
Environment & Energy Committee

HB 1819

Brief Description: Increasing transmission capacity.

Sponsors: Representatives Barnard, Doglio, Parshley, Ramel and Fitzgibbon.

Brief Summary of Bill

- Requires electric utilities with more than 25,000 customers that operate transmission lines to examine which of the lines can be reconducted in their Integrated Resource Plans.
- Authorizes the Utilities and Transportation Commission (UTC) to allow an incentive rate of return on electric utility investments in reconductoring and to adopt additional incentives to increase existing transmission capacity.
- Categorically exempts reconductoring projects from the State Environmental Policy Act that are located within existing rights of way or that widen existing rights of way if the widening remains within previously disturbed or developed lands and extends only as far as is needed to comply with electrical standards.

Hearing Date: 2/11/25

Staff: Megan McPhaden (786-7114).

Background:

Electric Utility Transmission Planning.

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

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(BPA) must file either an IRP or a less-detailed resource plan. An IRP must include an assessment and 20-year forecast of the availability of and requirements for regional generation and transmission capacity to provide and deliver electricity to the utility's customers as well as to meet state clean energy and emissions reduction requirements. The transmission assessment must identify the utility's expected needs to acquire new long-term firm rights, develop new, or expand or upgrade existing transmission. If an electric utility operates transmission rated 115,000 volts or greater, the transmission assessment must consider opportunities to make more effective use of the existing transmission capacity.

When identifying any need to develop new, expand, or upgrade existing bulk transmission and distribution facilities, utilities must document existing and planned efforts to make more effective use of the existing transmission capacity and secure additional transmission capacity.

Utilities and Transportation Commission Authorization for Rate of Return on Utility Investments

The Utilities and Transportation Commission (UTC) is a three-member commission with broad authority to regulate the rates, services, and practices of a variety of businesses in the state, including investor-owned gas and electrical companies. The UTC must ensure rates charged by these companies are fair, just, reasonable, and sufficient. The UTC initiates a general rate proceeding if a company requests a change in its authorized rate of return.

The UTC is authorized to allow an incentive rate of return of up to two percent for investor-owned electric utilities on capital expenditures for electric vehicle supply equipment through 2030. The investments cannot increase the retail revenue requirement of the utility more than 0.25 percent and must be deployed for the benefit of ratepayers.

The UTC must allow a two percent incentive rate of return on investment for energy efficiency programs if priority is given to senior citizens and low-income citizens. The UTC may allow an incentive rate of return on investment in additional energy efficiency programs, including, but not limited to, tree planting programs and cool roof programs.

State Environmental Policy Act.

The State Environmental Policy Act (SEPA) establishes a review process for state and local governments to identify environmental impacts that may result from governmental decisions, such as the issuance of permits or the adoption of land-use plans. The SEPA environmental review process involves a project proponent or the lead agency completing an environmental checklist to identify and evaluate probable environmental impacts. Government decisions that the SEPA checklist process identifies as having significant adverse environmental impacts must then undergo a more comprehensive environmental analysis in the form of an environmental impact statement. SEPA provides categorical exemptions to remove specific types of projects from review.

Summary of Bill:

Electric Utility Transmission Planning.

An electric utility operating transmission rated at 115,000 volts or greater must examine which of the utility's transmission lines can be restructured with advanced conductors in its IRP transmission assessment.

Incentive Rate of Return for Restructuring Investments.

In establishing rates for each investor-owned electric utility and through December 2040, the UTC may allow an incentive rate of return, of an added up to two percent, on capital investments in restructuring transmission lines with advanced conductors for the benefit of ratepayers.

This incentive rate of return only applies to projects installed after July 1, 2025, and may be earned only for the depreciable life of the investment as defined in UTC-approved depreciation schedules.

The UTC must consider and may adopt other policies to incentivize electrical companies to make investments that significantly increase the capacity of existing transmission infrastructure.

By December 31, 2029 the UTC must report to the Legislature on the use of any incentives used for restructuring, the quantifiable impacts of the incentives on increasing the capacity of existing electric transmission infrastructure, and any recommendations about further utility investments in existing electric transmission corridors.

State Environmental Policy Act Exemption.

A categorical exemption from SEPA is provided for the following utility-related actions:

- upgrading or rebuilding an existing transmission line by restructuring the line with advanced conductors within existing rights-of-way; and
- widening existing rights-of-way to meet electrical standards if the widening remains within previously disturbed or developed lands and only extends into an area beyond such rights-of-way as needed to comply with applicable electrical standards.

Name of the Act.

This act may be known and cited as the Washington Incentives for Restructuring in Existing Developed Transmission Corridors Act.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.