H-1501.1

SUBSTITUTE HOUSE BILL 1819

State of Washington 69th Legislature 2025 Regular Session

By House Environment & Energy (originally sponsored by Representatives Barnard, Doglio, Parshley, Ramel, and Fitzgibbon)

READ FIRST TIME 02/21/25.

AN ACT Relating to increasing transmission capacity; amending RCW 19.280.030; adding new sections to chapter 43.21C RCW; and adding a new section to chapter 80.28 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 43.21C RCW to read as follows:

(1) The following utility-related actions are categorically exempt from compliance with this chapter:

(a) Upgrading or rebuilding existing electric powerlines as long as the actions involve:

(i) Relocations of small segments of the powerlines within an existing powerline right-of-way or within adjacent previously disturbed or developed lands; or

(ii) Widening an existing powerline right-of-way to meet current electrical standards if the widening remains within previously disturbed or developed lands and only extends into a small area beyond such lands as needed to comply with applicable electrical standards; and

(b) Upgrading an existing transmission line, within existing rights-of-way, with grid-enhancing technologies as defined in subsection (3) of this section.

(2) This categorical exemption does not apply to underwater powerlines.

(3) For the purposes of this section, "grid-enhancing technologies" means hardware and software that increases the capacity of electrical lines and improves the efficiency, reliability, and safety of the grid. "Grid-enhancing technologies" include, but are not limited to, dynamic line rating systems, advanced power flow control systems, and optimization software.

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.21C RCW to read as follows:

For a project that is categorically exempt under section 1 of this act, the utility must notify the department of archaeology and historic preservation created in chapter 43.334 RCW and each federally recognized Indian tribe with usual and accustomed areas and ceded treaty areas in the area where the right-of-way exists before commencing the project. The purpose of the notification and consultation required under this section is to allow the utility to determine that there are no existing archaeological, cultural, or tribal resources in the right-of-way. The department of archaeology and historic preservation may require a survey to be done in coordination with the affected federally recognized Indian tribe, must ensure that consultation with such tribe occurs, and must determine whether archaeological, cultural, or tribal resources are identified in an existing right-of-way. If any such resources are identified, the department of archaeology and historic preservation must ensure that the utility accounts for and protects the resources under chapter 27.53 RCW. Information provided by the federally recognized Indian tribe must be kept confidential and exempt from public disclosure under chapter 42.56 RCW.

Sec. 3. RCW 19.280.030 and 2024 c 351 s 9 are each amended to read as follows:

Each electric utility must develop a plan consistent with this section.

(1) Utilities with more than 25,000 customers that are not full requirements customers must develop or update an integrated resource plan by September 1, 2008. At a minimum, progress reports reflecting changing conditions and the progress of the integrated resource plan must be produced every two years thereafter. An updated integrated

resource plan must be developed at least every four years subsequent to the 2008 integrated resource plan. The integrated resource plan, at a minimum, must include:

(a) A range of forecasts, for at least the next 10 years or longer, of projected customer demand which takes into account econometric data and customer usage;

(b) An assessment of commercially available conservation and efficiency resources, as informed, as applicable, by the assessment for conservation potential under RCW 19.285.040 for the planning horizon consistent with (a) of this subsection. Such assessment may include, as appropriate, opportunities for development of combined heat and power as an energy and capacity resource, demand response and load management programs, and currently employed and new policies and programs needed to obtain the conservation and efficiency resources;

(c) An assessment of commercially available, utility scale renewable and nonrenewable generating technologies including a comparison of the benefits and risks of purchasing power or building new resources;

(d) A comparative evaluation of renewable and nonrenewable generating resources, including transmission and distribution delivery costs, and conservation and efficiency resources using "lowest reasonable cost" as a criterion;

(e) An assessment of methods, commercially available technologies, or facilities for integrating renewable resources, including but not limited to battery storage and pumped storage, and addressing overgeneration events, if applicable to the utility's resource portfolio;

(f) 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 and to meet the requirements of chapter 288, Laws of 2019 and the state's greenhouse gas emissions reduction limits in RCW 70A.45.020. The transmission assessment must identify the utility's expected needs to acquire new long-term firm rights, develop new, or expand or upgrade existing, bulk transmission facilities consistent with the requirements of this section and reliability standards;

(i) If an electric utility operates transmission assets rated at 115,000 volts or greater, the transmission assessment must take into account opportunities to make more effective use of existing

transmission capacity through improved transmission system operating practices, energy efficiency, demand response, grid modernization, nonwires solutions, and other programs if applicable;

