

SSB 5466 - S AMD 161

By Senator Shewmake

ADOPTED 03/10/2025

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that Washington
4 has committed to decarbonizing its electricity system so that it is
5 carbon neutral by 2030 and carbon free by 2045. Achieving those goals
6 includes retiring coal and gas resources, adding new generation from
7 renewable and nonemitting resources, and leveraging energy storage
8 technologies. At the same time, demand for electricity is increasing
9 significantly due to the electrification of vehicles, home heating
10 and cooling, and manufacturing, and the expansion of the information
11 services sector in Washington. There are significant federal, state,
12 and private investments in clean energy development, including wind,
13 solar, and battery storage, that support decarbonization goals and
14 supply new electrical load. However, Washington's existing
15 transmission system lacks the capacity to accommodate the growing
16 demand for clean electricity.

17 (2) The legislature also finds that extreme weather events and
18 changes to seasonal highs and lows puts new strain on the existing
19 transmission system and threatens reliability. Extreme weather events
20 such as high-speed winds, floods, freezing, and heat domes can damage
21 grid infrastructure and cause disruptions to the power supply. Warmer
22 summers and colder winters increase the need for heating and cooling
23 and thereby intensify and extend periods of peak demand.

24 (3) The legislature further finds that to maintain reliability
25 and build resilience, Washington's transmission system needs to be
26 expanded and upgraded to access diverse portfolios of clean and
27 reliable energy across the region, including solar resources in the
28 southwest and wind resources across the mountain west. A more robust
29 and updated transmission system will support affordability and
30 reliability goals by enabling the efficient dispatch of least-cost
31 resources across the region.

1 (4) Therefore, it is the intent of the legislature to create the
2 Washington electric transmission authority to improve transmission
3 reliability, resilience, and affordability. The Washington electric
4 transmission authority will serve as a centralized body to achieve
5 these goals by engaging in long-term planning; providing development
6 transmission services; coordinating siting and permitting; leveraging
7 research; and engaging with utilities, transmission developers, local
8 jurisdictions, state agencies, regional entities, the federal
9 government, and affected communities. The legislature intends for the
10 authority to achieve the following goals:

- 11 (a) Improve reliability and resilience, including during extreme
12 weather events;
- 13 (b) Increase access to low-cost renewable energy;
- 14 (c) Achieve clean electricity requirements and greenhouse gas
15 emissions limits;
- 16 (d) Support economic growth; and
- 17 (e) Maintain affordable energy rates.

18 **PART I - WASHINGTON ELECTRIC TRANSMISSION AUTHORITY**

19 NEW SECTION. **Sec. 2.** The definitions in this section apply
20 throughout this chapter unless the context clearly requires
21 otherwise.

22 (1) "Authority" means the Washington electric transmission
23 authority.

24 (2) "Board of directors" means the authority's board of
25 directors.

26 (3) "Department" means the department of commerce.

27 (4) "Grid-enhancing technologies" means hardware and software
28 that increases the capacity of electrical lines and improves the
29 efficiency, reliability, and safety of the grid. Grid-enhancing
30 technologies include, but are not limited to, dynamic line rating
31 systems, advanced power flow control systems, and optimization
32 software.

33 (5) "Nonwires alternative" means any electrical grid investment
34 that is intended to defer or remove the need to construct or upgrade
35 components of a distribution and/or transmission system.

36 (6) "Reconductoring with advanced conductors" means replacing the
37 existing electric conductor with a conductor that increases the
38 capacity of the electrical grid and/or improves efficiency,

1 reliability, and safety. Advanced conductors may include, but are not
2 limited to, conductors that have electrical resistance of at least 10
3 percent lower than existing conductors of a similar diameter, or high
4 temperature low sag conductors.

5 NEW SECTION. **Sec. 3.** (1) The Washington electric transmission
6 authority is hereby created as a public body. The authority is an
7 instrumentality of the state exercising essential government
8 functions related to electric transmission.

9 (2) The purpose of the authority is to:

10 (a) Support the expeditious and efficient expansion of new
11 electric transmission capacity within the state that are prudent and
12 needed to serve Washington customers;

13 (b) Support the development of community microgrids, distributed
14 energy resources, and energy conservation;

15 (c) Pursue cost-effective nonwire alternatives to increase the
16 capacity of existing electrical infrastructure;

17 (d) Be a statewide resource for developing and coordinating
18 upgrades to existing transmission lines;

19 (e) Collaborate with electric utilities, independent transmission
20 developers, local jurisdictions, neighboring states, regional
21 entities, and the federal government to develop interstate and
22 regional transmission resources;

23 (f) Evaluate opportunities for regional wholesale markets; and

24 (g) Support community and economic development.

25 (3) To the greatest extent practicable, when carrying out its
26 duties, the authority must seek to:

27 (a) Protect cultural and natural resources;

28 (b) Avoid impacts to overburdened communities and vulnerable
29 populations;

30 (c) Support good jobs;

31 (d) Maximize the use of existing rights-of-way for transmission
32 development; and

33 (e) Mitigate wildfire risk.

