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By Representatives Doglio, Ramel, Wylie, Stearns, Duerr, Parshley, Ryu, Simmons, Kloba, Berry, Scott, Fosse, Pollet, Macri, Street, and Reed

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1 AN ACT Relating to addressing emerging large energy use
2 facilities; amending RCW 19.29A.010 and 70A.65.120; adding new
3 sections to chapter 19.29A RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that data centers
6 are emerging large energy use facilities that have the potential to
7 significantly affect Washington's energy affordability and
8 reliability, local communities, jobs, environment, and economy.

9 Data centers are projected to grow rapidly over the next several
10 years, making up the largest source of expected electricity load
11 growth in the Pacific Northwest. The legislature established tax
12 incentives for data centers starting in 2010. However, since that
13 time, the data center industry has undergone major changes. Data
14 centers are growing larger to support artificial intelligence, and
15 there is high uncertainty about many aspects of the future of this
16 rapidly evolving, emerging industry.

17 The development of data centers has brought benefits including
18 construction jobs and significant new tax revenues to Washington,
19 especially to rural communities. Data centers are also major users of
20 electricity, water, and refrigerant chemicals, though information

1 about data center resource use and environmental impacts is difficult
2 if not impossible for the public to access.

3 The legislature intends to enact policies governing these
4 emerging large energy use facilities, currently defined as data
5 centers and cryptocurrency facilities, while recognizing that other
6 such industries may emerge in the future with their facilities
7 requiring similar policies.

8 For emerging large energy use facilities, the legislature's
9 policy priorities are affordability, grid reliability, transparency,
10 and environmental protection. The legislature intends to protect
11 energy affordability for consumers; ensure that data center energy
12 demands do not harm the reliability of the electric grid; require
13 transparency about energy, water, and refrigerant use; and require
14 the use of 100 percent clean energy over time.

15 The technology industry plays an important role in
16 Washingtonians' lives and in the state's economy. The legislature
17 intends to require data centers to meet a high standard for
18 performance, building on the industry's ability to innovate and lead,
19 while protecting and delivering benefits to Washington consumers,
20 workers, communities, and environment.

21 **Sec. 2.** RCW 19.29A.010 and 2019 c 222 s 2 are each amended to
22 read as follows:

23 The definitions in this section apply throughout this chapter
24 unless the context clearly requires otherwise.

25 (1) "Biomass generation" has the same meaning as "biomass energy"
26 defined in RCW 19.285.030.

27 (2) "Bonneville power administration system mix" means a
28 generation mix sold by the Bonneville power administration that is
29 net of any resource specific sales.

30 (3) "Commission" means the utilities and transportation
31 commission.

32 (4) "Conservation" means an increase in efficiency in the use of
33 energy use that yields a decrease in energy consumption while
34 providing the same or higher levels of service. Conservation includes
35 low-income weatherization programs.

36 (5) "Consumer-owned utility" means a municipal electric utility
37 formed under Title 35 RCW, a public utility district formed under
38 Title 54 RCW, an irrigation district formed under chapter 87.03 RCW,
39 a cooperative formed under chapter 23.86 RCW, ((~~or~~)) a mutual

1 corporation or association formed under chapter 24.06 RCW, or a port
2 district formed under Title 53 RCW, that is engaged in the business
3 of distributing electricity to ~~((more than))~~ at least one retail
4 electric customer in the state.

5 (6) "Declared resource" means an electricity source specifically
6 identified by a retail supplier to serve retail electric customers. A
7 declared resource includes a stated quantity of electricity tied
8 directly to a specified generation facility or set of facilities
9 either through ownership or contract purchase, or a contractual right
10 to a stated quantity of electricity from a specified generation
11 facility or set of facilities.

12 (7) "Demand response" has the same meaning as in RCW 19.405.020.

13 (8) "Department" means the department of commerce.

14 ~~((+8))~~ (9) "Electric meters in service" means those meters that
15 record in at least nine of twelve calendar months in any calendar
16 year not less than two hundred fifty kilowatt-hours per month.

17 ~~((+9))~~ (10) "Electric utility" means a consumer-owned or
18 investor-owned utility as defined in this section.

