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**HOUSE BILL 2103**

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**State of Washington**

**69th Legislature**

**2026 Regular Session**

**By** Representatives Stearns, Parshley, Zahn, Barnard, Ryu, Leavitt, Simmons, Reed, Fitzgibbon, and Bernbaum

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1 AN ACT Relating to authorizing certain public entities to  
2 contract for the capability of renewable or nonemitting electric  
3 generation projects; amending RCW 35.22.705, 35.23.705, 35.27.610,  
4 35.92.420, 35A.80.020, 35A.80.050, 43.52.410, 43.52.595, and  
5 54.16.370; and creating a new section.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that surging demand  
8 for electricity and the necessity of meeting Washington's clean  
9 energy goals will require local governments and other public entities  
10 to have greater flexibility for investing in new electric generation  
11 projects. The legislature further finds that such flexibility was  
12 previously provided by the legislature, but only for a limited set of  
13 qualified alternative energy resources that no longer completely  
14 align with newer categories of clean energy resources established in  
15 the Washington clean energy transformation act. Therefore, the  
16 legislature intends to encourage the development of renewable  
17 resources and nonemitting electric generation by making it easier for  
18 various public entities to invest in such projects, which are  
19 essential to having a successful future for the electric power system  
20 in Washington.

1       **Sec. 2.** RCW 35.22.705 and 2003 c 138 s 4 are each amended to  
2 read as follows:

3       A city of the first class may contract to purchase from a joint  
4 operating agency electric power and energy required for its present  
5 or future requirements. For projects (~~(the output of which is limited~~  
6 ~~to qualified alternative energy resources as defined by RCW~~  
7 ~~19.29A.090(3))~~) using a renewable resource or nonemitting electric  
8 generation as defined in RCW 19.405.020, the contract may include the  
9 purchase of capability of the projects to produce electricity in  
10 addition to the actual output of the projects. The contract may  
11 provide that the city must make the payments required by the contract  
12 whether or not a project is completed, operable, or operating and  
13 notwithstanding the suspension, interruption, interference,  
14 reduction, or curtailment of the output of a project or the power and  
15 energy contracted for. The contract may also provide that payments  
16 under the contract are not subject to reduction, whether by offset or  
17 otherwise, and shall not be conditioned upon the performance or  
18 nonperformance of the joint operating agency or a city, town, or  
19 public utility district under the contract or other instrument.

20       **Sec. 3.** RCW 35.23.705 and 2003 c 138 s 5 are each amended to  
21 read as follows:

22       A city of the second class may contract to purchase from a joint  
23 operating agency electric power and energy required for its present  
24 or future requirements. For projects (~~(the output of which is limited~~  
25 ~~to qualified alternative energy resources as defined by RCW~~  
26 ~~19.29A.090(3))~~) using a renewable resource or nonemitting electric  
27 generation as defined in RCW 19.405.020, the contract may include the  
28 purchase of capability of the projects to produce electricity in  
29 addition to the actual output of the projects. The contract may  
30 provide that the city must make the payments required by the contract  
31 whether or not a project is completed, operable, or operating and  
32 notwithstanding the suspension, interruption, interference,  
33 reduction, or curtailment of the output of a project or the power and  
34 energy contracted for. The contract may also provide that payments  
35 under the contract are not subject to reduction, whether by offset or  
36 otherwise, and shall not be conditioned upon the performance or  
37 nonperformance of the joint operating agency or a city, town, or  
38 public utility district under the contract or other instrument.

1       **Sec. 4.** RCW 35.27.610 and 2003 c 138 s 6 are each amended to  
2 read as follows:

3       A town may contract to purchase from a joint operating agency  
4 electric power and energy required for its present or future  
5 requirements. For projects (~~(the output of which is limited to~~  
6 ~~qualified alternative energy resources as defined by RCW~~  
7 ~~19.29A.090(3))~~) using a renewable resource or nonemitting electric  
8 generation as defined in RCW 19.405.020, the contract may include the  
9 purchase of capability of the projects to produce electricity in  
10 addition to the actual output of the projects. The contract may  
11 provide that the town must make the payments required by the contract  
12 whether or not a project is completed, operable, or operating and  
13 notwithstanding the suspension, interruption, interference,  
14 reduction, or curtailment of the output of a project or the power and  
15 energy contracted for. The contract may also provide that payments  
16 under the contract are not subject to reduction, whether by offset or  
17 otherwise, and shall not be conditioned upon the performance or  
18 nonperformance of the joint operating agency or a city, town, or  
19 public utility district under the contract or other instrument.

20       **Sec. 5.** RCW 35.92.420 and 2003 c 138 s 3 are each amended to  
21 read as follows:

22       A city or town may contract to purchase from a joint operating  
23 agency electric power and energy required for its present or future  
24 requirements. For projects (~~(the output of which is limited to~~  
25 ~~qualified alternative energy resources as defined by RCW~~  
26 ~~19.29A.090(3))~~) using a renewable resource or nonemitting electric  
27 generation as defined in RCW 19.405.020, the contract may include the  
28 purchase of capability of the projects to produce electricity in  
29 addition to the actual output of the projects. The contract may  
30 provide that the city or town must make the payments required by the  
31 contract whether or not a project is completed, operable, or  
32 operating and notwithstanding the suspension, interruption,  
33 interference, reduction, or curtailment of the output of a project or  
34 the power and energy contracted for. The contract may also provide  
35 that payments under the contract are not subject to reduction,  
36 whether by offset or otherwise, and shall not be conditioned upon the  
37 performance or nonperformance of the joint operating agency or a  
38 city, town, or public utility district under the contract or other  
39 instrument.