34 (4) The authority must employ an executive director, who must be
35 appointed by the board of directors created under section 4 of this
36 act. Approval by an affirmative vote of at least five members of the
37 board is required for any decisions regarding employment of the
38 executive director. The board may fix the compensation of the

1 executive director. The executive director must employ staff
2 sufficient to accomplish the purposes of this act.

3 (5) The authority must update the transmission needs assessment
4 developed by the department under section 5 of this act no later than
5 October 30, 2031, and no less than every five years thereafter.

6 (6) The authority must submit a report of its activities to the
7 governor and to the appropriate committees of the legislature by
8 December 1, 2025, and annually every July 1st thereafter. The report
9 must include operating and financial statements covering the
10 operations of the authority for the previous fiscal year.

11 (7) The authority and any eligible facilities acquired by the
12 authority are not subject to the supervision, regulation, control, or
13 jurisdiction of the Washington utilities and transportation
14 commission, provided that nothing in this act shall be interpreted to
15 allow an electrical company regulated under Title 80 RCW to include
16 the cost of eligible facilities in its rate base without the approval
17 of the Washington utilities and transportation commission.

18 NEW SECTION. **Sec. 4.** (1) A board of directors is created to
19 hire the executive director and advise the authority on policies that
20 are consistent with the purposes of this chapter.

21 (2) The nine members of the board are as follows:

22 (a) The director of the department, or the director's designee;

23 (b) One member appointed by the governor with special knowledge
24 of the public utility industry;

25 (c) One member appointed by the governor with knowledge of land
26 use planning and law and local permitting processes;

27 (d) One member appointed by the governor with expertise in clean
28 energy development;

29 (e) One member appointed by the governor with expertise in
30 ratepayer protection;

31 (f) One member appointed by the governor representing electrical
32 workers with expertise in building electric transmission;

33 (g) One member appointed by the governor with experience
34 financing large infrastructure projects;

35 (h) One member appointed by the governor with knowledge of
36 wildlife conservation and land use policies; and

37 (i) One member appointed by the governor from a federally
38 recognized Indian tribe whose treaty ceded areas or usual and
39 accustomed places included parts of Washington.

1 (3) No member may represent a person that owns or operates
2 electric generating or transmission facilities.

3 (4) Members of the board appointed by the governor must serve
4 four-year terms. However, the governor must stagger the terms of six
5 of the initial appointees for terms of one, two, and three years. At
6 the end of the term, these members may be reappointed by the
7 governor, or the governor may choose to appoint a new member.

8 (5) Decisions of the board require a simple majority vote of all
9 the members on the board.

10 (6) Members of the board must elect a chair from among its
11 membership to serve for a two-year period.

12 (7) The board must meet at least quarterly.

13 (8) The department must provide staff support to the board.

14 (9) Members of the board must serve without additional
15 compensation but must be reimbursed for travel expenses as provided
16 by RCW 43.03.050 and 43.03.060.

17 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.330
18 RCW to read as follows:

19 (1) The department must:

20 (a) Develop and adopt a 20-year transmission needs assessment.

21 (i) The needs assessment must:

22 (A) Identify high priority corridors that are needed to meet
23 current and forecasted transmission demand, including whether new
24 transmission lines could be built on existing rights-of-way. High
25 priority corridor identification must include:

26 (I) The forecasted transmission and interconnection demands of
27 clean energy projects sited in Washington necessary to meet clean
28 energy transformation act targets under RCW 19.405.010; and

29 (II) Lower conflict siting approaches to identify areas with
30 forecasted transmission demands for in-state clean energy generation,
31 such as areas identified in the Washington state university least-
32 conflict solar siting process, the United States department of energy
33 renewable energy siting through technical engagement and planning
34 program, or clean energy zones identified by the state;

35 (B) Identify investments in existing transmission lines, such as
36 grid-enhancing technologies and reconductoring with advanced
37 conductors, that can unlock additional capacity and improve network
38 performance to alleviate the need for new transmission lines;

1 (C) Identify and evaluate non-wires alternatives, such as demand
2 response, energy storage, microgrids, and energy efficiency;

3 (D) Identify for the authority regional and interregional
4 transmission forums, and opportunities to coordinate, investigate,
5 plan, prioritize, and negotiate with entities within and outside the
6 state for the establishment of interstate transmission corridors;

7 (E) Coordinate with and provide transmission-related expertise to
8 relevant state agencies;

9 (F) Consider opportunities to colocate transmission corridors
10 along existing rights-of-way for other infrastructure; and

11 (G) Align with the state energy strategy as defined in RCW
12 43.21F.025.

13 (ii) When developing the needs assessment, the department may
14 consider existing planning already completed by electric utilities in
15 Washington state and consult the board of directors about using
16 existing transmission plans developed by regional or federal entities
17 and must avoid, to the greatest extent practicable, duplicating plans
18 or related analysis already produced by and made available by such
19 entities.

