

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1955

68th Legislature
2024 Regular Session

Passed by the House January 29, 2024
Yeas 96 Nays 0

**Speaker of the House of
Representatives**

Passed by the Senate February 28,
2024
Yeas 49 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1955** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

HOUSE BILL 1955

Passed Legislature - 2024 Regular Session

State of Washington

68th Legislature

2024 Regular Session

By Representatives Barnard, Doglio, Ramos, Reeves, and Hackney; by request of Department of Commerce

Prefiled 12/15/23. Read first time 01/08/24. Referred to Committee on Environment & Energy.

1 AN ACT Relating to repealing the greenhouse gas content
2 disclosure provision; amending RCW 19.405.020; and repealing RCW
3 19.405.070.

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

5 NEW SECTION. **Sec. 1.** RCW 19.405.070 (Greenhouse gas content
6 calculation) and 2019 c 288 s 7 are each repealed.

7 **Sec. 2.** RCW 19.405.020 and 2023 c 233 s 1 are each amended to
8 read as follows:

9 The definitions in this section apply throughout this chapter
10 unless the context clearly requires otherwise.

11 (1) "Allocation of electricity" means, for the purposes of
12 setting electricity rates, the costs and benefits associated with the
13 resources used to provide electricity to an electric utility's retail
14 electricity consumers that are located in this state.

15 (2) "Alternative compliance payment" means the payment
16 established in RCW 19.405.090(2).

17 (3) "Attorney general" means the Washington state office of the
18 attorney general.

19 (4) "Auditor" means: (a) The Washington state auditor's office or
20 its designee for utilities under its jurisdiction under this chapter

1 that are consumer-owned utilities; or (b) an independent auditor
2 selected by a utility that is not under the jurisdiction of the state
3 auditor and is not an investor-owned utility.

4 (5) (a) "Biomass energy" includes: (i) Organic by-products of
5 pulping and the wood manufacturing process; (ii) animal manure; (iii)
6 solid organic fuels from wood; (iv) forest or field residues; (v)
7 untreated wooden demolition or construction debris; (vi) food waste
8 and food processing residuals; (vii) liquors derived from algae;
9 (viii) dedicated energy crops; and (ix) yard waste.

10 (b) "Biomass energy" does not include: (i) Wood pieces that have
11 been treated with chemical preservatives such as creosote,
12 pentachlorophenol, or copper-chrome-arsenic; (ii) wood from old
13 growth forests; or (iii) municipal solid waste.

14 (6) "Carbon dioxide equivalent" has the same meaning as defined
15 in RCW 70A.45.010.

16 (7) (a) "Coal-fired resource" means a facility that uses coal-
17 fired generating units, or that uses units fired in whole or in part
18 by coal as feedstock, to generate electricity.

19 (b) (i) "Coal-fired resource" does not include an electric
20 generating facility that is included as part of a limited duration
21 wholesale power purchase, not to exceed one month, made by an
22 electric utility for delivery to retail electric customers that are
23 located in this state for which the source of the power is not known
24 at the time of entry into the transaction to procure the electricity.

25 (ii) "Coal-fired resource" does not include an electric
26 generating facility that is subject to an obligation to meet the
27 standards contained in RCW 80.80.040(3)(c).

28 (8) "Commission" means the Washington utilities and
29 transportation commission.

30 (9) "Conservation and efficiency resources" means any reduction
31 in electric power consumption that results from increases in the
32 efficiency of energy use, production, transmission, or distribution.

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

1 (11) "Demand response" means changes in electric usage by demand-
2 side resources from their normal consumption patterns in response to
3 changes in the price of electricity, or to incentive payments
4 designed to induce lower electricity use, at times of high wholesale
5 market prices or when system reliability is jeopardized. "Demand
6 response" may include measures to increase or decrease electricity
7 production on the customer's side of the meter in response to
8 incentive payments.

9 (12) "Department" means the department of commerce.

10 (13) "Distributed energy resource" means a nonemitting electric
11 generation or renewable resource or program that reduces electric
12 demand, manages the level or timing of electricity consumption, or
13 provides storage, electric energy, capacity, or ancillary services to
14 an electric utility and that is located on the distribution system,
15 any subsystem of the distribution system, or behind the customer
16 meter, including conservation and energy efficiency.

17 (14) "Electric utility" or "utility" means a consumer-owned
18 utility or an investor-owned utility.

19 (15) "Energy assistance" means a program undertaken by a utility
20 to reduce the household energy burden of its customers.

21 (a) Energy assistance includes, but is not limited to,
22 weatherization, conservation and efficiency services, and monetary
23 assistance, such as a grant program or discounts for lower income
24 households, intended to lower a household's energy burden.

25 (b) Energy assistance may include direct customer ownership in
26 distributed energy resources or other strategies if such strategies
27 achieve a reduction in energy burden for the customer above other
28 available conservation and demand-side measures.

29 (16) "Energy assistance need" means the amount of assistance
30 necessary to achieve a level of household energy burden established
31 by the department or commission.

