CERTIFICATION OF ENROLLMENT

SECOND SUBSTITUTE HOUSE BILL 1032

68th Legislature 2023 Regular Session

Passed by the House March 4, 2023 Yeas 96 Nays 0

Speaker of the House of Representatives

Passed by the Senate April 8, 2023 Yeas 48 Nays 0

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE HOUSE BILL 1032** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

President of the Senate

Approved

FILED

Secretary of State State of Washington

Governor of the State of Washington

SECOND SUBSTITUTE HOUSE BILL 1032

Passed Legislature - 2023 Regular Session

State of Washington 68th Legislature 2023 Regular Session

By House Appropriations (originally sponsored by Representatives Dent, Chapman, Ryu, Reed, Graham, Ramel, Pollet, Griffey, Reeves, Tharinger, Wylie, Springer, Kloba, and Donaghy)

READ FIRST TIME 02/24/23.

AN ACT Relating to mitigating the risk of wildfires through electric utility planning and identification of best management practices appropriate to each electric utility's circumstances; amending RCW 76.04.780; adding a new section to chapter 76.04 RCW; adding a new section to chapter 80.28 RCW; adding a new section to chapter 19.29A RCW; and creating new sections.

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

8 <u>NEW SECTION.</u> Sec. 1. (1) It is in the best interest of the 9 state, our citizens, and our natural resources to identify the 10 sources of wildland fires; identify and implement best practices to 11 reduce the prevalence and intensity of those wildland fires; put 12 those practices in place; and by putting those practices in place, 13 reduce the risk of wildland fires and damage and losses resulting 14 from those fires.

15 (2) The legislature finds that electric utilities are partners 16 with relevant state agencies, emergency responders, and public and 17 private entities in identifying best practices to reduce the risk of and prevent wildland fires. Many electric utilities have developed 18 19 are implementing wildfire mitigation plans. The legislature and 20 further finds that electric utilities should adopt and implement 21 wildfire mitigation plans, and that electric utilities should be

1 informed by recognized best practices, as applicable to their 2 geography, terrain, vegetation, and other characteristics specific in 3 their service area, for reducing wildland fire risk and reducing 4 damage from wildland fires as may be ignited by electric utility 5 equipment.

6 (3) Therefore, the legislature intends to authorize the 7 identification of best practices guidelines and to require that 8 electric utilities provide their wildfire mitigation plans to the 9 state in order to promote public transparency.

10 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 76.04 11 RCW to read as follows:

(1) The department, in consultation with the energy resilience 12 13 and emergency management office of the department of commerce, shall contract with an independent consultant with experience in developing 14 15 electric utility wildfire mitigation plans to develop an electric 16 utility wildfire mitigation plan format and a list of elements to be 17 included in electric utility wildfire mitigation plans. When 18 developing the plan format and list of elements, the department shall seek input from the utilities and transportation commission, the 19 20 utility wildland fire prevention advisory committee, electric utilities, the state fire marshal, the governor's office of Indian 21 22 affairs, and the public. By April 1, 2024, the department shall make public a recommended format and list of elements for electric utility 23 24 wildfire mitigation plans. The department may update these guidelines 25 annually if needed, but not more than once in each year.

(2) The recommended elements must acknowledge that utilities serve areas that vary in topography, vegetation, population, and other characteristics, and that best practices guidelines within each element must recognize that a utility's wildfire mitigation measures will be designed to fit site-specific circumstances. The recommended elements must include, but are not limited to:

32 (a) Vegetation management along transmission and distribution33 lines and near associated equipment;

34 (b) Infrastructure inspection and maintenance repair activities, 35 schedules, and recordkeeping;

36 (c) Modifications or upgrades to facilities and construction of 37 new facilities to incorporate cost-effective measures to minimize 38 fire risk;

(d) Preventative programs, including adoption of new technologies
 to harden utility infrastructure;

3 (e) Operational procedures;

4 (f) Identification of appropriate widths for vegetation 5 management and rights-of-way, including the consideration of fire-6 resistant vegetation alternatives; and

7 (g) Public and interested parties' engagement and communication8 plans addressing wildfire safety and risk mitigation.

9 (3) The recommended format and list of elements identified by the 10 department must be forwarded to the utilities and transportation 11 commission, the energy resilience and emergency management office of 12 the department of commerce, and all electric utilities in Washington 13 state for a review period of no less than three months prior to 14 finalizing the format and list of elements that utilities will use to 15 adopt or update their electric utility wildfire mitigation plan.

16 (4) The department will provide technical assistance to all 17 electric utilities to support inclusion of these guidelines in the 18 revision of their plans.

19 (5) By December 31, 2024, the department must submit to the 20 appropriate committees of the senate and house of representatives a 21 compilation and summary of existing wildfire mitigation plans 22 maintained by electric utilities.

(6) The definitions in this subsection apply throughout thissection unless the context clearly requires otherwise.

(a) "Consumer-owned utility" means a municipal electric utility
formed under Title 35 RCW, a public utility district formed under
Title 54 RCW, an irrigation district formed under chapter 87.03 RCW,
a cooperative formed under chapter 23.86 RCW, or a mutual corporation
or association formed under chapter 24.06 RCW, that is engaged in the
business of distributing electricity to more than one retail electric
customer in the state.