19 ~~((+10))~~ (11) "Electricity" means electric energy measured in
20 kilowatt-hours, or electric capacity measured in kilowatts, or both.

21 ~~((+11))~~ (12) "Electricity product" means the electrical energy
22 produced by a generating facility or facilities that a retail
23 supplier sells or offers to sell to retail electric customers in the
24 state of Washington, provided that nothing in this title shall be
25 construed to mean that electricity is a good or product for the
26 purposes of Title 62A RCW, or any other purpose. It does not include
27 electrical energy generated on-site at a retail electric customer's
28 premises.

29 ~~((+12))~~ (13) "Electricity product content label" means
30 information presented in a uniform format by a retail supplier to its
31 retail customers and disclosing the information required in RCW
32 19.29A.060 about the characteristics of an electricity product.

33 ~~((+13))~~ (14) "Emerging large energy use facility" means a
34 facility that has a maximum aggregate contract demand of 20 megawatts
35 or more and is primarily engaged in providing a service described
36 under code 518210 of the 2022 North American industry classification
37 system.

38 (15) "Emerging large energy use facility tariff or contract"
39 means the terms set by an electric utility for providing electricity
40 service to an emerging large energy use facility electric customer,

1 and includes electric rates to be charged to the customer for
2 electricity service.

3 (16) "Facility" means any physical property, plant, building,
4 structure, source, or stationary equipment located on one or more
5 contiguous or adjacent properties in actual physical contact or
6 separated solely by a public roadway or other public right-of-way and
7 under common ownership or common control.

8 (17) "Fuel attribute" means the characteristic of electricity
9 determined by the fuel used in the generation of that electricity.
10 For a renewable resource, the fuel attribute is included in its
11 nonpower attributes.

12 ~~((14))~~ (18) "Fuel mix" means the sources of electricity sold to
13 retail electric customers, expressed in terms of percentage
14 contribution by resource category. The total fuel mix included in
15 each disclosure shall total one hundred percent.

16 ~~((15))~~ (19) "Governing body" means the council of a city or
17 town, the commissioners of an irrigation district, municipal electric
18 utility, or public utility district, or the board of directors of an
19 electric cooperative or mutual association that has the authority to
20 set and approve rates.

21 ~~((16))~~ (20) "Investor-owned utility" means a company owned by
22 investors that meets the definition of RCW 80.04.010 and is engaged
23 in distributing electricity to one or more retail electric customers
24 in the state.

25 ~~((17))~~ (21) "Marginal load" means at least two percent of an
26 emerging large energy use facility's maximum contract demand amount.

27 (22) "Nonpower attributes" has the same meaning as defined in RCW
28 19.285.030.

29 ~~((18))~~ (23) "Private customer information" includes a retail
30 electric customer's name, address, telephone number, and other
31 personally identifying information.

32 ~~((19))~~ (24) "Proprietary customer information" means: (a)
33 Information that relates to the source, technical configuration,
34 destination, and amount of electricity used by a retail electric
35 customer, a retail electric customer's payment history, and household
36 data that is made available by the customer solely by virtue of the
37 utility-customer relationship; and (b) information contained in a
38 retail electric customer's bill.

39 ~~((20))~~ (25) "Renewable energy certificate" means a tradable
40 certificate of proof of one megawatt-hour of electricity from a

1 renewable resource. The certificate includes all of the nonpower
2 attributes associated with that one megawatt-hour of electricity, and
3 the certificate is verified by a renewable energy certificate
4 tracking system specified by the department.

5 ~~((21))~~ (26) "Renewable resource" has the same meaning as
6 defined in RCW 19.285.030.

7 ~~((22))~~ (27) "Resale" means the purchase and subsequent sale of
8 electricity for profit, but does not include the purchase and the
9 subsequent sale of electricity at the same rate at which the
10 electricity was purchased.

11 ~~((23))~~ (28) "Retail electric customer" means a person or entity
12 that purchases electricity for ultimate consumption and not for
13 resale.

14 ~~((24))~~ (29) "Retail supplier" means an electric utility that
15 offers an electricity product for sale to retail electric customers
16 in the state.

17 ~~((25))~~ (30) "Small utility" means any consumer-owned utility
18 with twenty-five thousand or fewer electric meters in service, or
19 that has an average of seven or fewer customers per mile of
20 distribution line.

