

HOUSE BILL REPORT

SSB 6355

As Passed House - Amended:

March 11, 2026

Title: An act relating to creating partnerships to improve the reliability and capacity of the electric transmission system, including through a Washington electric transmission authority.

Brief Description: Concerning the electric transmission system.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Hunt, Kauffman, Chapman, Conway, Dhingra, Pedersen, Saldaña, Shewmake and Stanford).

Brief History:

Committee Activity:

Appropriations: 3/5/26, 3/9/26 [DPA].

Floor Activity:

Passed House: 3/11/26, 66-27.

Brief Summary of Substitute Bill (As Amended by House)

- Establishes the Washington Electric Transmission Authority, operating at the direction of a 10-member board of directors to, among other duties, support the expansion of new electric transmission system capacity and to be a statewide resource for transmission.
- Directs the Department of Commerce to conduct an initial identification of high priority transmission corridors.
- Directs the Governor's Office of Indian Affairs, in coordination with the Departments of Ecology and Commerce, to convene federally recognized Indian tribes to develop a tribal consultation framework for statewide electric transmission planning and implementation.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 18 members: Representatives Ormsby, Chair; Gregerson, Vice Chair; Macri, Vice Chair; Berg, Bergquist, Callan, Cortes, Doglio, Fitzgibbon, Leavitt, Lekanoff, Peterson, Pollet, Ryu, Springer, Stonier, Street and Thai.

Minority Report: Do not pass. Signed by 11 members: Representatives Couture, Ranking Minority Member; Connors, Assistant Ranking Minority Member; Penner, Assistant Ranking Minority Member; Schmick, Assistant Ranking Minority Member; Burnett, Corry, Dye, Keaton, Manjarrez, Marshall and Rude.

Staff: Jackie Kauble (786-7125).

Background:

Electric Transmission Development, Ownership, and Operation in Washington.

Transmission lines are high-voltage electrical lines that carry large amounts of electricity over long distances. Investor-owned and consumer-owned electric utilities, including joint operating agencies, may build, own, and operate electric transmission lines. These utilities may also enter into agreements with each other to own electrical transmission facilities. The federal Bonneville Power Administration (BPA) owns and operates the majority of electric transmission lines in the state and across the Pacific Northwest.

Electric Utility Transmission Planning.

Electric utilities are encouraged to participate and contribute to statewide or multiutility planning activities through transmission planning processes. To improve the planning and development of transmission capacity, they must consult with federal, interstate, and voluntary industry organizations with a role in the bulk power transmission system. When identifying any need to develop new or 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.

Clean Energy Transformation Act Transmission Corridors Work Group.

The Clean Energy Transformation Act (CETA) requires Washington's electric utilities to make all retail sales of electricity greenhouse gas neutral by January 1, 2030, and to meet 100 percent of their retail electric load using nonemitting and renewable resources by January 1, 2045. Under CETA, the Energy Facility Site Evaluation Council convened a Transmission Corridors Work Group (TCWG) to review the need for new or upgraded transmission to meet Washington's renewable energy goals; identify where transmission and distribution facilities may need to be enhanced or constructed; identify environmental review options; and recommend ways to expedite review of transmission projects without compromising required environmental and cultural protection.

The TCWG issued its final report in October 2022, and identified several key themes, including regional and interregional planning, staff resources in state agencies, enhanced resources for tribes, and preapplication planning and coordination.

Open Public Meetings Act.

Under the Open Public Meetings Act (OPMA), the meetings of the governing body of a public agency (governing body) must, with limited exceptions, be open to the public. Governing bodies may not adopt any ordinance, resolution, rule, regulation, order, or directive outside of a properly noticed meeting that is open to the public. Any transaction of official business, such as receipt of public testimony, deliberations, discussions, considerations, reviews, evaluations, and final actions, that does not comply with these requirements is null and void. The governing body of a public agency may enter into executive session for certain deliberations, and exclude the members of the public from the executive session, under certain circumstances.

Summary of Amended Bill:

Washington Electric Transmission Authority.

The Washington Electric Transmission Authority (Authority), operating at the direction of a Board of Directors, is created as a public body. The Authority is an instrumentality of the state, exercising essential government functions related to electric transmission.