20 (iii) The department must complete the first needs assessment by
21 October 30, 2026;

22 (b) Provide assistance to local governments and tribal
23 governments that are permitting the construction and operation of
24 electric transmission projects which includes, but is not limited to,
25 easily accessible information on advanced transmission technologies
26 in Washington and identifying applicable codes and ordinances that
27 support transmission facilities for the purpose of providing
28 frameworks that local and tribal governments may consider and adopt
29 to suit local circumstances;

30 (c) Identify the appropriate debt financing instruments needed to
31 improve capacity to develop electric transmission in Washington. The
32 department may consult with the office of the state treasurer and the
33 office of the attorney general. By November 1, 2025, the department
34 must submit a report that analyzes financing options for the
35 authority and provides recommendations to the governor and the
36 appropriate committees of the legislature.

37 (2) The definitions in section 2 of this act apply throughout
38 this section unless the context clearly requires otherwise.

39 NEW SECTION. **Sec. 6.** The authority may:

- 1 (1) Adopt rules as necessary to implement this chapter;
- 2 (2) Utilize the services of executive departments of the state
3 upon mutually agreeable terms and conditions;
- 4 (3) Exercise the power of eminent domain as outlined under the
5 provisions of chapter 8.04 RCW only for land acquisition necessary to
6 secure property or rights-of-way for new transmission corridors for
7 public use consistent with the purposes of this act;
- 8 (4) Enter into contracts and agreements;
- 9 (5) Solicit, receive, and expend gifts, grants, and donations;
- 10 (6) Apply for and accept federal loans and related assistance;
- 11 (7) (a) Enter into partnerships with public or private entities,
12 which may include a fee schedule for services provided under a
13 partnership; and
- 14 (b) When entering into partnerships on transmission projects:
 - 15 (i) Serve as the state environmental policy act lead; and
 - 16 (ii) Serve as tribal consultation lead pursuing reasonable
17 efforts to facilitate government-to-government consultation regarding
18 the entities' partnership with federally recognized Indian tribes
19 affected by the partnership;
- 20 (8) Engage in transmission planning activities with entities
21 within and outside the state of Washington, along with regional and
22 interregional cost allocation process discussions;
- 23 (9) Lease, purchase, accept donations of, or otherwise own, hold,
24 improve, or use any property;
- 25 (10) Sell, lease, exchange, or otherwise dispose of any property;
- 26 (11) (a) Own electric transmission equipment and systems;
- 27 (b) Ownership of transmission facilities by the authority may not
28 exceed the extent and duration necessary or useful to promote the
29 public interest. Before becoming an owner or partial owner of any
30 electric transmission facilities, the authority must develop and
31 publish a plan identifying:
 - 32 (i) The public purposes of the authority's ownership;
 - 33 (ii) The conditions that would make the authority's ownership no
34 longer necessary for accomplishing those public purposes; and
 - 35 (iii) A plan to divest the authority of ownership of the facility
36 as soon as economically prudent once those conditions occur;
- 37 (12) (a) Select a qualified transmission builder or operator, as
38 defined by the authority in rule, to build, finance, plan, acquire,
39 maintain, or operate an electric transmission project;

1 (b) Before developing a project, the authority must adopt
2 criteria in rule for when the authority may proceed to construction
3 in the absence of selecting a qualified transmission builder only as
4 a last resort in instances where the authority identifies a pressing
5 need for a project and there is no ready and willing qualified
6 transmission builder;

7 (13) Sell a state-owned electric transmission project at any
8 stage of development.

9 (a) The authority may sell a project to an electric utility
10 serving customers in the state of Washington, a joint operating
11 agency formed under RCW 43.52.360, the Bonneville power
12 administration, an independent transmission developer, or an
13 independent system operator.

14 (b) Before selling a project that is not part of a partnership
15 agreement, the authority must adopt criteria in rule for developing a
16 transparent process including issuing a competitive request for
17 proposals, evaluating proposals, and selecting a project buyer.

18 (c) The authority is not required to sell to the highest bidder.
19 The authority must adopt criteria in rule to determine when the
20 authority would continue developing or owning a project after
21 receiving bids on a request for proposal if it determines, after a
22 thorough internal examination, that it is in the best interest of the
23 public to continue owning the project; and

24 (14) Adopt criteria in rule for an initial local investment
25 commitment fee and annual local investment commitment fee for high
26 voltage projects that the authority develops, owns, or sells under
27 this chapter. Rule making will provide that the fees are distributed
28 among counties, cities, towns, and federally recognized Indian tribes
29 whose treaty ceded areas or usual and accustomed places included
30 parts of Washington, in proportion to the project's impact, and that
31 the fees are appurtenant to the project such that the assessed fees
32 are transferred with the title if the project is sold.

33 NEW SECTION. **Sec. 7.** The electric transmission operating
34 account is created in the state treasury. All receipts from
35 appropriations made by the legislature, federal funds, or gifts or
36 grants from the private sector or foundations and other sources must
37 be deposited in the account. Moneys in the account may be spent only
38 after appropriation. Expenditures from the account may be used only
39 for operating cost purposes consistent with this chapter.