21 ~~((26))~~ (31) "Source and disposition report" means the report
22 required in RCW 19.29A.140.

23 ~~((27))~~ (32) "State" means the state of Washington.

24 ~~((28))~~ (33) "Unspecified source" means an electricity source
25 for which the fuel attribute is unknown or has been separated from
26 the energy.

27 NEW SECTION. **Sec. 3.** A new section is added to chapter 19.29A
28 RCW to read as follows:

29 (1)(a) By October 1, 2026, each investor-owned utility with an
30 emerging large energy use facility in its service territory must
31 submit to the commission and make publicly available an emerging
32 large energy use facility tariff or contract for large energy use
33 facilities in the utility's service area.

34 (b) Within 10 months of submission by an investor-owned utility,
35 the commission, under the authority granted by RCW 80.04.130(1), must
36 review an emerging large energy use facility tariff or contract and
37 approve, disapprove, or approve with modifications the tariff or
38 contract. The commission may approve a large load energy facility

1 tariff or contract only if it meets the standards outlined in
2 subsection (4) of this section.

3 (2) (a) By October 1, 2026, each consumer-owned utility with an
4 emerging large energy use facility in its service territory must
5 submit an emerging large energy use facility tariff or contract to
6 its governing board for review and approval.

7 (b) Within 10 months of submission, the governing body of a
8 consumer-owned utility must approve an emerging large energy use
9 facility tariff or contract that meets the standards outlined in
10 subsection (4) of this section.

11 (c) A consumer-owned utility's tariff or contract must limit the
12 offer of electricity service to an emerging large energy use facility
13 if offering such service would adversely affect the reliability or
14 affordability of electricity service to other ratepayers in the
15 utility's service area.

16 (3) An electric utility without an emerging large energy use
17 facility in its service territory is not required to develop an
18 emerging large energy use facility tariff or contract until the
19 utility plans to serve a new emerging large energy use facility.

20 (4) All electric utility emerging large energy use tariff or
21 contract submissions must be designed to avoid immediate and long-
22 term risks to electric customers including, but not limited to,
23 shifts of costs from large energy use facilities to other electric
24 customers, and stranded utility assets. Specifically, the tariffs or
25 contracts must require emerging large energy use facilities to:

26 (a) Provide at least 10-year contractual service commitments by
27 the facility to the electric utility, which may include, but are not
28 limited to:

29 (i) Collateral requirements, such as, if the facility does not
30 have a credit rating of at least A- from S&P Global Inc. and A3 from
31 Moody's Corporation, in addition to cash and cash equivalents on an
32 audited balance sheet prepared in accordance with generally accepted
33 accounting principles greater than 10 times the collateral
34 requirement, the facility must provide a guarantee or collateral at
35 the time of signing a tariff or contract equal to 50 percent of the
36 total minimum charges for the full term of the contract;

37 (ii) Annual charges of 85 percent of projected electricity demand
38 whether or not the facility uses its full projected demand to pay for
39 infrastructure upgrades needed to serve the facility;

1 (iii) Exit fees equal to five years of the facility's minimum
2 bill requirement in the event of a permanent closure; and

3 (iv) Other provisions to hold the electric utility and other
4 ratepayers harmless if the facility were to substantially change its
5 operations;

6 (b) Pay the electric utility for the full costs of serving the
7 facility, including:

8 (i) The direct costs for the utility to interconnect the facility
9 to the utility's grid, which may include the costs for the utility to
10 study what would be needed for interconnection; and

11 (ii) The costs of providing electricity service to the facility
12 including, as applicable, energy generation, transmission,
13 distribution, and capacity and ancillary electricity services;

14 (c) Demonstrate to the electric utility that the facility has, or
15 plans to have, adequate power supply, either through purchasing
16 electricity from an entity that is not the utility or by generating
17 its own electricity, if the utility does not have adequate power
18 supply for the facility;

19 (d) Curtail the use of electricity provided to the facility from
20 the electric utility during an energy emergency event at the request
21 of the electric utility;

22 (e) Pay real-time wholesale electricity prices; and

23 (f) Demonstrate that the facility's marginal load is served under
24 a contract between the electric utility and the facility where:

25 (i) The marginal load participates in a demand response or
26 interruptible load program of the interconnected electric utility; or

27 (ii) The facility funds the costs, including proportional
28 administrative costs and any applicable start-up costs, of providing
29 peak demand reductions at least equal to the facility's marginal
30 load, for a utility's demand response program that serves other
31 retail electric customers.