1       **Sec. 6.** RCW 35A.80.020 and 1967 ex.s. c 119 s 35A.80.020 are  
2 each amended to read as follows:

3       Any code city is authorized to enter into contracts or compacts  
4 with any commission or any operating agency, public or private  
5 project owner, or publicly or privately owned utility for the  
6 purchase and sale of electric energy or falling waters, or the  
7 purchase of capability of a project to produce electricity in  
8 addition to the actual output of the project where the project is  
9 limited to using a renewable resource or nonemitting electric  
10 generation as defined in RCW 19.405.020, as provided in RCW 43.52.410  
11 and chapter 35.84 RCW and to exercise any other authority granted to  
12 cities as provided in chapter 43.52 RCW.

13       **Sec. 7.** RCW 35A.80.050 and 2003 c 138 s 7 are each amended to  
14 read as follows:

15       A code city may contract to purchase from a joint operating  
16 agency electric power and energy required for its present or future  
17 requirements. For projects ~~((the output of which is limited to~~  
18 ~~qualified alternative energy resources as defined by RCW~~  
19 ~~19.29A.090(3))~~ using a renewable resource or nonemitting electric  
20 generation as defined in RCW 19.405.020, the contract may include the  
21 purchase of capability of the projects to produce electricity in  
22 addition to the actual output of the projects. The contract may  
23 provide that the code city must make the payments required by the  
24 contract whether or not a project is completed, operable, or  
25 operating and notwithstanding the suspension, interruption,  
26 interference, reduction, or curtailment of the output of a project or  
27 the power and energy contracted for. The contract may also provide  
28 that payments under the contract are not subject to reduction,  
29 whether by offset or otherwise, and shall not be conditioned upon the  
30 performance or nonperformance of the joint operating agency or a  
31 city, town, or public utility district under the contract or other  
32 instrument.

33       **Sec. 8.** RCW 43.52.410 and 1983 c 308 s 1 are each amended to  
34 read as follows:

35       (1) Any city ((~~or~~)), district, or operating agency is authorized  
36 to enter into contracts or compacts with any operating agency, public  
37 or private project owner, or a publicly or privately owned public  
38 utility for the purchase and sale of electric energy or falling

1 waters (~~(: PROVIDED, That no city or district may enter into a~~  
2 ~~contract or compact with an operating agency to purchase electric~~  
3 ~~energy, or to purchase or participate in a portion of an electrical~~  
4 ~~generating project, that commits the city or district to pay an~~  
5 ~~amount in excess of an express dollar amount or in excess of an~~  
6 ~~express rate per unit of electrical energy received)) , or the  
7 purchase of capability of a project to produce electricity in  
8 addition to the actual output of the project where the project is  
9 limited to using a renewable resource or nonemitting electric  
10 generation as defined in RCW 19.405.020.~~

11 (2) For the purposes of this section, the purchase of capability  
12 of a project to produce electricity in addition to the actual output  
13 of the project means that the contract may provide that the city,  
14 district, or operating agency must make the payments required by the  
15 contract whether or not the project is completed, operable, or  
16 operating and notwithstanding the suspension, interruption,  
17 interference, reduction, or curtailment of the output of the project  
18 or the power and energy contracted for. Such contract may also  
19 provide that payments under the contract are not subject to  
20 reduction, whether by offset or otherwise, and may not be conditioned  
21 upon the performance or nonperformance of the operating agency,  
22 public or private project owner, or publicly or privately owned  
23 public utility, or a city, district, or operating agency under the  
24 contract or other instrument.

25 **Sec. 9.** RCW 43.52.595 and 2003 c 138 s 1 are each amended to  
26 read as follows:

27 A city or district may contract to purchase from an operating  
28 agency electric power and energy required for its present or future  
29 requirements. For projects (~~the output of which is limited to~~  
30 ~~qualified alternative energy resources as defined by RCW~~  
31 ~~19.29A.090(3)) using a renewable resource or nonemitting electric~~  
32 generation as defined in RCW 19.405.020, the contract may include the  
33 purchase of capability of the projects to produce electricity in  
34 addition to the actual output of the projects. The contract may  
35 provide that the city or district must make the payments required by  
36 the contract whether or not a project is completed, operable, or  
37 operating and notwithstanding the suspension, interruption,  
38 interference, reduction, or curtailment of the output of a project or  
39 the power and energy contracted for. The contract may also provide

1 that payments under the contract are not subject to reduction,  
2 whether by offset or otherwise, and shall not be conditioned upon the  
3 performance or nonperformance of the operating agency or a city or  
4 district under the contract or other instrument.

5 **Sec. 10.** RCW 54.16.370 and 2003 c 138 s 2 are each amended to  
6 read as follows:

7 A district may contract to purchase from a joint operating agency  
8 electric power and energy required for its present or future  
9 requirements. For projects (~~the output of which is limited to~~  
10 ~~qualified alternative energy resources as defined by RCW~~  
11 ~~19.29A.090(3))~~ using a renewable resource or nonemitting electric  
12 generation as defined in RCW 19.405.020, the contract may include the  
13 purchase of capability of the projects to produce electricity in  
14 addition to the actual output of the projects. The contract may  
15 provide that the district must make the payments required by the  
16 contract whether or not a project is completed, operable, or  
17 operating and notwithstanding the suspension, interruption,  
18 interference, reduction, or curtailment of the output of a project or  
19 the power and energy contracted for. The contract may also provide  
20 that payments under the contract are not subject to reduction,  
21 whether by offset or otherwise, and shall not be conditioned upon the  
22 performance or nonperformance of the joint operating agency or a  
23 city, town, or district under the contract or other instrument.

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