SENATE BILL REPORT
SB 5445

As of February 3, 2025

Title: An act relating to encouraging utility investment in local energy resilience by providing an alternative compliance pathway to meet the eligible renewable resource mandate in the energy independence act.

Brief Description: Encouraging utility investment in local energy resilience.

Sponsors: Senators Boehnke, Hasegawa and Slatter.

Brief History:

Committee Activity: Environment, Energy & Technology: 2/04/25.

Brief Summary of Bill

- Allows an electric utility to comply with renewable energy targets under the Energy Independence Act if the utility invests at least 2 percent of its total annual retail revenue requirement in local energy resilience projects.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Staff: Kimberly Cushing (786-7421)

Background: Energy Independence Act. Approved by voters in 2006, the Energy Independence Act (EIA), also known as Initiative 937, requires electric utilities with 25,000 or more customers to meet targets for energy conservation and using eligible renewable resources. Utilities that must comply with the EIA are called qualifying utilities. Currently, 18 utilities are qualifying utilities.

Each qualifying electric utility must pursue all available conservation that is cost effective, reliable, and feasible. Cost-effectiveness is determined by using methodologies consistent with those developed by the Pacific Northwest Electric Power and Conservation Planning

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Council.

Each qualifying utility must use eligible renewable resources, or acquire equivalent renewable energy credits, or a combination of both, to meet the following annual targets:

- at least 3 percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;
- at least 9 percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and
- at least 15 percent of its load by January 1, 2020, and each year thereafter.

A utility is not required to meet a renewable energy target if it spends at least 4 percent of its retail revenue requirement on the incremental cost of renewable energy and renewable energy credits. The cost cap for a utility that has no load growth is 1 percent.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): A qualifying utility will be in compliance with EIA renewable energy targets if the utility invests an amount equal to at least 2 percent of its total annual retail revenue requirement for the previous calendar year in local energy resilience projects.

A local energy resilience project is an investment in the utility’s service territory that includes any combination of: additional conservation; solar generation; demand response; battery storage; in-pipe generation; wind generation; grid hardening to reduce risk to infrastructure from wildfires, earthquakes, floods, or other natural disasters; microgrids; and hydrogen infrastructure. Additional conservation cannot be included in the utility's biennial acquisition target under the EIA.

Appropriation: None.

Fiscal Note: Requested on January 28, 2025.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.