1 NEW SECTION. **Sec. 8.** The electric transmission capital account
2 is created in the state treasury. All moneys received for the
3 acquisition, sale, management, and administration of the authority's
4 duties under this chapter for electric transmission projects
5 including, but not limited to, proceeds from the sale of land and/or
6 improvements, fees collected for services provided to transmission
7 developers, local investment commitment fees, interest earned on
8 investments in the account, and all other revenue related to electric
9 transmission projects created or acquired pursuant to this chapter
10 must be deposited into the account. The account is authorized to
11 receive fund transfers and appropriations from the general fund, as
12 well as gifts, grants, and endowments from public or private sources
13 as may be made from time to time. Moneys in the account may be spent
14 only after appropriation. Expenditures from the account may be used
15 by the executive director of the authority, or the executive
16 director's designee, to reimburse management costs incurred by the
17 authority on electric transmission projects, for the acquisition of
18 interests in land or other real property to be managed as electric
19 transmission projects, and for all other nonoperating cost purposes
20 consistent with this chapter.

21 NEW SECTION. **Sec. 9.** (1) Information obtained by the authority
22 that is critical energy infrastructure information or proprietary
23 technical or business information shall be confidential and not
24 subject to inspection or disclosure pursuant to chapter 42.56 RCW.

25 (2) For the purposes of this section, the following definitions
26 apply:

27 (a) "Critical energy infrastructure" means systems and assets,
28 whether physical or virtual, the incapacity or destruction of which
29 threatens to disrupt or diminish the supply of energy to the extent
30 that the public health, safety, and general welfare may be
31 jeopardized.

32 (b) "Critical energy infrastructure information" means
33 information regarding critical energy infrastructure where the
34 information:

35 (i) Contains records of actual, potential, or threatened
36 interference with, attacks on, compromise of, or incapacitation of
37 critical energy infrastructure or protected systems by either
38 physical or computer-based attacks, or other similar conduct that
39 violates federal, state, or local law, harms interstate commerce of

1 Washington state or the United States, or threatens to disrupt or
2 diminish the supply of energy to the extent that the public health,
3 safety, and general welfare may be jeopardized; or

4 (ii) Does not simply give the general location of or relay
5 publicly available information about the critical energy
6 infrastructure.

7 **PART II - APPLICATION OF THE STATE ENVIRONMENTAL POLICY ACT TO**
8 **TRANSMISSION IMPROVEMENTS**

9 NEW SECTION. **Sec. 10.** A new section is added to chapter 43.21C
10 RCW to read as follows:

11 The following utility-related upgrading and rebuilding activities
12 for existing electric transmission lines over 115 kilovolts, except
13 on lands covered by water or underwater, are categorically exempt
14 from compliance with this chapter:

15 (1) Rebuilding or upgrading within an existing right-of-way
16 including reconductoring with advanced conductors and grid-enhancing
17 technologies as defined in section 2 of this act;

18 (2) Relocating segments of transmission lines within an existing
19 right-of-way or within adjacent previously disturbed or developed
20 lands; and

21 (3) Widening an existing transmission line right-of-way to meet
22 current electrical standards. The widening must be within previously
23 disturbed or developed lands and only as needed to comply with
24 applicable electrical standards.

25 NEW SECTION. **Sec. 11.** A new section is added to chapter 43.21C
26 RCW to read as follows:

27 (1) For a project that is categorically exempt under section 10
28 of this act, the authority must notify the department of archaeology
29 and historic preservation created in chapter 43.334 RCW and each
30 federally recognized Indian tribe with usual and accustomed areas and
31 ceded treaty areas in the area where the right-of-way exists before
32 commencing the project. The purpose of the notification and
33 consultation required under this section is to allow the authority to
34 determine that there are no existing archaeological, cultural, or
35 tribal resources in the right-of-way. The department of archaeology
36 and historic preservation may require a survey to be done in
37 coordination with the affected federally recognized Indian tribe,

1 must ensure that consultation with such tribes occurs, and must
2 determine whether archaeological, cultural, or tribal resources are
3 identified in an existing right-of-way. If any such resources are
4 identified, the department of archaeology and historic preservation
5 must ensure that the utility or transmission developer accounts for
6 and protects the resources under chapter 27.53 RCW. Information
7 provided by the federally recognized Indian tribe must be kept
8 confidential and exempt from public disclosure under chapter 42.56
9 RCW.

10 (2) The definitions in section 2 of this act apply throughout
11 this section unless the context clearly requires otherwise.

12 **PART III - INCENTIVES FOR ELECTRIC TRANSMISSION INVESTMENT**

13 NEW SECTION. **Sec. 12.** A new section is added to chapter 80.28
14 RCW to read as follows:

15 (1) In establishing rates for each electrical company regulated
16 under this title, the commission may allow an incentive rate of
17 return on investment through December 31, 2040, on capital
18 expenditures for grid-enhancing technologies and reconductoring with
19 advanced conductors as defined in section 2 of this act that are
20 deployed for the benefit of ratepayers on transmission owned and
21 operated by the electrical company. The commission must consider and
22 may adopt other policies to encourage increased deployment of
23 electric transmission infrastructure improvements that increase the
24 capacity of existing transmission infrastructure.

25 (2) An incentive rate of return on investment under this section
26 may be allowed only if the company chooses to pursue capital
27 investments in grid-enhancing technologies or reconductoring with
28 advanced conductors. In the case of an incentive rate of return on
29 investment allowed under this section, an increment of up to two
30 percent may be added to the rate of return on common equity allowed
31 on the company's other investments with demonstrated benefits to
32 ratepayers.