32 (17) "Energy burden" means the share of annual household income
33 used to pay annual home energy bills.

34 (18)(a) "Energy transformation project" means a project or
35 program that: Provides energy-related goods or services, other than
36 the generation of electricity; results in a reduction of fossil fuel
37 consumption and in a reduction of the emission of greenhouse gases
38 attributable to that consumption; and provides benefits to the
39 customers of an electric utility.

1 (b) "Energy transformation project" may include but is not
2 limited to:

3 (i) Home weatherization or other energy efficiency measures,
4 including market transformation for energy efficiency products, in
5 excess of: The target established under RCW 19.285.040(1), if
6 applicable; other state obligations; or other obligations in effect
7 on May 7, 2019;

8 (ii) Support for electrification of the transportation sector
9 including, but not limited to:

10 (A) Equipment on an electric utility's transmission and
11 distribution system to accommodate electric vehicle connections, as
12 well as smart grid systems that enable electronic interaction between
13 the electric utility and charging systems, and facilitate the
14 utilization of vehicle batteries for system needs;

15 (B) Incentives for the sale or purchase of electric vehicles,
16 both battery and fuel cell powered, as authorized under state or
17 federal law;

18 (C) Incentives for the installation of charging equipment for
19 electric vehicles;

20 (D) Incentives for the electrification of vehicle fleets
21 utilizing a battery or fuel cell for electric supply;

22 (E) Incentives to install and operate equipment to produce or
23 distribute renewable hydrogen; and

24 (F) Incentives for renewable hydrogen fueling stations;

25 (iii) Investment in distributed energy resources and grid
26 modernization to facilitate distributed energy resources and improved
27 grid resilience;

28 (iv) Investments in equipment for renewable natural gas
29 processing, conditioning, and production, or equipment or
30 infrastructure used solely for the purpose of delivering renewable
31 natural gas for consumption or distribution;

32 (v) Contributions to self-directed investments in the following
33 measures to serve the sites of large industrial gas and electrical
34 customers: (A) Conservation; (B) new renewable resources; (C) behind-
35 the-meter technology that facilitates demand response cooperation to
36 reduce peak loads; (D) infrastructure to support electrification of
37 transportation needs, including battery and fuel cell
38 electrification; or (E) renewable natural gas processing,
39 conditioning, or production; and

1 (vi) Projects and programs that achieve energy efficiency and
2 emission reductions in the agricultural sector, including bioenergy
3 and renewable natural gas projects.

4 (19) "Fossil fuel" means natural gas, petroleum, coal, or any
5 form of solid, liquid, or gaseous fuel derived from such a material.

6 (20) "Governing body" means: The council of a city or town; the
7 commissioners of an irrigation district, municipal electric utility,
8 or public utility district; or the board of directors of an electric
9 cooperative or mutual association that has the authority to set and
10 approve rates.

11 (21) "Greenhouse gas" includes carbon dioxide, methane, nitrous
12 oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and
13 any other gas or gases designated by the department of ecology by
14 rule under RCW 70A.45.010.

15 ~~((22) ("Greenhouse gas content calculation" means a calculation
16 expressed in carbon dioxide equivalent and made by the department of
17 ecology, in consultation with the department, for the purposes of
18 determining the emissions from the complete combustion or oxidation
19 of fossil fuels and the greenhouse gas emissions in electricity for
20 use in calculating the greenhouse gas emissions content in
21 electricity.~~

22 ~~((23))~~ "Highly impacted community" means a community designated
23 by the department of health based on cumulative impact analyses in
24 RCW 19.405.140 or a community located in census tracts that are fully
25 or partially on "Indian country" as defined in 18 U.S.C. Sec. 1151.

26 ~~((24))~~ (23) "Investor-owned utility" means a company owned by
27 investors that meets the definition of "corporation" in RCW 80.04.010
28 and is engaged in distributing electricity to more than one retail
29 electric customer in the state.

30 ~~((25))~~ (24) "Low-income" means household incomes as defined by
31 the department or commission, provided that the definition may not
32 exceed the higher of eighty percent of area median household income
33 or two hundred percent of the federal poverty level, adjusted for
34 household size.

35 ~~((26))~~ (25)(a) "Market customer" means a nonresidential
36 customer of an electric utility that: (i) Purchases electricity from
37 an entity or entities other than the utility with which it is
38 directly interconnected; or (ii) generates electricity to meet one
39 hundred percent of its own needs.

1 (b) An "affected market customer" is a customer of a utility who
2 becomes a market customer after May 7, 2019.

3 ~~((27))~~ (26) (a) "Natural gas" means naturally occurring mixtures
4 of hydrocarbon gases and vapors consisting principally of methane,
5 whether in gaseous or liquid form, including methane clathrate.

6 (b) "Natural gas" does not include renewable natural gas or the
7 portion of renewable natural gas when blended into other fuels.

8 ~~((28))~~ (27) (a) "Nonemitting electric generation" means
9 electricity from a generating facility or a resource that provides
10 electric energy, capacity, or ancillary services to an electric
11 utility and that does not emit greenhouse gases as a by-product of
12 energy generation.

