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## HOUSE BILL 1903

State of Washington 69th Legislature 2025 Regular Session

By Representatives Mena, Berry, Doglio, Parshley, Simmons, Santos, Taylor, Scott, Ramel, Farivar, Hill, Pollet, and Duerr

Read first time 02/07/25. Referred to Committee on Environment & Energy.

- AN ACT Relating to establishing a statewide low-income energy assistance program; amending RCW 19.405.120 and 70A.65.260; adding new sections to chapter 43.330 RCW; adding a new section to chapter 80.28 RCW; and creating a new section.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
  - NEW SECTION. Sec. 1. The legislature finds that there is an urgent need for stronger policy and a new program option to secure universally accessible low-income energy bill assistance and reduce the over \$270,000,000 biennial energy burden in Washington. Many income-eligible households do not have sufficient support. department of commerce November 2024 study of options for a statewide energy assistance program in Washington lays out core features of a just system to expand and secure access to energy affordability measures. To address present and widening disparities in household access to energy assistance will require easier applications, safe data sharing, low barrier eligibility determinations, systematic processes for filling in gaps in the reach of existing programs, and quaranteed funding sources. The recommended program design promotes a more centralized approach to energy assistance. Key elements include those that reduce administrative burdens, but also improve the

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- 1 experience and likelihood that an eligible household receives
- 2 assistance.

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- 3 <u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 43.330 4 RCW to read as follows:
- 5 The definitions in this section apply throughout sections 3 and 4 of this act unless the context clearly requires otherwise.
  - (1) "Low-income" has the same meaning as in RCW 19.405.020.
- 8 (2) "Community action council" has the same meaning as "community action agency" in RCW 43.185C.010.
- 10 (3) "Energy assistance" means monetary assistance, such as a 11 grant program or discounts for low-income households, that lowers a 12 low-income household's energy burden.
- 13 (4) "Energy burden" has the same meaning as in RCW 19.405.020.
- NEW SECTION. Sec. 3. A new section is added to chapter 43.330 RCW to read as follows:
- 16 (1) The statewide low-income energy assistance program is 17 established within the department. The purpose of the program is to 18 reduce energy burden for low-income households in Washington. The 19 department must begin providing energy assistance through the program 20 by July 1, 2026. The department must write rules to implement this 21 section.
- 22 (2) The department must establish enrollment details which must 23 include, but are not limited to:
- 24 (a) All low-income households are eligible to participate in the 25 program;
  - (b) Low-income households may apply directly to the program;
- 27 (c) Low-income households may self-attest that they meet income 28 qualifications;
- 29 (d) The department may verify that applicants and participants 30 meet the income qualifications, and may work with utilities and 31 community action councils to conduct this verification;
- 32 (e) There is no risk to eligibility based on immigration status 33 or income self-attestation; and
- 34 (f) The department must explore auto-enrollment of known eligible 35 households.
  - (3) The department must provide outreach for the program by:

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- (a) Developing a website and materials for the program that provide information in multiple languages. Outreach materials must be produced and approved by first language speakers;
- (b) Partnering with community-based organizations and community action councils to provide outreach to households less likely to sign up directly or seek government services;
- (c) Coordinating with programs in the state that provide benefits to low-income households so that low-income households are notified and directed to the statewide low-income energy assistance program when signing up or participating in other programs. These programs may include, but are not limited to, the food stamp or benefit program as authorized in RCW 74.04.500 and the working families tax credit as described in RCW 82.08.0206;
  - (d) Providing a call center;

- (e) Ensuring that call center staff and program administrators are trained on trauma-informed communication practices; and
- (f) Codesigning outreach campaigns with community partners, low-income service providers, and statewide community-based organizations.
- (4)(a) In accordance with section 5 of this act, the department must administer the program by providing funds for energy assistance to gas and electric companies, and to all other electric utilities. The utilities must pass these funds on to their low-income residential customers and show the energy assistance on the customers' monthly bills.
- (b) The dollar amount that the department must provide to low-income households must be tiered to provide the most energy assistance to the households with the greatest need.
- (c) The department's obligation to provide energy assistance is based on available funding appropriated for this specific purpose. It is the intent of the legislature that sustained funding shall be provided to meet low-income household needs from climate commitment act auction revenues.
- (5) The department must submit a report to the governor and legislature that includes a program evaluation of the statewide low-income energy assistance program by July 1st in every even-numbered year. The advisory group established in section 4 of this act must advise the department on the program evaluation, which must include meaningful metrics around equitable access and overall program delivery.