33 (3) The incentive rate of return on investment authorized in
34 subsection (2) of this section applies only to projects which have
35 been installed after July 1, 2025.

36 (4) The incentive rate of return on investment increment pursuant
37 to this section may be earned only for a period of 15 years. By
38 December 31, 2029, the commission must report to the appropriate

1 committees of the legislature on the use of any incentives allowed
2 under this section, the quantifiable impacts of the incentives on
3 electric transmission deployment, and any recommendations to the
4 legislature about further utility investments in electric
5 transmission.

6 **PART IV - MISCELLANEOUS**

7 **Sec. 13.** RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12
8 are each reenacted and amended to read as follows:

9 (1) All earnings of investments of surplus balances in the state
10 treasury shall be deposited to the treasury income account, which
11 account is hereby established in the state treasury.

12 (2) The treasury income account shall be utilized to pay or
13 receive funds associated with federal programs as required by the
14 federal cash management improvement act of 1990. The treasury income
15 account is subject in all respects to chapter 43.88 RCW, but no
16 appropriation is required for refunds or allocations of interest
17 earnings required by the cash management improvement act. Refunds of
18 interest to the federal treasury required under the cash management
19 improvement act fall under RCW 43.88.180 and shall not require
20 appropriation. The office of financial management shall determine the
21 amounts due to or from the federal government pursuant to the cash
22 management improvement act. The office of financial management may
23 direct transfers of funds between accounts as deemed necessary to
24 implement the provisions of the cash management improvement act, and
25 this subsection. Refunds or allocations shall occur prior to the
26 distributions of earnings set forth in subsection (4) of this
27 section.

28 (3) Except for the provisions of RCW 43.84.160, the treasury
29 income account may be utilized for the payment of purchased banking
30 services on behalf of treasury funds including, but not limited to,
31 depository, safekeeping, and disbursement functions for the state
32 treasury and affected state agencies. The treasury income account is
33 subject in all respects to chapter 43.88 RCW, but no appropriation is
34 required for payments to financial institutions. Payments shall occur
35 prior to distribution of earnings set forth in subsection (4) of this
36 section.

37 (4) Monthly, the state treasurer shall distribute the earnings
38 credited to the treasury income account. The state treasurer shall

1 credit the general fund with all the earnings credited to the
2 treasury income account except:

3 (a) The following accounts and funds shall receive their
4 proportionate share of earnings based upon each account's and fund's
5 average daily balance for the period: The abandoned recreational
6 vehicle disposal account, the aeronautics account, the Alaskan Way
7 viaduct replacement project account, the ambulance transport fund,
8 the budget stabilization account, the capital vessel replacement
9 account, the capitol building construction account, the Central
10 Washington University capital projects account, the charitable,
11 educational, penal and reformatory institutions account, the Chehalis
12 basin account, the Chehalis basin taxable account, the clean fuels
13 credit account, the clean fuels transportation investment account,
14 the cleanup settlement account, the climate active transportation
15 account, the climate transit programs account, the Columbia river
16 basin water supply development account, the Columbia river basin
17 taxable bond water supply development account, the Columbia river
18 basin water supply revenue recovery account, the common school
19 construction fund, the community forest trust account, the connecting
20 Washington account, the county arterial preservation account, the
21 county criminal justice assistance account, the covenant
22 homeownership account, the deferred compensation administrative
23 account, the deferred compensation principal account, the department
24 of licensing services account, the department of retirement systems
25 expense account, the developmental disabilities community services
26 account, the diesel idle reduction account, the opioid abatement
27 settlement account, the drinking water assistance account, the
28 administrative subaccount of the drinking water assistance account,
29 the early learning facilities development account, the early learning
30 facilities revolving account, the Eastern Washington University
31 capital projects account, the education construction fund, the
32 education legacy trust account, the election account, the electric
33 transmission capital account, the electric vehicle account, the
34 energy freedom account, the energy recovery act account, the
35 essential rail assistance account, The Evergreen State College
36 capital projects account, the fair start for kids account, the family
37 medicine workforce development account, the ferry bond retirement
38 fund, the fish, wildlife, and conservation account, the freight
39 mobility investment account, the freight mobility multimodal account,
40 the grade crossing protective fund, the higher education retirement