13 (b) "Nonemitting electric generation" does not include renewable
14 resources.

15 ~~((29))~~ (28) (a) "Nonpower attributes" means all environmentally
16 related characteristics, exclusive of energy, capacity reliability,
17 and other electrical power service attributes, that are associated
18 with the generation of electricity, including but not limited to the
19 facility's fuel type, geographic location, vintage, qualification as
20 a renewable resource, and avoided emissions of pollutants to the air,
21 soil, or water, and avoided emissions of carbon dioxide and other
22 greenhouse gases.

23 (b) "Nonpower attributes" does not include any aspects, claims,
24 characteristics, and benefits associated with the on-site capture and
25 destruction of methane or other greenhouse gases at a facility
26 through a digester system, landfill gas collection system, or other
27 mechanism, which may be separately marketable as greenhouse gas
28 emission reduction credits, offsets, or similar tradable commodities.
29 However, these separate avoided emissions may not result in or
30 otherwise have the effect of attributing greenhouse gas emissions to
31 the electricity.

32 ~~((30))~~ (29) "Qualified transmission line" means an overhead
33 transmission line that is: (a) Designed to carry a voltage in excess
34 of one hundred thousand volts; (b) owned in whole or in part by an
35 investor-owned utility; and (c) primarily or exclusively used by such
36 an investor-owned utility as of May 7, 2019, to transmit electricity
37 generated by a coal-fired resource.

38 ~~((31))~~ (30) "Renewable energy credit" means a tradable
39 certificate of proof of one megawatt-hour of a renewable resource.
40 The certificate includes all of the nonpower attributes associated

1 with that one megawatt-hour of electricity and the certificate is
2 verified by a renewable energy credit tracking system selected by the
3 department.

4 ~~((32))~~ (31) "Renewable hydrogen" means hydrogen produced using
5 renewable resources both as the source for the hydrogen and the
6 source for the energy input into the production process.

7 ~~((33))~~ (32) "Renewable natural gas" means a gas consisting
8 largely of methane and other hydrocarbons derived from the
9 decomposition of organic material in landfills, wastewater treatment
10 facilities, and anaerobic digesters.

11 ~~((34))~~ (33) "Renewable resource" means: (a) Water; (b) wind;
12 (c) solar energy; (d) geothermal energy; (e) renewable natural gas;
13 (f) renewable hydrogen; (g) wave, ocean, or tidal power; (h)
14 biodiesel fuel that is not derived from crops raised on land cleared
15 from old growth or first growth forests; or (i) biomass energy.

16 ~~((35))~~ (34)(a) "Retail electric customer" means a person or
17 entity that purchases electricity from any electric utility for
18 ultimate consumption and not for resale.

19 (b) "Retail electric customer" does not include, in the case of
20 any electric utility, any person or entity that purchases electricity
21 exclusively from carbon-free and eligible renewable resources, as
22 defined in RCW 19.285.030 as of January 1, 2019, pursuant to a
23 special contract with an investor-owned utility approved by an order
24 of the commission prior to May 7, 2019.

25 ~~((36))~~ (35) "Retail electric load" means the amount of
26 megawatt-hours of electricity delivered in a given calendar year by
27 an electric utility to its Washington retail electric customers.
28 "Retail electric load" does not include:

29 (a) Megawatt-hours delivered from qualifying facilities under the
30 federal public utility regulatory policies act of 1978, P.L. 95-617,
31 in operation prior to May 7, 2019, provided that no entity other than
32 the electric utility can make a claim on delivery of the megawatt-
33 hours from those resources; or

34 (b) Megawatt-hours delivered to an electric utility's system from
35 a renewable resource through a voluntary renewable energy purchase by
36 a retail electric customer of the utility in which the renewable
37 energy credits associated with the megawatt-hours delivered are
38 retired on behalf of the retail electric customer.

39 ~~((37))~~ (36) "Thermal renewable energy credit" means, with
40 respect to a facility that generates electricity using biomass energy

1 that also generates thermal energy for a secondary purpose, a
2 renewable energy credit that is equivalent to three million four
3 hundred twelve thousand British thermal units of energy used for such
4 secondary purpose.

5 ~~((38))~~ (37) "Unbundled renewable energy credit" means a
6 renewable energy credit that is sold, delivered, or purchased
7 separately from electricity. All thermal renewable energy credits are
8 considered unbundled renewable energy credits.

9 ~~((39))~~ (38) "Unspecified electricity" means an electricity
10 source for which the fuel attribute is unknown or has been separated
11 from the energy delivered to retail electric customers.

12 ~~((40))~~ (39) "Vulnerable populations" means communities that
13 experience a disproportionate cumulative risk from environmental
14 burdens due to:

15 (a) Adverse socioeconomic factors, including unemployment, high
16 housing and transportation costs relative to income, access to food
17 and health care, and linguistic isolation; and

18 (b) Sensitivity factors, such as low birth weight and higher
19 rates of hospitalization.

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