32 (5) Any contract between an electric utility and an emerging
33 large energy use facility must conform to the requirements in
34 subsection (4) of this section.

35 (6)(a) An emerging large energy use facility that commences
36 operation on or after August 1, 2027, must agree to the terms of an
37 electric utility's approved emerging large energy use tariff or
38 contract before receiving electricity service, if seeking service, or
39 to maintain electricity service, if already receiving service from
40 the electric utility.

1 (b) An emerging large energy use facility that commenced
2 operation prior to August 1, 2027, is subject to the terms of an
3 approved emerging large energy use facility tariff or contract of its
4 servicing electric utility by January 1, 2028.

5 (c) An emerging large energy use facility operating under a
6 tariff or contract with an electric utility prior to August 1, 2027,
7 may continue operating under such a tariff or contract until January
8 1, 2028.

9 (7) The commission and consumer-owned utility governing boards
10 must consider applying similar tariff or contract terms to similar
11 future emerging large loads.

12 NEW SECTION. **Sec. 4.** A new section is added to chapter 19.29A
13 RCW to read as follows:

14 The owner of each emerging large energy use facility in the state
15 must:

16 (1) Publish a sustainability report demonstrating how the
17 emerging large energy use facility will address and balance energy,
18 water, and computing performance to maximize energy efficiency, water
19 efficiency, and overall sustainability. The report must include
20 projected annual energy and water consumption for three years and the
21 source of the energy and water. The report must also provide evidence
22 that the facility has access to an adequate water supply for the
23 intended use of the facility through an existing or third-party water
24 system or through a state-issued water right, as applicable.

25 (a) For proposed emerging large energy use facilities, the owner
26 must publish such a report prior to, or at the same time as, filing
27 an application for any state or local permit.

28 (b) For emerging large energy use facilities in operation prior
29 to enactment of this act, the owner must publish such a report by
30 January 1, 2027.

31 (c) For emerging large energy use facilities in operation, the
32 owner must update the report and publish the update every three
33 years.

34 (d) The owner must make these reports publicly available
35 electronically. Upon posting electronically, the owner must also
36 submit a copy to the department, the department of ecology, and the
37 local jurisdiction or jurisdictions it is proposing to locate in, or
38 is located in.

1 (2) Annually report the following information in one report to
2 the department of ecology by March 31st each year for the previous
3 year:

4 (a) The facility's annual water consumption. The report must
5 include daily water quantities, total and peak uses, and any
6 effluents that are discharged outside the emerging large energy use
7 facility. The report may provide context by comparing the facility's
8 water use to other users.

9 (b) The facility's server cooling technology and any associated
10 use of regulated refrigerants as defined in RCW 70A.60.010 and
11 regulated refrigerant substitutes. The report must include monthly
12 and annual quantities used, and of any quantities disposed outside
13 the facility, including the entity who receives the material.

14 (c) The facility's annual energy consumption. The report must
15 include the source of the energy, and annual and monthly energy use,
16 including peak demands. The report may provide context by comparing
17 the facility's energy use to other users.

18 NEW SECTION. **Sec. 5.** A new section is added to chapter 19.29A
19 RCW to read as follows:

20 (1)(a) The commission and the department must jointly develop
21 reporting standards for emerging large energy use facilities to
22 improve resource forecasting. Reporting standards may include, but
23 are not limited to, standards on data quality, documentation,
24 commercial readiness criteria, and information about associated
25 transmission needs. The commission and the department must develop
26 the standards by December 31, 2026.

27 (b) After December 31, 2026, each emerging large energy use
28 facility that is interconnected with an electric utility must provide
29 a report, consistent with the reporting standards, to its
30 interconnected electric utility by July 1st of each year. Each
31 emerging large energy use facility that is not interconnected with an
32 electric utility must submit this report to the department.