1 plan supplemental benefit fund, the Washington student loan account,
2 the highway bond retirement fund, the highway infrastructure account,
3 the highway safety fund, the hospital safety net assessment fund, the
4 Interstate 5 bridge replacement project account, the Interstate 405
5 and state route number 167 express toll lanes account, the judges'
6 retirement account, the judicial retirement administrative account,
7 the judicial retirement principal account, the limited fish and
8 wildlife account, the local leasehold excise tax account, the local
9 real estate excise tax account, the local sales and use tax account,
10 the marine resources stewardship trust account, the medical aid
11 account, the money-purchase retirement savings administrative
12 account, the money-purchase retirement savings principal account, the
13 motor vehicle fund, the motorcycle safety education account, the move
14 ahead WA account, the move ahead WA flexible account, the multimodal
15 transportation account, the multiuse roadway safety account, the
16 municipal criminal justice assistance account, the oyster reserve
17 land account, the pension funding stabilization account, the
18 perpetual surveillance and maintenance account, the pilotage account,
19 the pollution liability insurance agency underground storage tank
20 revolving account, the public employees' retirement system plan 1
21 account, the public employees' retirement system combined plan 2 and
22 plan 3 account, the public facilities construction loan revolving
23 account, the public health supplemental account, the public works
24 assistance account, the Puget Sound capital construction account, the
25 Puget Sound ferry operations account, the Puget Sound Gateway
26 facility account, the Puget Sound taxpayer accountability account,
27 the real estate appraiser commission account, the recreational
28 vehicle account, the regional mobility grant program account, the
29 reserve officers' relief and pension principal fund, the resource
30 management cost account, the rural arterial trust account, the rural
31 mobility grant program account, the rural Washington loan fund, the
32 second injury fund, the sexual assault prevention and response
33 account, the site closure account, the skilled nursing facility
34 safety net trust fund, the small city pavement and sidewalk account,
35 the special category C account, the special wildlife account, the
36 state hazard mitigation revolving loan account, the state investment
37 board expense account, the state investment board commingled trust
38 fund accounts, the state patrol highway account, the state
39 reclamation revolving account, the state route number 520 civil
40 penalties account, the state route number 520 corridor account, the

1 statewide broadband account, the statewide tourism marketing account,
2 the supplemental pension account, the Tacoma Narrows toll bridge
3 account, the teachers' retirement system plan 1 account, the
4 teachers' retirement system combined plan 2 and plan 3 account, the
5 tobacco prevention and control account, the tobacco settlement
6 account, the toll facility bond retirement account, the
7 transportation 2003 account (nickel account), the transportation
8 equipment fund, the JUDY transportation future funding program
9 account, the transportation improvement account, the transportation
10 improvement board bond retirement account, the transportation
11 infrastructure account, the transportation partnership account, the
12 traumatic brain injury account, the tribal opioid prevention and
13 treatment account, the University of Washington bond retirement fund,
14 the University of Washington building account, the voluntary cleanup
15 account, the volunteer firefighters' relief and pension principal
16 fund, the volunteer firefighters' and reserve officers'
17 administrative fund, the vulnerable roadway user education account,
18 the Washington judicial retirement system account, the Washington law
19 enforcement officers' and firefighters' system plan 1 retirement
20 account, the Washington law enforcement officers' and firefighters'
21 system plan 2 retirement account, the Washington public safety
22 employees' plan 2 retirement account, the Washington school
23 employees' retirement system combined plan 2 and 3 account, the
24 Washington state patrol retirement account, the Washington State
25 University building account, the Washington State University bond
26 retirement fund, the water pollution control revolving administration
27 account, the water pollution control revolving fund, the Western
28 Washington University capital projects account, the Yakima integrated
29 plan implementation account, the Yakima integrated plan
30 implementation revenue recovery account, and the Yakima integrated
31 plan implementation taxable bond account. Earnings derived from
32 investing balances of the agricultural permanent fund, the normal
33 school permanent fund, the permanent common school fund, the
34 scientific permanent fund, and the state university permanent fund
35 shall be allocated to their respective beneficiary accounts.

36 (b) Any state agency that has independent authority over accounts
37 or funds not statutorily required to be held in the state treasury
38 that deposits funds into a fund or account in the state treasury
39 pursuant to an agreement with the office of the state treasurer shall

1 receive its proportionate share of earnings based upon each account's
2 or fund's average daily balance for the period.

3 (5) In conformance with Article II, section 37 of the state
4 Constitution, no treasury accounts or funds shall be allocated
5 earnings without the specific affirmative directive of this section.

6 **Sec. 14.** RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13
7 are each reenacted and amended to read as follows:

8 (1) All earnings of investments of surplus balances in the state
9 treasury shall be deposited to the treasury income account, which
10 account is hereby established in the state treasury.

11 (2) The treasury income account shall be utilized to pay or
12 receive funds associated with federal programs as required by the
13 federal cash management improvement act of 1990. The treasury income
14 account is subject in all respects to chapter 43.88 RCW, but no
15 appropriation is required for refunds or allocations of interest
16 earnings required by the cash management improvement act. Refunds of
17 interest to the federal treasury required under the cash management
18 improvement act fall under RCW 43.88.180 and shall not require
19 appropriation. The office of financial management shall determine the
20 amounts due to or from the federal government pursuant to the cash
21 management improvement act. The office of financial management may
22 direct transfers of funds between accounts as deemed necessary to
23 implement the provisions of the cash management improvement act, and
24 this subsection. Refunds or allocations shall occur prior to the
25 distributions of earnings set forth in subsection (4) of this
26 section.

27 (3) Except for the provisions of RCW 43.84.160, the treasury
28 income account may be utilized for the payment of purchased banking
29 services on behalf of treasury funds including, but not limited to,
30 depository, safekeeping, and disbursement functions for the state
31 treasury and affected state agencies. The treasury income account is
32 subject in all respects to chapter 43.88 RCW, but no appropriation is
33 required for payments to financial institutions. Payments shall occur
34 prior to distribution of earnings set forth in subsection (4) of this
35 section.