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NEW SECTION. Sec. 4. A new section is added to chapter 43.330 RCW to read as follows:

The department must establish an advisory group for the statewide low-income energy assistance program, which must include, but is not limited to, members from low-income households. The advisory group must be composed of a diverse group of stakeholders and must be established by the department before program implementation to help inform program development. The advisory group must advise the department throughout program implementation and on the program evaluation required in section 3 of this act.

- NEW SECTION. Sec. 5. A new section is added to chapter 80.28 RCW to read as follows:
  - (1) Gas companies and electric companies must either participate in the statewide low-income energy assistance program established in section 3 of this act or opt-out in accordance with subsection (2) of this section.
  - (2) A gas company or electric company may opt-out of the statewide low-income energy assistance program if it has at least one low-income program that provides energy assistance to at least 50 percent of low-income households served by the utility and maintains this participation percent. For an electric company, such a program or programs must follow the requirements outlined in RCW 19.405.120. The gas company or electric company must certify in a report to the department of commerce each year that the utility is meeting the required low-income household participation percent in the program or programs. The first report to the department of commerce must be by July 1, 2026. If a gas company or electric company does not meet the requirements of this subsection by July 1, 2028, the gas company or electric company must then immediately contact the department of commerce to establish participation in the statewide low-income energy assistance program.
- **Sec. 6.** RCW 19.405.120 and 2019 c 288 s 12 are each amended to 33 read as follows:
- 34 (1) It is the intent of the legislature to demonstrate progress 35 toward making energy assistance funds available to low-income 36 households consistent with the policies identified in this section.
- 37 (2) An electric utility must make programs and funding available 38 for energy assistance to low-income households by July 31,  $2021_L$

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which the utility may either do directly and in accordance with the requirements described in this section or through the statewide low-income energy assistance program described in section 3 of this act.

An electric utility's participation in the statewide low-income

energy assistance program satisfies compliance with this section.

- (3) Each utility must demonstrate progress in providing energy assistance pursuant to the assessment and plans in subsection ((4+)) of this section. To the extent practicable, priority must be given to low-income households with a higher energy burden.
- ((<del>(3)</del>)) <u>(4)</u> Beginning July 31, 2020, the department must collect and aggregate data estimating the energy burden and energy assistance need and reported energy assistance for each electric utility, in order to improve agency and utility efforts to serve low-income households with energy assistance. The department must update the aggregated data on a biennial basis, make it publicly accessible on its internet website and, to the extent practicable, include geographic attributes.
- (a) The aggregated data published by the department must include, but is not limited to:
- (i) The estimated number and demographic characteristics of households served by energy assistance for each utility and the dollar value of the assistance;
- (ii) The estimated level of energy burden and energy assistance need among customers served, accounting for household income and other drivers of energy burden;
- 26 (iii) Housing characteristics including housing type, home 27 vintage, and fuel types; and
  - (iv) Energy efficiency potential.

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- 29 (b) Each utility must disclose information to the department for 30 use under this subsection, including:
- 31 (i) The amount and type of energy assistance and the number and 32 type of households, if applicable, served for programs administered 33 by the utility;
- 34 (ii) The amount of money passed through to third parties that 35 administer energy assistance programs; and
- 36 (iii) Subject to availability, any other information related to 37 the utility's low-income assistance programs that is requested by the 38 department.

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(c) The information required by (b) of this subsection must be from the electric utility's most recent completed budget period and in a form, timeline, and manner as prescribed by the department.

