greenhouse gas neutral by January 1, 2030.

Integrated Resource Plans. All investor-owned and consumer-owned electric utilities in the state with more than 25,000 customers must develop integrated resource plans (IRPs). All other electric utilities in the state, including those that essentially receive all their power from the Bonneville Power Administration, must file either an IRP or a less-detailed resource plan (RP).

An IRP must include a number of components, such as the mix of generating resources and conservation and efficiency resources that will meet current and projected needs at the lowest reasonable cost to the utility and its ratepayers. IRPs and RPs must be updated every two years. Investor-owned utilities (IOUs) must submit their plans to the Utilities and Transportation Commission . Consumer-owned utilities (COUs) must file a copy of their plans with the Department of Commerce.

Clean Energy Action Plan. An IOU must adopt a ten-year clean energy action plan for implementing CETA at the lowest reasonable cost and at an acceptable resource adequacy standard that identifies the specific actions to be taken by the IOU consistent with its long-range integrated resource plan. .

Energy Facility Site Evaluation Council. Created in 1970, the Energy Facility Site Evaluation Council (EFSEC) is the permitting and certifying authority for siting major energy facilities in Washington. An EFSEC site certification agreement (SCA) authorizes an applicant to construct and operate an energy facility in lieu of permits or documents required by any other state agency or subdivision. As part of the SCA process, EFSEC issues all state and federal air and water-discharge permits.

The Transmission Corridors Work Group. Under CETA, the Legislature directed the EFSEC to convene a Transmission Corridors Work Group (TCWG) to review the need for new or upgraded transmission to meet Washington’s renewable energy goals; identify where transmission and distribution facilities may need to be enhanced or constructed; and identify environmental review options and recommend ways to expedite review of transmission projects without compromising required environmental and cultural protection.

The TCWG issued its final report in October 2022, and identified several key themes, including regional and interregional planning, staff resources in state agencies; enhanced resources for tribes; and pre-application planning and coordination.

National Environmental Policy Act. The National Environmental Policy Act (NEPA) was signed into law on January 1, 1970. NEPA requires federal agencies to assess the environmental effects of their proposed actions prior to making decisions.

Summary of Bill: Electric Utility Integrated Resource Plans. An IRP must include an assessment and 20-year, rather than 10-year, forecast of the availability of and requirements

for regional generation and transmission capacity to provide and deliver electricity to the utility's customers and to meet the requirements of CETA. The transmission assessment must take into account the state's emissions reduction limits, opportunities to make more effective use of existing transmission capacity, and the electrification of transportation and other end uses historically met using fossil fuels. The assessment must also identify the utility's expected needs to develop new, or expand or upgrade existing, bulk transmission facilities.

Electric utilities must give reasonable consideration to renewable resources that would use transmission services considered to be conditional firm under the tariff of the relevant transmission provider. Conditional firm service, for this purpose, means any form of long-term firm point-to-point transmission service where transmission customers are able to reserve service but the transmission provider may curtail the service under specific and limited conditions prior to curtailment of other firm service.

Electric utilities are encouraged to satisfy the transmission planning requirements in their IRP through statewide or multiutility planning activities and through interstate transmission planning processes. To improve the planning and development of transmission capacity, they must seek support of federal, interstate, and voluntary industry organizations with a role in the bulk power transmission system.

Clean Energy Action Plans. COUs with more than 25,000 customers must also provide the same information the IOUs had been required to provide in a clean energy action plan, such as:

- identify and be informed by the utility's ten-year cost-effective conservation potential assessment;
- establish a resource adequacy requirement;
- identify the potential cost-effective demand response and load management programs, renewable resources, nonemitting electric generation, and distributed energy resources that may be acquired; and
- identify the nature and possible extent to which the utility may need to rely on alternative compliance options under CETA.

When identifying any need to develop new, or expand or upgrade existing, bulk transmission and distribution facilities the clean energy action plan must document existing and planned efforts by the utility to secure additional transmission capacity consistent with its IRP.

Energy Facility Site Evaluation Council Certification. EFSEC certification is required for construction, reconstruction, or enlargement of new or existing electrical transmission facilities that are:

- of a nominal voltage of at least 500,000 volts;
- located in more than one county; and
- located in the Washington service area of more than one retail electric utility.

The EFSEC director must coordinate state agency participation in environmental review under NEPA for electrical transmission projects proposed or sited by a federal agency.

The bill updates the reference to the National Energy Policy Act of 2005.

Appropriation: None.

Fiscal Note: Requested on January 9, 2023.

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

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