(ii) An electric utility that relies entirely or primarily on a contract for transmission service to provide necessary transmission services may comply with the transmission requirements of this subsection by requesting that the counterparty to the transmission service contract include the provisions of chapter 288, Laws of 2019 and chapter 70A.45 RCW as public policy mandates in the transmission service provider's process for assessing transmission need, and planning and acquiring necessary transmission capacity;

(iii) An electric utility may comply with the requirements of this subsection (1)(f) by relying on and incorporating the results of a separate transmission assessment process, conducted individually or jointly with other utilities and transmission system users, if that assessment process meets the requirements of this subsection;

(g) A determination of resource adequacy metrics for the resource plan consistent with the forecasts;

(h) A forecast of distributed energy resources that may be installed by the utility's customers and an assessment of their effect on the utility's load and operations;

(i) An identification of an appropriate resource adequacy requirement and measurement metric consistent with prudent utility practice in implementing RCW 19.405.030 through 19.405.050;

(j) The integration of the demand forecasts, resource evaluations, and resource adequacy requirement into a long-range assessment describing the mix of supply side generating resources and conservation and efficiency resources that will meet current and projected needs, including mitigating overgeneration events and implementing RCW 19.405.030 through 19.405.050, at the lowest reasonable cost and risk to the utility and its customers, while maintaining and protecting the safety, reliable operation, and balancing of its electric system;

(k) An assessment, informed by the cumulative impact analysis conducted under RCW 19.405.140, of: Energy and nonenergy benefits and the avoidance and reductions of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits, costs, and risks; and energy security and risk;

(l) A 10-year clean energy action plan for implementing RCW 19.405.030 through 19.405.050 at the lowest reasonable cost, and at an acceptable resource adequacy standard, that identifies the specific actions to be taken by the utility consistent with the long-range integrated resource plan; and

(m) An analysis of how the plan accounts for:

(i) Modeled load forecast scenarios that consider the anticipated levels of zero emissions vehicle use in a utility's service area, including anticipated levels of zero emissions vehicle use in the utility's service area provided in RCW 47.01.520, if feasible;

(ii) Analysis, research, findings, recommendations, actions, and any other relevant information found in the electrification of transportation plans submitted under RCW 35.92.450, 54.16.430, and 80.28.365; and

(iii) Assumed use case forecasts and the associated energy impacts. Electric utilities may, but are not required to, use the forecasts generated by the mapping and forecasting tool created in RCW 47.01.520. This subsection (1)(m)(iii) applies only to plans due to be filed after September 1, 2023.

(2) The clean energy action plan must:

(a) Identify and be informed by the utility's 10-year cost-effective conservation potential assessment as determined under RCW 19.285.040, if applicable;

(b) Establish a resource adequacy requirement;

(c) Identify the potential cost-effective demand response and load management programs that may be acquired;

(d) Identify renewable resources, nonemitting electric generation, and distributed energy resources that may be acquired and evaluate how each identified resource may be expected to contribute to meeting the utility's resource adequacy requirement;

(e) Identify any need to develop new, or expand or upgrade existing, bulk transmission and distribution facilities ((~~and document~~)), which must include an evaluation of where reconductoring to increase ampacity, reduce line loss, or improve grid resilience would yield meaningful improvements to the functioning and reliability of the system;

(f) Determine the entity that owns the existing bulk transmission facility identified for reconductoring in (e) of this subsection and document known ongoing or existing and planned efforts by ((~~the utility~~)) that entity to make more effective use of existing

transmission capacity and secure additional transmission capacity consistent with the requirements of subsection (1)(f) of this section; and

((~~(f)~~)) (g) Identify the nature and possible extent to which the utility may need to rely on alternative compliance options under RCW 19.405.040(1)(b), if appropriate.

(3)(a) An electric or large combination utility shall consider the social cost of greenhouse gas emissions, as determined by the commission for investor-owned utilities pursuant to RCW 80.28.405 and the department for consumer-owned utilities, when developing integrated resource plans and clean energy action plans. An electric utility must incorporate the social cost of greenhouse gas emissions as a cost adder when:

(i) Evaluating and selecting conservation policies, programs, and targets;

(ii) Developing integrated resource plans and clean energy action plans; and

(iii) Evaluating and selecting intermediate term and long-term resource options.