33 (c) Each electric utility must consolidate any emerging large
34 energy use facility reports it receives and submit an aggregated
35 report to the commission in the case of investor-owned utilities and
36 to the department in the case of consumer-owned utilities by December
37 1st of each year.

38 (2) The commission and the department must further collaborate to
39 improve resource forecasting of emerging large energy use facility

1 loads. Collaboration may include facilitating a work group of
2 electric utilities to establish standardized commercial readiness
3 criteria across electric utilities for emerging large energy use
4 facilities to enter interconnection queues.

5 (3) When requesting interconnection with an electric utility,
6 each emerging large energy use facility must:

7 (a) Disclose duplicative interconnection requests across
8 balancing authorities to the electric utility; and

9 (b) Provide a report, consistent with the reporting standards
10 developed in subsection (1) of this section, to the electric utility.

11 NEW SECTION. **Sec. 6.** A new section is added to chapter 19.29A
12 RCW to read as follows:

13 (1) The owner of an emerging large energy use facility that
14 commences operation after July 1, 2026, or an expanded emerging large
15 energy use facility must:

16 (a) Beginning in 2031 and every year thereafter, certify to the
17 department that for the prior year it used electricity from renewable
18 resources or nonemitting electric generation as defined in RCW
19 19.405.020, where the electricity generation facility commenced
20 operation on or after January 1, 2026, to serve the load of the
21 emerging large energy use facility in an amount that meets or exceeds
22 80 percent of its annual energy and capacity requirements; and

23 (b) Beginning in 2036 and every year thereafter, certify to the
24 department by January 1st each year that for the prior year it used
25 electricity from renewable resources or nonemitting electric
26 generation as defined in RCW 19.405.020, to serve the load of the
27 emerging large energy use facility in an amount that meets 100
28 percent of its annual energy and capacity requirements.

29 (2) As part of demonstrating compliance with the requirements in
30 subsection (1) of this section:

31 (a) The emerging large energy use facility must acquire the
32 electricity with the renewable energy credit as defined in RCW
33 19.405.020 in a single transaction through ownership or control of
34 the generating facility or through a contract for purchase or
35 exchange; and

36 (b) The emerging large energy use facility must not use the
37 associated electricity for any purpose other than supplying its new
38 emerging large energy use facility.

1 (3) Each emerging large energy use facility using a renewable
2 energy credit under this chapter must document the following: (a) The
3 renewable energy credit represents the output of a renewable
4 resource; (b) the vintage of the renewable energy credit is the
5 compliance year; and (c) that the emerging large energy use facility
6 has retired the renewable energy credit to a retirement subaccount
7 within the western renewable energy information system designated by
8 the department.

9 (4) The requirements in this section are in addition to any
10 requirements the emerging large energy use facility may have as an
11 affected market customer under chapter 19.405 RCW.

12 (5) For the purposes of this section, "expanded emerging large
13 energy use facility" means an emerging large energy use facility with
14 an increase of 20,000 square feet or more dedicated for housing
15 working servers or an increase of 20 megawatts or more in annual
16 electricity consumption, where the increase occurred on or after July
17 1, 2026.

18 **Sec. 7.** RCW 70A.65.120 and 2021 c 316 s 14 are each amended to
19 read as follows:

20 (1) The legislature intends by this section to allow all
21 consumer-owned electric utilities and investor-owned electric
22 utilities subject to the requirements of chapter 19.405 RCW, the
23 Washington clean energy transformation act, to be eligible for
24 allowance allocation as provided in this section in order to mitigate
25 the cost burden of the program on electricity customers, other than,
26 starting for calendar year 2027, those customers that are emerging
27 large energy use facilities as defined in section 2 of this act. For
28 no-cost allowances distributed starting in calendar year 2026, the
29 department may not provide allowance allocation to mitigate the cost
30 burden of the program on electricity customers that are emerging
31 large energy use facilities as defined in section 2 of this act. The
32 department may adjust the definition of emerging large energy use
33 facilities for these purposes by rule making informed by the
34 reporting required in sections 4 and 5 of this act.

35 (2)(a) By October 1, 2022, the department shall adopt rules, in
36 consultation with the department of commerce and the utilities and
37 transportation commission, establishing the methods and procedures
38 for allocating allowances for consumer-owned and investor-owned

1 electric utilities. The rules must take into account the cost burden
2 of the program on electricity customers.