- ((+4)) (5)(a) In addition to the requirements under subsection ((+3)) (4) of this section, each electric utility must submit biennially to the department an assessment of:
- (i) The programs and mechanisms used by the utility to reduce energy burden and the effectiveness of those programs and mechanisms in both short-term and sustained energy burden reductions;
- (ii) The outreach strategies used to encourage participation of eligible households, including consultation with community-based organizations and Indian tribes as appropriate, and comprehensive enrollment campaigns that are linguistically and culturally appropriate to the customers they serve in vulnerable populations; and
- (iii) A cumulative assessment of previous funding levels for energy assistance compared to the funding levels needed to meet: (A) Sixty percent of the current energy assistance need, or increasing energy assistance by fifteen percent over the amount provided in 2018, whichever is greater, by 2030; and (B) ninety percent of the current energy assistance need by 2050.
- (b) The assessment required in (a) of this subsection must include a plan to improve the effectiveness of the assessed mechanisms and strategies toward meeting the energy assistance need.
- $((\frac{(5)}{)})$  (6) A consumer-owned utility may enter into an agreement with a public university, community-based organization, or joint operating agency organized under chapter 43.52 RCW to aggregate the disclosures required in this section and submit the assessment required in subsections  $((\frac{(3)}{)})$  (4) and  $((\frac{(4)}{)})$  (5) of this section.
- $((\frac{(6)}{(6)}))$   $\underline{(7)}$  (a) The department must submit a biennial report to 31 the legislature that:
  - (i) Aggregates information into a statewide summary of energy assistance programs, energy burden, and energy assistance need;
  - (ii) Identifies and quantifies current expenditures on low-income energy assistance; and
- (iii) Evaluates the effectiveness of additional optimal mechanisms for energy assistance including, but not limited to, customer rates, a low-income specific discount, system benefits charges, and public and private funds.

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- 1 (b) The department must also assess mechanisms to prioritize 2 energy assistance towards low-income households with a higher energy 3 burden.
- 4 ((<del>(7)</del>)) <u>(8)</u> Nothing in this section may be construed to restrict 5 the rate-making authority of the commission or the governing body of 6 a consumer-owned utility as otherwise provided by law.
- **Sec. 7.** RCW 70A.65.260 and 2023 c 475 s 939 are each amended to 8 read as follows:

- (1) The climate commitment account is created in the state treasury. The account must receive moneys distributed to the account from the climate investment account created in RCW 70A.65.250. Moneys in the account may be spent only after appropriation. Projects, activities, and programs eligible for funding from the account must be physically located in Washington state and include, but are not limited to, the following:
- 16 (a) Implementing the working families' tax credit in RCW 17 82.08.0206;
  - (b) Supplementing the growth management planning and environmental review fund established in RCW 36.70A.490 for the purpose of making grants or loans to local governments for the purposes set forth in RCW 43.21C.240, 43.21C.031, 36.70A.500, and 36.70A.600, for costs associated with RCW 36.70A.610, and to cover costs associated with the adoption of optional elements of comprehensive plans consistent with RCW 43.21C.420;
  - (c) Programs, activities, or projects that reduce and mitigate impacts from greenhouse gases and copollutants in overburdened communities, including strengthening the air quality monitoring network to measure, track, and better understand air pollution levels and trends and to inform the analysis, monitoring, and pollution reduction measures required in RCW 70A.65.020;
  - (d) Programs, activities, or projects that deploy renewable energy resources, such as solar and wind power, and projects to deploy distributed generation, energy storage, demand-side technologies and strategies, and other grid modernization projects;
  - (e) Programs, activities, or projects that increase the energy efficiency or reduce greenhouse gas emissions of industrial facilities including, but not limited to, proposals to implement combined heat and power, district energy, or on-site renewables, such as solar and wind power, to upgrade the energy efficiency of existing

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- equipment, to reduce process emissions, and to switch to less emissions intensive fuel sources;
- 3 (f) Programs, activities, or projects that achieve energy 4 efficiency or emissions reductions in the agricultural sector 5 including:
  - (i) Fertilizer management;
  - (ii) Soil management;
- 8 (iii) Bioenergy;
- 9 (iv) Biofuels;