36 (4) Monthly, the state treasurer shall distribute the earnings
37 credited to the treasury income account. The state treasurer shall
38 credit the general fund with all the earnings credited to the
39 treasury income account except:

1 (a) The following accounts and funds shall receive their
2 proportionate share of earnings based upon each account's and fund's
3 average daily balance for the period: The abandoned recreational
4 vehicle disposal account, the aeronautics account, the Alaskan Way
5 viaduct replacement project account, the budget stabilization
6 account, the capital vessel replacement account, the capitol building
7 construction account, the Central Washington University capital
8 projects account, the charitable, educational, penal and reformatory
9 institutions account, the Chehalis basin account, the Chehalis basin
10 taxable account, the clean fuels credit account, the clean fuels
11 transportation investment account, the cleanup settlement account,
12 the climate active transportation account, the climate transit
13 programs account, the Columbia river basin water supply development
14 account, the Columbia river basin taxable bond water supply
15 development account, the Columbia river basin water supply revenue
16 recovery account, the common school construction fund, the community
17 forest trust account, the connecting Washington account, the county
18 arterial preservation account, the county criminal justice assistance
19 account, the covenant homeownership account, the deferred
20 compensation administrative account, the deferred compensation
21 principal account, the department of licensing services account, the
22 department of retirement systems expense account, the developmental
23 disabilities community services account, the diesel idle reduction
24 account, the opioid abatement settlement account, the drinking water
25 assistance account, the administrative subaccount of the drinking
26 water assistance account, the early learning facilities development
27 account, the early learning facilities revolving account, the Eastern
28 Washington University capital projects account, the education
29 construction fund, the education legacy trust account, the election
30 account, the electric transmission capital account, the electric
31 vehicle account, the energy freedom account, the energy recovery act
32 account, the essential rail assistance account, The Evergreen State
33 College capital projects account, the fair start for kids account,
34 the family medicine workforce development account, the ferry bond
35 retirement fund, the fish, wildlife, and conservation account, the
36 freight mobility investment account, the freight mobility multimodal
37 account, the grade crossing protective fund, the higher education
38 retirement plan supplemental benefit fund, the Washington student
39 loan account, the highway bond retirement fund, the highway
40 infrastructure account, the highway safety fund, the hospital safety

1 net assessment fund, the Interstate 5 bridge replacement project
2 account, the Interstate 405 and state route number 167 express toll
3 lanes account, the judges' retirement account, the judicial
4 retirement administrative account, the judicial retirement principal
5 account, the limited fish and wildlife account, the local leasehold
6 excise tax account, the local real estate excise tax account, the
7 local sales and use tax account, the marine resources stewardship
8 trust account, the medical aid account, the money-purchase retirement
9 savings administrative account, the money-purchase retirement savings
10 principal account, the motor vehicle fund, the motorcycle safety
11 education account, the move ahead WA account, the move ahead WA
12 flexible account, the multimodal transportation account, the multiuse
13 roadway safety account, the municipal criminal justice assistance
14 account, the oyster reserve land account, the pension funding
15 stabilization account, the perpetual surveillance and maintenance
16 account, the pilotage account, the pollution liability insurance
17 agency underground storage tank revolving account, the public
18 employees' retirement system plan 1 account, the public employees'
19 retirement system combined plan 2 and plan 3 account, the public
20 facilities construction loan revolving account, the public health
21 supplemental account, the public works assistance account, the Puget
22 Sound capital construction account, the Puget Sound ferry operations
23 account, the Puget Sound Gateway facility account, the Puget Sound
24 taxpayer accountability account, the real estate appraiser commission
25 account, the recreational vehicle account, the regional mobility
26 grant program account, the reserve officers' relief and pension
27 principal fund, the resource management cost account, the rural
28 arterial trust account, the rural mobility grant program account, the
29 rural Washington loan fund, the second injury fund, the sexual
30 assault prevention and response account, the site closure account,
31 the skilled nursing facility safety net trust fund, the small city
32 pavement and sidewalk account, the special category C account, the
33 special wildlife account, the state hazard mitigation revolving loan
34 account, the state investment board expense account, the state
35 investment board commingled trust fund accounts, the state patrol
36 highway account, the state reclamation revolving account, the state
37 route number 520 civil penalties account, the state route number 520
38 corridor account, the statewide broadband account, the statewide
39 tourism marketing account, the supplemental pension account, the
40 Tacoma Narrows toll bridge account, the teachers' retirement system