3 (b) By October 1, 2022, the department shall adopt an allocation
4 schedule by rule, in consultation with the department of commerce and
5 the utilities and transportation commission, for the first compliance
6 period for the provision of allowances at no cost to consumer-owned
7 and investor-owned electric utilities. This allocation must be
8 consistent with a forecast, that is approved by the appropriate
9 governing board or the utilities and transportation commission, of
10 each utility's supply and demand, and the cost burden resulting from
11 the inclusion of the covered entities in the first compliance period.

12 (c) By October 1, 2026, the department shall adopt an allocation
13 schedule by rule, in consultation with the department of commerce and
14 the utilities and transportation commission, for the provision of
15 allowances for the second compliance period at no cost to consumer-
16 owned and investor-owned electric utilities. This allocation must be
17 consistent with a forecast, that is approved by the appropriate
18 governing board or the utilities and transportation commission, of
19 each utility's supply and demand, and the cost burden resulting from
20 the inclusion of covered entities in the second compliance period.

21 ~~((The allowances included in this schedule must reflect the increased
22 scope of coverage in the electricity sector relative to the program
23 budget of allowances established in 2022.))~~

24 (d) By October 1, 2028, the department shall adopt an allocation
25 schedule by rule, in consultation with the department of commerce and
26 the utilities and transportation commission, for the provision of
27 allowances at no cost to consumer-owned and investor-owned electric
28 utilities for the compliance periods contained within calendar years
29 2031 through 2045 consistent with subsection (1) of this section.

30 This allocation must be consistent with a forecast, that is approved
31 by the appropriate governing board or the utilities and
32 transportation commission, of each utility's supply and demand, and
33 the cost burden resulting from the inclusion of the covered entities
34 in the compliance periods. The rule developed under this subsection
35 (2)(d) may prescribe an amount of allowances allocated at no cost
36 that must be consigned to auction by consumer-owned and investor-
37 owned electric utilities. However, utilities may use allowances for
38 compliance equal to their covered emissions in any calendar year they
39 were not subject to potential penalty under RCW 19.405.090. Under no
40 circumstances may utilities receive any free allowances after 2045.

1 (3) (a) During the first compliance period, allowances allocated
2 at no cost to consumer-owned and investor-owned electric utilities
3 may be consigned to auction for the benefit of ratepayers, deposited
4 for compliance, or a combination of both. The rules adopted by the
5 department under subsection (2) of this section must include
6 provisions for directing revenues generated under this subsection to
7 the applicable utilities.

8 (b) By October 1, 2026, the department, in consultation with the
9 department of commerce and the utilities and transportation
10 commission, must adopt rules governing the amount of allowances
11 allocated at no cost under subsection (2)(c) of this section that
12 must be consigned to auction. For calendar year 2030, electric
13 utilities may use allowances for compliance equal to their covered
14 emissions if not subject to potential penalty under RCW 19.405.090.

15 (4) The benefits of all allowances consigned to auction under
16 this section must be used by consumer-owned and investor-owned
17 electric utilities for the benefit of ratepayers, with the first
18 priority the mitigation of any rate impacts to low-income customers.
19 Starting for no-cost allowances provided for calendar year 2027, the
20 benefits of allowances consigned to auction under this section may
21 not be used by consumer-owned and investor-owned electric utilities
22 for the primary benefit of emerging large energy use facilities.

23 (5) If an entity is identified by the department as an emissions-
24 intensive, trade-exposed industry under RCW 70A.65.110, unless
25 allowances have been otherwise allocated for electricity-related
26 emissions to the entity under RCW 70A.65.110 or to a consumer-owned
27 utility under this section, the department shall allocate allowances
28 at no cost to the electric utility or power marketing administration
29 that is providing electricity to the entity in an amount equal to the
30 forecasted emissions for electricity consumption for the entity for
31 the compliance period.

32 (6) The department shall allow for allowances to be transferred
33 between a power marketing administration and electric utilities and
34 used for direct compliance.