The priority of the Authority is to maintain or improve the reliability of electric service to Washington customers by:

- supporting the expeditious and efficient expansion of new electric transmission capacity within the state that is prudent and needed to serve Washington customers;
- prioritizing partnerships for new electric transmission projects that meet at least one of the following criteria:
 - increases access to grid connections for renewable resources and nonemitting electric generation;
 - provides access to regional wholesale markets;
 - are located in more than one electric utility service territory; or
 - would not otherwise be built by Washington electric utilities;
- pursuing cost-effective nonwire alternatives to increase the capacity of existing electrical infrastructure;
- being a statewide resource for assisting with the development and coordination of upgrades to existing transmission lines including, but not limited to, reconductoring with advanced conductors;
- collaborating with electric utilities, independent transmission developers, local jurisdictions, federally recognized Indian tribes, labor unions, neighboring states, regional entities, and the federal government to develop transmission resources;
- evaluating opportunities to coordinate with regional wholesale markets;
- supporting opportunities for community microgrids, distributed energy resources, and energy conservation; and

- supporting community and economic development.

The Authority must, to the greatest extent practicable, seek to protect cultural and natural resources, avoid impacts to overburdened communities and vulnerable populations, support good jobs, maximize the use of existing rights-of-way for transmission development including on state highways; and mitigate wildfire risk. For projects of the Authority, the Authority must seek to consult in advance with all electric utilities in areas where a project may be located and coordinate with utilities that operate electric transmission facilities that would be affected by these projects.

Without creating state debt, or lending the credit of the state, the Authority may:

- adopt rules and operating procedures, except for rules to direct cost allocation of transmission resources;
- utilize the services of executive departments of the state upon mutually agreeable terms and conditions;
- exercise the power of eminent domain for land acquisition necessary to secure property or rights-of-way for new transmission corridors for public use, but the Authority must make reasonable and diligent efforts to acquire property or an interest in property by negotiation before exercising this power, and must receive approval by the Board of Directors;
- enter into contracts and agreements;
- solicit, receive, issue and expend gifts, grants, and donations;
- apply for and accept federal loans;
- enter into partnerships with public or private entities, which must include a fee schedule for services provided, and may include assisting the project proponent in following the State Environmental Policy Act process and supporting tribal consultation;
- lease, purchase, and accept donations of property;
- sell, lease, exchange, or dispose of property;
- own electric transmission equipment and systems, but it may not exceed the extent and duration necessary or useful to promote the public interest, and the Authority must develop a plan identifying specific conditions, including a consideration of costs and benefits to ratepayers of the facility, prior to becoming an owner;
- select a qualified transmission builder or operator to build, finance, plan, acquire, maintain, and operate an electric transmission project, and proceed as a builder as a last resort if there is an identified pressing need and not a ready and willing qualified transmission builder available, subject to criteria in rule;
- sell a state-owned electric transmission project at any stage of development to an electric utility serving customers in Washington, a joint operating agency, BPA, or an independent transmission developer or operator; before selling a project, the Authority must adopt criteria in rule for developing a transparent process, issuing a competitive request for proposals, evaluating proposals, and selecting a project developer;
- consult with other state agencies, subject matter experts, or neighboring landowners

on natural hazards including, but not limited to, wildfire, and potential mitigation practices for such hazards including, but not limited to, upgrading transmission facilities with advanced transmission technologies, including reconductoring with advanced conductors;

- adopt criteria in rule for an initial and annual local investment commitment fee for high-voltage projects that the Authority develops, owns, or sells, in order to distribute the fees among counties, cities, towns, and federally recognized Indian tribes in proportion to the project's impact, in consultation with and after approval by the Board of Directors; and
- coordinate with the Washington Economic Development Finance Authority (WEDFA) to provide conduit financing for eligible partners that request transmission financing.

The Authority must charge and collect an application review fee of \$5,000 to be submitted by each entity that applies for the use of services provided under a partnership with the Authority. The Authority's primary mode for facilitating discrete transmission projects must be through partnerships with transmission developers, including consumer-owned and investor-owned utilities, on eligible projects in high priority transmission corridors. The Authority may originate projects without a partner only as a last resort where the project does not interfere with or duplicate another project under development.