1 plan 1 account, the teachers' retirement system combined plan 2 and
2 plan 3 account, the tobacco prevention and control account, the
3 tobacco settlement account, the toll facility bond retirement
4 account, the transportation 2003 account (nickel account), the
5 transportation equipment fund, the JUDY transportation future funding
6 program account, the transportation improvement account, the
7 transportation improvement board bond retirement account, the
8 transportation infrastructure account, the transportation partnership
9 account, the traumatic brain injury account, the tribal opioid
10 prevention and treatment account, the University of Washington bond
11 retirement fund, the University of Washington building account, the
12 voluntary cleanup account, the volunteer firefighters' relief and
13 pension principal fund, the volunteer firefighters' and reserve
14 officers' administrative fund, the vulnerable roadway user education
15 account, the Washington judicial retirement system account, the
16 Washington law enforcement officers' and firefighters' system plan 1
17 retirement account, the Washington law enforcement officers' and
18 firefighters' system plan 2 retirement account, the Washington public
19 safety employees' plan 2 retirement account, the Washington school
20 employees' retirement system combined plan 2 and 3 account, the
21 Washington state patrol retirement account, the Washington State
22 University building account, the Washington State University bond
23 retirement fund, the water pollution control revolving administration
24 account, the water pollution control revolving fund, the Western
25 Washington University capital projects account, the Yakima integrated
26 plan implementation account, the Yakima integrated plan
27 implementation revenue recovery account, and the Yakima integrated
28 plan implementation taxable bond account. Earnings derived from
29 investing balances of the agricultural permanent fund, the normal
30 school permanent fund, the permanent common school fund, the
31 scientific permanent fund, and the state university permanent fund
32 shall be allocated to their respective beneficiary accounts.

33 (b) Any state agency that has independent authority over accounts
34 or funds not statutorily required to be held in the state treasury
35 that deposits funds into a fund or account in the state treasury
36 pursuant to an agreement with the office of the state treasurer shall
37 receive its proportionate share of earnings based upon each account's
38 or fund's average daily balance for the period.

1 (5) In conformance with Article II, section 37 of the state
2 Constitution, no treasury accounts or funds shall be allocated
3 earnings without the specific affirmative directive of this section.

4 NEW SECTION. **Sec. 15.** Section 13 of this act expires July 1,
5 2028.

6 NEW SECTION. **Sec. 16.** Section 14 of this act takes effect July
7 1, 2028.

8 NEW SECTION. **Sec. 17.** Sections 2 through 4 and 6 through 9 of
9 this act constitute a new chapter in Title 43 RCW."

SSB 5466 - S AMD 161
By Senator Shewmake

ADOPTED 03/10/2025

10 On page 1, line 2 of the title, after "state;" strike the
11 remainder of the title and insert "reenacting and amending RCW
12 43.84.092 and 43.84.092; adding a new section to chapter 43.330 RCW;
13 adding new sections to chapter 43.21C RCW; adding a new section to
14 chapter 80.28 RCW; adding a new chapter to Title 43 RCW; creating a
15 new section; providing an effective date; and providing an expiration
16 date."

EFFECT: • Removes high tensile strength conductors and tree wire
conductors from the definition of reconditioning with advanced
conductors.

• Directs that the Washington Electric Transmission Authority
(Authority) is created as a public body and is an instrumentality of
the state exercising essential government functions related to
electric transmission.

• Removes the three-year term for the executive director of the
Authority.

• Moves the Authority's annual reporting requirement from
September 1 to July 1.

• Directs that the Authority and any eligible facilities acquired
by the Authority are not subject to the jurisdiction of the Utilities
and Transportation Commission.

• Clarifies that the member from the federally recognized Indian
tribe on the Board of Directors is a federally recognized Indian
tribe whose treaty ceded areas or usual and accustomed places
included parts of Washington.

• Directs the Department of Commerce (Commerce) to adopt the
first 20-year transmission needs assessment, and makes the following
changes to the needs assessment criteria:

- o Specifies that high priority corridor identification must include forecasted transmission and interconnection demand of clean energy projects necessary to meet Clean Energy Transformation Act targets and lower-conflict siting approaches.
- o Directs the needs assessment to identify opportunities to coordinate, investigate, plan, prioritize, and negotiate with entities of interstate transmission corridors rather than to engage proactively.
- o Authorizes Commerce to consider existing electric utility planning rather than specific integrated resource plans.
- Allows the Authority to update the needs assessment more frequently than every five years.
 - Removes the transmission system enhancement road map.
 - Directs Commerce to identify appropriate debt financing instruments needed, instead of only bonding authority, and submit a report to the Governor and Legislature with financing options and recommendations. Authorizes Commerce to consult with the Office of the State Treasurer and the Office of the Attorney General.
 - Authorizes the Authority to utilize the services of executive departments of the state upon mutually agreeable terms and conditions.
 - Clarifies that the Authority may:
 - o Exercise the power of eminent domain only for land acquisition to secure property or rights-of-way for transmission corridors for public use.
 - o Serve as the tribal consultation lead when entering into partnerships on transmission projects, pursuing reasonable efforts to facilitate government-to-government consultation with federally recognized Indian tribes affected by the partnerships.
 - o Engage in transmission planning activities along with regional and interregional cost allocation process discussions, rather than including methodologies to share costs and benefits in the needs assessment.
 - Removes the provision directing transmission providers to submit information for the needs assessment and instead directs that information obtained by the Authority that is critical energy infrastructure information or proprietary technical or business information must be confidential and not subject to inspection or disclosure.
 - Directs that specific utility-related upgrading and rebuilding activities for existing electric transmission lines over 115 kilovolts, rather than powerlines generally, are categorically exempt from the State Environmental Policy Act.
 - Clarifies that the Authority must notify the Department of Archaeology and Historic Preservation, rather than the utility, when a project is categorically exempt.
 - Makes technical edits.

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