H-1321.1

SUBSTITUTE HOUSE BILL 1117

State of Washington 68th Legislature 2023 Regular Session

By House Environment & Energy (originally sponsored by Representatives Mosbrucker, Dye, Leavitt, Schmidt, Christian, and Walsh)

READ FIRST TIME 02/16/23.

AN ACT Relating to addressing the extent to which Washington residents are at risk of rolling blackouts and power supply inadequacy events; amending RCW 19.280.065; creating a new section; and providing an expiration date.

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

6 NEW SECTION. Sec. 1. The legislature finds that the electric 7 grid is undergoing profound changes. Due to decreasing costs of 8 renewable generation and policies like the clean energy transformation act, the grid is gradually evolving from one built to 9 10 deliver to the customer electricity from centralized electric 11 generation plants to one with variable energy resources like wind 12 turbines and solar panels dispersed geographically across a broad 13 landscape. As described in the 2021 Washington state energy strategy, 14 the grid that our region is transitioning to will require greater 15 transmission capacity and make greater use of energy storage and 16 customer-side resources to manage the generation on the supply side.

As clean electricity replaces fossil fuels in the state's economy, the transmission and distribution infrastructure, the sticks and wires of the grid, must meet increasingly complex service requirements and loads. The changing demand includes, but is not limited to, population changes, vehicle charging, serving other 1 specialized technology that requires high power quality, 2 electrification of building-related end uses now served by fossil 3 fuels, electricity deployed on the customer side of the meter through 4 net metering, community solar programs, and the growth of demand 5 response programs.

6 Further, the clean energy transformation act requires that 7 utilities making investments in new resources after May 2019, rely on energy efficiency, demand response, renewable resources, and energy 8 storage to the maximum extent feasible, while transitioning away from 9 10 coal and natural gas-fired generation. Electric utilities are 11 actively working to ensure resource adequacy through the development 12 of explicit resource adequacy standards and a standardized resource adequacy program. This work is ongoing and should result in a binding 13 and enforceable program with a robust public oversight mechanism. 14 15 Understanding and addressing any energy adequacy challenges created 16 by a deeply decarbonized grid is key to keeping the state's supply of 17 electricity reliable.

18 Sec. 2. RCW 19.280.065 and 2020 c 63 s 2 are each amended to 19 read as follows:

20 (1) At least once every twelve months, the department and the 21 commission shall jointly convene a meeting of representatives of the 22 investor-owned utilities and consumer-owned utilities, regional organizations, transmission 23 planning operators, and other 24 stakeholders to discuss the current, short-term, and long-term 25 adequacy of energy resources to serve the state's electric needs, and address specific steps the utilities can take to coordinate planning 26 27 in light of the significant changes to the Northwest's power system limited to, technological developments, 28 including, not but retirements of legacy baseload power generation resources, and 29 30 changes in laws and regulations affecting power supply options. The 31 department and commission shall provide a summary of these meetings, 32 including any specific action items, to the governor and legislature within sixty days of the meeting. 33

(2) <u>In 2023, the meeting convened by the department and the</u> commission pursuant to subsection (1) of this section must address strategies to ensure power supply adequacy to avoid the risk of rolling blackouts. The meeting must also focus discussion on the extent to which proposed laws and regulations may require new state policy for resource adequacy. The stakeholder meeting should seek to

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- 1 identify regulatory and statutory incentives to enhance and ensure
- 2 <u>resource adequacy and reliability.</u>
- 3 (3) This section expires January 1, ((2025)) <u>2031</u>.

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