The Authority may only offer transmission service on facilities owned by the Authority under a transmission tariff administered by a Federal Energy Regulatory Commission (FERC) jurisdictional entity. Except for facilities owned by the Authority under a partnership agreement with the BPA, a consumer-owned utility, or a joint operating agency, transmission service may be offered under the same terms as the transmission tariff of the partner entity.

The Authority must submit a report of its activities to the Governor and Legislature by December 1, 2027, and July 1 annually thereafter. The report must include operating and financial statements covering the operations of the Authority for the previous fiscal year.

The Authority and any eligible facilities acquired by the Authority are not subject to the jurisdiction of the Utilities and Transportation Commission (UTC). Nothing allows an investor-owned electric utility to include the cost of eligible facilities in its rate base without the approval of the UTC.

Board of Directors.

To provide oversight and advise the Authority, a 10-member Board of Directors (Board) must be appointed by January 1, 2027. Membership includes the Director of the Department of Commerce (Commerce), or director's designee, and the remaining members appointed by the Governor and confirmed by the Senate with one each representing the following:

- experience working at a consumer-owned utility, preferably with expertise in the

- transmission function;
- experience working at an investor-owned utility, preferably with expertise in the transmission function;
- expertise in rural county land use planning and law and local permitting processes;
- expertise in clean energy development;
- expertise in ratepayer protection;
- electrical workers with expertise in building electrical transmission;
- experience with financing large infrastructure projects;
- expertise in wildlife conservation and land use policies; and
- a federally recognized Indian tribe.

One or more members of the Board appointed by the Governor must have expertise with the BPA's transmission service. At least one-half of the members must reside east of the crest of the Cascade mountains.

The Board must hire and fix compensation of an executive director by June 30, 2027. Commerce must provide administrative and staff support to the Board until the executive director is hired. The executive director may employ staff.

The Board must follow the requirements of the Open Public Meetings Act.

High Priority Transmission Corridor Identification.

Commerce must identify high priority transmission corridors from those identified in the Western Transmission Expansion Coalition's (WestTEC) 10-year Horizon Report, in an open, transparent process, by October 30, 2027. Commerce must also consider the costs and benefits to ratepayers, along with WestTEC's upcoming 20-year Horizon Report, and may not finalize the corridor identification until this report has been reviewed. Commerce may contract with independent expert analysts to identify high priority transmission corridors.

The Authority must update the transmission corridor identification study by October 30, 2032, and no less than every five years thereafter, leveraging transmission plans from national and regional entities and Washington utilities and existing state, regional, and national siting studies in an open and transparent process.

Accounts.

The Electric Transmission Operating Account (Operating Account) and the Electric Transmission Capital Account (Capital Account) are created in the State Treasury. Revenues to the Operating Account consist of appropriations made by the Legislature; fees collected for services provided under a partnership with the Authority; federal funds, gifts, or grants from the private sector or foundations; and other sources. Moneys in the Operating Account may be spent only after appropriation, and for operating cost purposes consistent with purposes of the Authority.

Revenues to the Capital Account consist of all moneys received for the acquisition, sale, management, and administration of the Authority's duties for electric transmission projects and all other revenue related to electric transmission projects created or acquired. The Capital Account may also receive appropriations made by the Legislature, federal funds, gifts, grants, and the endowments from public or private sources. Moneys in the Capital Account may be spent only after appropriation. The executive director, or director's designee, may authorize expenditures from the Capital Account to reimburse management costs incurred by the Authority on electric transmission projects, for the acquisition of interests in land or property to be managed as projects, and for all other nonoperating costs.

Labor Requirements.

When selecting a qualified transmission builder or operator, undertaking conduit financing through WEDFA, or constructing a project, the Authority must ensure all construction and maintenance work is performed by either:

- an electric utility, using qualified electrical employees; or
- a contractor or independent transmission developer that uses qualified electrical employees and uses apprentices enrolled in a specified apprenticeship program, with a completion rate of at least 25 percent over the prior eight years.

The Authority must also ensure that work is performed in compliance with the applicable prevailing wage provisions.

Tribal Consultation Framework.