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- 10 (v) Grants, rebates, and other financial incentives for 11 agricultural harvesting equipment, heavy duty trucks, agricultural 12 pump engines, tractors, and other equipment used in agricultural 13 operations;
- (vi) Grants, loans, or any financial incentives to food processors to implement projects that reduce greenhouse gas emissions;
- 17 (vii) Renewable energy projects;
- 18 (viii) Farmworker housing weatherization programs;
- 19 (ix) Dairy digester research and development;
- 20 (x) Alternative manure management; and
  - (xi) Eligible fund uses under RCW 89.08.615;
- 22 (g) Programs, activities, or projects that increase energy 23 efficiency in new and existing buildings, or that promote low carbon 24 architecture, including use of newly emerging alternative building 25 materials that result in a lower carbon footprint in the built 26 environment over the life cycle of the building and component 27 building materials;
- 28 (h) Programs, activities, or projects that promote the 29 electrification and decarbonization of new and existing buildings, 30 including residential, commercial, and industrial buildings;
- 31 (i) Programs, activities, or projects that improve energy 32 efficiency, including district energy, and investments in market 33 transformation of high efficiency electric appliances and equipment 34 for space and water heating;
- 35 (j) Clean energy transition and assistance programs, activities, 36 or projects that assist affected workers or people with lower incomes 37 during the transition to a clean energy economy, or grow and expand 38 clean manufacturing capacity in communities across Washington state 39 including, but not limited to:

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(i) Programs, activities, or projects that directly improve energy affordability and reduce the energy burden of people with lower incomes, as well as the higher transportation fuel burden of rural residents, such as bill assistance, energy efficiency, and weatherization programs;

- (ii) Community renewable energy projects that allow qualifying participants to own or receive the benefits of those projects at reduced or no cost;
- (iii) Programs, activities, or other worker-support projects for bargaining unit and nonsupervisory fossil fuel workers who are affected by the transition away from fossil fuels to a clean energy economy. Worker support may include, but is not limited to: (A) Full wage replacement, health benefits, and pension contributions for every worker within five years of retirement; (B) full wage replacement, health benefits, and pension contributions for every worker with at least one year of service for each year of service up to five years of service; (C) wage insurance for up to five years for workers reemployed who have more than five years of service; (D) up to two years of retraining costs, including tuition and related costs, based on in-state community and technical college costs; (E) peer counseling services during transition; (F) employment placement services, prioritizing employment in the clean energy sector; and (G) relocation expenses;
- (iv) Direct investment in workforce development, via technical education, community college, institutions of higher education, apprenticeships, and other programs including, but not limited to:
- (A) Initiatives to develop a forest health workforce established under RCW 76.04.521; and
- (B) Initiatives to develop new education programs, emerging fields, or jobs pertaining to the clean energy economy;
- (v) Transportation, municipal service delivery, and technology investments that increase a community's capacity for clean manufacturing, with an emphasis on communities in greatest need of job creation and economic development and potential for commute reduction;
- (k) Programs, activities, or projects that reduce emissions from landfills and waste-to-energy facilities through diversion of organic materials, methane capture or conversion strategies, installation of gas collection devices and gas control systems, monitoring and reporting of methane emissions, or other means, prioritizing funding

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needed for any activities by local governments to comply with chapter 70A.540 RCW;

3 (1) Carbon dioxide removal projects, programs, and activities;
4 ((and))

- (m) Activities to support efforts to mitigate and adapt to the effects of climate change affecting Indian tribes, including capital investments in support of the relocation of Indian tribes located in areas at heightened risk due to anticipated sea level rise, flooding, or other disturbances caused by climate change. The legislature intends to dedicate at least \$50,000,000 per biennium from the account for purposes of this subsection; and
- (n) Implementing the statewide low-income energy assistance program as described in section 3 of this act.
- (2) Moneys in the account may not be used for projects or activities that would violate tribal treaty rights or result in significant long-term damage to critical habitat or ecological functions. Investments from this account must result in long-term environmental benefits and increased resilience to the impacts of climate change.
- (3) During the 2023-2025 fiscal biennium, the legislature may appropriate moneys from the climate commitment account for activities related to environmental justice, including implementation of chapter 314, Laws of 2021.

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