35 (7) Rules establishing the allocation of allowances to consumer-
36 owned utilities and investor-owned utilities must consider, in a
37 manner consistent with subsection (1) of this section, the impact of
38 electrification of buildings, transportation, and industry on the
39 electricity sector.

1 (8) Nothing in this section affects the requirements of chapter
2 19.405 RCW.

3 (9) A consumer-owned utility that is party to a contract that
4 meets the following conditions must be issued allowances under this
5 section for emissions associated with imported electricity, in order
6 to prevent impairment of the value of the contract to either party:

7 (a) The contract does not address compliance costs imposed upon
8 the consumer-owned utility by the program created in this chapter;
9 and

10 (b) The contract was in effect as of July 25, 2021, and expires
11 no later than the end of the first compliance period.

12 (10) By July 31st each year, starting in calendar year 2026, each
13 utility must provide to the department a list of existing and
14 forecast retail customers that are emerging large energy use
15 facilities to enable the department to provide allowance allocation
16 consistent with subsection (1) of this section. For each facility the
17 utility must indicate the forecast maximum delivery of power to the
18 facility for the following four years, forecast annual retail load in
19 megawatt-hours for the following four years, customer name, and
20 facility type. The department may update these reporting requirements
21 by rule.

22 NEW SECTION. Sec. 8. A new section is added to chapter 19.29A
23 RCW to read as follows:

24 (1) Beginning July 1, 2026, each emerging large energy use
25 facility must pay a fee to the department of revenue. The emerging
26 large energy use facility fee is due annually each July 1st.

27 (2) The fee is \$0.005 per kilowatt hour.

28 (3) The fee is to be paid in the manner and form prescribed by
29 the department of revenue.

30 (4) The proceeds of this fee must be deposited into the emerging
31 large energy use facility account created in section 9 of this act.

32 NEW SECTION. Sec. 9. A new section is added to chapter 19.29A
33 RCW to read as follows:

34 The emerging large energy use facility account is created in the
35 state treasury. All receipts from emerging large energy use
36 facilities as authorized in section 8 of this act must be deposited
37 in the account. Moneys in the account may be spent only after
38 appropriation. Sixty percent of the expenditures from the account

1 must be used for energy assistance, weatherization, low-income home
2 electrification, and related readiness upgrade purposes, which may
3 include the following programs administered by the department of
4 commerce: The low-income residential weatherization program as
5 described in chapter 70A.35 RCW, the state home energy assistance
6 program, and the low-income home rehabilitation grant program as
7 described in chapter 43.330 RCW. It is the intent of the legislature
8 for these funds to add to rather than supplant or reduce other state
9 investments for these purposes. Forty percent of the expenditures
10 from the account must be appropriated to the student achievement
11 council to distribute to public institutions of higher education as
12 defined in chapter 28B.10 RCW for the following higher education
13 purposes: Career services, quantum computing education, and
14 artificial intelligence education for educators.

15 NEW SECTION. **Sec. 10.** A new section is added to chapter 19.29A
16 RCW to read as follows:

17 (1) For any behind the meter energy system project, owned by an
18 emerging large energy use facility, the facility receiving power from
19 the system must ensure that any work associated with such a project
20 will be performed by a prime contractor and its subcontractors in a
21 way that includes community workforce agreements or project labor
22 agreements, and the payment of area standard prevailing wages and
23 apprenticeship utilization requirements.

24 (2) Community workforce agreements and project labor agreements
25 are self-contained, stand-alone agreements, and that by virtue of
26 having become bound to such an agreement or agreements, neither the
27 prime contractor nor the subcontractors are obligated to sign any
28 other local, area, or national agreement.

29 (3) Nothing in this section supersedes RCW 19.28.091 or
30 19.28.261.

31 (4) For the purposes of this section:

32 (a) "Project labor agreement" and "community workforce agreement"
33 means a prehire collective bargaining agreement with one or more
34 labor organizations that establishes the terms and conditions of
35 employment for a specific construction project and is an agreement
36 described in 29 U.S.C. Sec. 158(f).

37 (b) "Terms and conditions of employment for a specific
38 construction project" means the project labor agreement or community
39 workforce agreement is a single agreement covering all labor

1 organizations representing the building and construction employees
2 involved in the project and covering all contractors and
3 subcontractors working on the project.

--- **END** ---