32 (b) "Electric utility" means a consumer-owned utility or an 33 investor-owned utility as defined in this section.

34 (c) "Investor-owned utility" means a corporation owned by 35 investors that meets the definition of "corporation" as defined in 36 RCW 80.04.010 and is engaged in distributing electricity to more than 37 one retail electric customer in the state.

38 <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 80.28
39 RCW to read as follows:

1 (1) By October 31, 2024, and every three years thereafter, each 2 investor-owned utility must review and, if appropriate, revise its 3 wildfire mitigation plan. When reviewing or revising a wildfire 4 mitigation plan, an investor-owned utility must use the recommended 5 format and elements pursuant to section 2 of this act.

6 (a) Local fire protection districts must be provided the opportunity to provide input for each wildfire mitigation plan. Each 7 investor-owned utility must submit its wildfire mitigation plan to 8 the utilities and transportation commission for review, and the 9 commission will confirm whether or not the plan contains the 10 recommended elements. Each investor-owned utility must provide a copy 11 12 of their wildfire mitigation plan to the department of natural resources, along with a list and description of wildland fires 13 involving utility equipment over the previous two years as reported 14 by the department of natural resources. The wildfire mitigation plan 15 16 must be submitted to the utility wildland fire prevention advisory 17 committee created in RCW 76.04.780 to be posted on their website as specified in RCW 76.04.780. 18

(b) The utilities and transportation commission is not liable for an investor-owned utility's implementation of its wildfire mitigation plan. An investor-owned utility may pursue recovery of costs and investments associated with a wildfire mitigation plan through a proceeding to set rates at the commission.

(c) Investor-owned utilities are encouraged to submit any 2023 wildfire mitigation plans to the utility wildland fire prevention advisory committee created in RCW 76.04.780 prior to the revision date required in this subsection.

(2) Nothing in this section prohibits an investor-owned utility
 from reviewing or updating its wildfire mitigation plan more often
 than required in subsection (1) of this section.

31 (3) For the purposes of this section, the term "investor-owned 32 utility" means a corporation owned by investors that meets the 33 definition of "corporation" as defined in RCW 80.04.010 and is 34 engaged in distributing electricity to more than one retail electric 35 customer in the state.

36 <u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 19.29A 37 RCW to read as follows:

38 (1) By October 31, 2024, and every three years thereafter, each 39 consumer-owned utility must review, if appropriate revise, and adopt

2SHB 1032.PL

1 its wildfire mitigation plan. When reviewing or revising a wildfire 2 mitigation plan, a consumer-owned utility must use the recommended 3 format and elements pursuant to section 2 of this act.

(a) The governing board of each consumer-owned utility shall 4 review the plan. Local fire protection districts must be provided the 5 6 opportunity to provide input. After the governing board's review, the 7 utility must provide a copy to the department of natural resources, along with a list and description of wildland fires involving utility 8 equipment within its customer service area over the previous two 9 years as reported by the department of natural resources. The plan 10 11 must be submitted to the utility wildland fire prevention advisory 12 committee created in RCW 76.04.780 to be posted on their website as specified in RCW 76.04.780. 13

14 (b) The department of natural resources is not responsible for a consumer-owned utility's implementation of its wildfire mitigation 15 16 plan. The department's review of the consumer-owned utility's wildfire mitigation plan and any recommendations associated with the 17 review do not constitute a reasonableness review or approval of 18 19 recovery of any measure, investment, cost, or other component of the 20 plan.

(c) Consumer-owned utilities are encouraged to submit any 2023 wildfire mitigation plans to the utility wildland fire prevention advisory committee created in RCW 76.04.780 prior to the revision date required in this subsection.

(2) Two or more abutting consumer-owned utilities may codevelop a wildfire mitigation plan. Wildfire mitigation plans that are codeveloped by more than one utility may identify areas of common implementation, including communication protocols, that will assist in implementing the identified recommended elements pursuant to section 2 of this act.

31 (3) Nothing in this section prohibits a consumer-owned utility 32 from reviewing or updating its wildfire mitigation plan more often 33 than required in subsection (1) of this section.

34 Sec. 5. RCW 76.04.780 and 2021 c 183 s 1 are each amended to 35 read as follows:

36 (1) The commissioner shall convene a utility wildland fire 37 prevention advisory committee with electrical power distribution 38 utilities by August 1, 2021. The duties of the advisory committee are 39 to advise the department on issues including, but not limited to:

2SHB 1032.PL

1 (a) Matters related to the ongoing implementation of the relevant 2 recommendations of the electric utility wildland fire prevention task 3 force established in chapter 77, Laws of 2019, and by August 1, 2021, 4 with an update by May 30, 2024, and updated every three years 5 thereafter:

6 (i) ((Finalizing)) Implementing and updating as appropriate a 7 model agreement for managing danger trees and other vegetation 8 adjacent to utility rights-of-way on state uplands managed by the 9 department;