Commerce must contract with the Governor's Office of Indian Affairs to, in coordination with Commerce and the Department of Ecology, convene federally recognized Indian tribes whose traditional lands and territories include parts of Washington state to develop a recommended tribal consultation framework for statewide electric transmission planning and implementation. The framework must:

- identify the roles and responsibilities of state agencies engaged in electric transmission planning, siting, permitting, and implementation, and existing policies and any existing gaps regarding tribal consultation;
- establish standards for early, meaningful, and ongoing government-to-government consultation on activities conducted by the Authority;
- provide a mechanism for legislative engagement and transparency during the development and future implementation of the framework; and
- include recommendations for statutory, administrative, or budgetary actions necessary to implement the framework in future legislation.

A report that summarizes the recommended tribal consultation framework and proposed statutory or administrative changes must be submitted to the appropriate committees of the Legislature by December 1, 2026.

Critical Energy Infrastructure Information.

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 public disclosure. Critical energy infrastructure information is defined.

Payments in Lieu of Property Taxes.

For electric transmission facilities that are owned in whole or in part by the Authority that are exempt from property taxes, the Authority must make annual payments in lieu of property taxes to counties for transmission facilities that are located in such counties. The Authority must, in consultation with the project partner, lessee, or operator of the transmission facility, jointly determine the payment amount with the county in good faith negotiation. The payment amount may not exceed the property tax amount that would have otherwise been owed by a taxable entity as calculated by the county assessor. Payments must be collected by the Authority from a lessee, project partner, or operator of the facility on a schedule set forth in a lease or project agreement and distributed by the county treasurer in the same manner as property tax revenues.

If the Authority and county cannot agree on the amount of the payment, either may invoke binding arbitration by providing written notice to the other party. The Authority and county must select one arbitrator each who will then jointly pick a third arbitrator.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 12, 2026.

Effective Date: The bill contains multiple effective dates, including a contingent effective date. Please see the bill.

Staff Summary of Public Testimony:

(In support) This is a priority to ensure a reliable, affordable electric grid, and to bring new generating resources onto the grid to meet rising demand. This is one strategy that has been implemented successfully and in a bipartisan way in other states across the country, resulting in jobs and more electric reliability. Transmission is needed to help address the large backlog of clean energy projects that are waiting to be connected to the grid. With this bill, the state wouldn't have to rely on the BPA, which builds transmission very slowly. The current congestion on the grid is leading to major costs for consumers, and this bill will result in major savings for ratepayers and decreased risks. There is hope that this will help get high priority projects built more quickly. This will be especially helpful for projects across multiple utility service areas. This is another tool to construct needed lines through partnerships with independent transmission developers. The Authority will not be duplicative and will look to other efforts like the WestTEC study to help identify priority work.

(Opposed) This grants power without accountability. The Board members are not elected, and there are no members on the Board from counties in Eastern Washington where most of

the facilities that need transmission are located. Counties requested inclusion on the Board but were denied membership. There is a concern that counties will lose significant property tax revenue that supports important benefits for communities. Eastern Washington communities will not see any benefits from this, but will bear the costs, risks, and reduced services. The cumulative impacts of transmission will be a disaster. There is appreciation for improvements in the bill. Forest landowners must be consulted upfront when developing new projects, especially with regards to mitigating wildfire risks, because forest landowners, especially neighboring landowners, are uniquely exposed to the risks of new transmission corridors.

(Other) New infrastructure is needed in the state, and while some think this is useful, others think it doesn't go far enough and should include additional elements to help build transmission more quickly and with more certainty. There is support for the goal of the bill. The Authority should make a payment in lieu of taxes, similar to what BPA pays, when the state is the sole owner of the project or there is a delay between property acquisition or buildout. One member of the Board should have rural county land use experience to provide expertise in the places that are most likely to host projects.

Persons Testifying: (In support) Vicki Christophersen, Northwest and Intermountain Power Producers Coalition; Leah Missik, Climate Solutions; Casey MacLean, Renewable Northwest; and Jason Hudson, IBEW Local 77.

(Opposed) Amanda McKinney, Yakima County Commissioner; and Matt Doumit, Washington Forest Protection Association.

(Other) Peter Godlewski, Association of Washington Business; and Kelsey Hulse, Washington State Association of Counties.

Persons Signed In To Testify But Not Testifying: None.