(b) For the purposes of this subsection (3): (i) Gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters must be considered a nonemitting resource; and (ii) qualified biomass energy must be considered a nonemitting resource.

(4) To facilitate broad, equitable, and efficient implementation of chapter 288, Laws of 2019, a consumer-owned energy utility may enter into an agreement with a joint operating agency organized under chapter 43.52 RCW or other nonprofit organization to develop and implement a joint clean energy action plan in collaboration with other utilities.

(5) All other utilities may elect to develop a full integrated resource plan as set forth in subsection (1) of this section or, at a minimum, shall develop a resource plan that:

(a) Estimates loads for the next five and 10 years;

(b) Enumerates the resources that will be maintained and/or acquired to serve those loads;

(c) Explains why the resources in (b) of this subsection were chosen and, if the resources chosen are not: (i) Renewable resources; (ii) methods, commercially available technologies, or facilities for

integrating renewable resources, including addressing any overgeneration event; or (iii) conservation and efficiency resources, why such a decision was made;

(d) By December 31, 2020, and in every resource plan thereafter, identifies how the utility plans over a 10-year period to implement RCW 19.405.040 and 19.405.050; and

(e) Accounts for:

(i) Modeled load forecast scenarios that consider the anticipated levels of zero emissions vehicle use in a utility's service area, including anticipated levels of zero emissions vehicle use in the utility's service area provided in RCW 47.01.520, if feasible;

(ii) Analysis, research, findings, recommendations, actions, and any other relevant information found in the electrification of transportation plans submitted under RCW 35.92.450, 54.16.430, and 80.28.365; and

(iii) Assumed use case forecasts and the associated energy impacts. Electric utilities may, but are not required to, use the forecasts generated by the mapping and forecasting tool created in RCW 47.01.520. This subsection (5)(e)(iii) applies only to plans due to be filed after September 1, 2023.

(6) Assessments for demand-side resources included in an integrated resource plan may include combined heat and power systems as one of the measures in a conservation supply curve. The value of recoverable waste heat resulting from combined heat and power must be reflected in analyses of cost-effectiveness under this subsection.

(7) An electric utility that is required to develop a resource plan under this section must complete its initial plan by September 1, 2008.

(8) Plans developed under this section must be updated on a regular basis, on intervals approved by the commission or the department, or at a minimum on intervals of two years.

(9)(a) Plans shall not be a basis to bring legal action against electric utilities. However, nothing in this subsection (9)(a) may be construed as limiting the commission or any party from bringing any action pursuant to Title 80 RCW, this chapter, or chapter 19.405 RCW against any large combination utility related to an integrated system plan submitted pursuant to RCW 80.86.020.

(b) The commission may approve, reject, or approve with conditions, any integrated system plans submitted by a large combination utility as defined in RCW 80.86.010.

(10)(a) To maximize transparency, the commission, for investor-owned utilities, or the governing body, for consumer-owned utilities, may require an electric utility to make the utility's data input files available in a native format. Each electric utility shall publish its final plan either as part of an annual report or as a separate document available to the public. The report may be in an electronic form.

(b) Nothing in this subsection limits the protection of records containing commercial information under RCW 80.04.095.

(11) The commission may require a large combination utility as defined in RCW 80.86.010 to incorporate the requirements of this section into an integrated system plan established under RCW 80.86.020.

NEW SECTION. **Sec. 4.** A new section is added to chapter 80.28 RCW to read as follows:

(1) In establishing rates for each electrical company regulated under this title, the commission may allow an incentive rate of return on investment through December 31, 2040, on capital expenditures for grid-enhancing technologies and reconductoring with advanced conductors as defined in subsection (5) of this section that are deployed for the benefit of ratepayers on transmission owned and operated by the electrical company. The commission must consider and may adopt other policies to encourage increased deployment of electric transmission infrastructure improvements that increase the capacity of existing transmission infrastructure.

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

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

(4) The incentive rate of return on investment increments pursuant to this section may be earned only for a period of 15 years.

(5) For the purposes of this section, "reconductoring with advanced conductors" means replacing the existing electric conductor with a conductor that increases the capacity of the electrical grid and improves efficiency, reliability, and safety. Advanced conductors may include, but are not limited to, conductors that have electrical resistance of at least 10 percent lower than that of existing conductors of a similar diameter, high temperature low sag conductors, high tensile strength conductors, or tree wire conductors.

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