10 (ii) Implementing <u>and updating</u> recommendations of the task force 11 related to communications and information exchanges between the 12 department and utilities;

(iii) Implementing <u>and updating</u> recommendations of the task force related to protocols and thresholds when implementing provisions of RCW 76.04.015; and

16 (iv) Implementing <u>and updating</u> recommendations of the task force 17 related to creating rosters of certified wildland fire investigator 18 firms or persons and qualified utility operations personnel who may 19 be called upon as appropriate;

(b) Providing a forum for electric utilities, the department, and 20 other fire suppression organizations of the state to identify and 21 22 develop solutions to issues of ((wildfire)) wildland fire prevention 23 risk mitigation specifically related to electric utilities and transmission and distribution networks, identification of 24 best 25 management practices, electric utility infrastructure protection, and 26 wildland fire suppression and response;

(c) Establishing <u>and updating</u> joint public communications
protocols among members of the advisory committee, and other
entities, to inform residents of the state of potential critical fire
weather events and the potential for power outages or disruptions;

31 (d) Providing comment to the wildland fire advisory committee 32 established in RCW 76.04.179 through an annual presentation 33 addressing policies and priorities of the utility wildland fire 34 prevention advisory committee; and

35 (e) All other related issues deemed necessary by the 36 commissioner.

37 (2) By August 1, 2021, the department must post on its website 38 and update quarterly as necessary:

39 (a) Communication protocols and educational exchanges between the40 department and electric utilities;

1 (b) A voluntary model danger tree management agreement to 2 utilities for their consideration for execution with the department;

3 (c) Protocols and thresholds that may be utilized when the 4 department's investigation involves electric utility infrastructure 5 or potential electric utility liability; and

6 (d) A roster of third-party certified wildland fire investigators 7 and qualified utility personnel that may assist the department or 8 utility in understanding and reducing risks and liabilities from 9 wildland fire.

10 (3) Beginning July 1, 2022, and at the beginning of each 11 subsequent biennium thereafter, the department must submit, in 12 compliance with RCW 43.01.036, a report describing the prior biennium 13 proceedings of the advisory committee, including identification of 14 recommended legislation, if any, necessary to prevent wildfires 15 related to electric utilities.

(4) The utility wildland fire prevention advisory committee must 16 17 develop recommendations for strengthening state agency coordination of wildland fire risk reduction, prevention, and suppression. In this 18 19 work, the utility wildland fire prevention advisory committee shall seek the views of the wildland fire advisory committee created under 20 RCW 76.04.179, as well as the views of the energy resilience and 21 emergency management office of the department of commerce and the 22 23 utilities and transportation commission.

24 (5) The utility wildland fire prevention advisory committee must 25 host electric utility wildfire mitigation plans as described under 26 section 4 of this act on its website.

27 (6) The commissioner or the commissioner's designee must chair 28 the advisory committee created in subsection (1) of this section and 29 must appoint advisory committee members. <u>The commissioner shall</u> 30 <u>invite a representative of the energy resilience and emergency</u> 31 <u>management office of the department of commerce and a representative</u> 32 <u>of the utilities and transportation commission.</u> Advisory committee 33 membership should <u>also</u> include:

34

(a) Entities providing retail electric service, including:

35 (i) One person representing each investor-owned utility;

36 (ii) Two persons representing municipal utilities;

37 (iii) Two persons representing public utility districts;

38 (iv) Two persons representing rural electric cooperatives <u>or</u> 39 mutual corporations or associations;

40

(v) One person representing small forestland owners;

1

(vi) One person representing industrial forestland owners;

2 (b) Other persons with expertise in wildland fire risk reduction 3 and prevention; ((and))

4 (c) ((No more than two other)) Other persons ((designated by))
5 whom the commissioner((-

(5) In addition to the advisory committee membership established
in subsection (4) of this section, the commissioner shall designate
two additional advisory committee members)) deems appropriate to
carry out the functions of the advisory committee; and

10 <u>(d) Two persons</u> representing historically marginalized or 11 underrepresented communities.

12 (((6))) <u>(7)</u> The commissioner or the commissioner's designee shall 13 convene the initial meeting of the advisory committee. The advisory 14 committee chair must schedule and hold meetings on a regular basis, 15 at a minimum of twice per year but not more than four times per year, 16 in order to expeditiously accomplish the duties and make 17 recommendations regarding the elements described in this section.

18 (((7))) <u>(8)</u> The members of the advisory committee, or individuals 19 acting on their behalf, are immune from civil liability for official 20 acts performed in the course of their duties specifically related to 21 the advisory committee.

(((8))) <u>(9)</u> Participation on the advisory committee created in subsection (1) of this section is strictly voluntary and without compensation. A lack of volunteers or applicants for any category may not prevent the committee from meeting and conducting its business.

26 (((-9))) (10) Any requirements in this section are subject to the 27 availability of amounts appropriated for the specific purposes 28 described.

29 <u>NEW SECTION.</u> Sec. 6. If specific funding for the purposes of 30 this act, referencing this act by bill or chapter number, is not 31 provided by June 30, 2023, in the omnibus appropriations act, this 32 act is null and void.

--- END ---