CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6076

Chapter 183, Laws of 2026

69th Legislature
2026 Regular Session

UTILITY PROCUREMENT—CERTAIN ENERGY PROJECTS

EFFECTIVE DATE: June 11, 2026

Passed by the Senate March 10, 2026
Yeas 48 Nays 1

DENNY HECK

President of the Senate

Passed by the House March 4, 2026
Yeas 95 Nays 1

LAURIE JINKINS

Speaker of the House of Representatives

Approved March 24, 2026 10:44 AM

BOB FERGUSON

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6076** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

March 25, 2026

Secretary of State
State of Washington

SUBSTITUTE SENATE BILL 6076

AS AMENDED BY THE HOUSE

Passed Legislature - 2026 Regular Session

State of Washington 69th Legislature 2026 Regular Session

By Senate Environment, Energy & Technology (originally sponsored by Senators Goehner, Salomon, Lovelett, and Saldaña)

READ FIRST TIME 02/02/26.

AN ACT Relating to streamlining consumer-owned utility procurement requirements for clean energy generation, energy storage, transmission, and distribution projects until the 2045 carbon free compliance date under the clean energy transformation act; amending RCW 54.04.080 and 39.04.280; reenacting and amending RCW 54.04.070; adding a new section to chapter 54.04 RCW; and creating a new section.

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

NEW SECTION. **Sec. 1.** The legislature finds that the state has committed to achieving carbon neutrality by 2030 and becoming carbon-free by 2045. At the same time, electricity demand in Washington is rising sharply and current regional forecasts project an increase in electricity demand of over 30 percent in the next decade.

The legislature also finds that Washington's existing transmission system lacks the capacity to meet existing demand and integrate future intermittent clean energy generation, and that significant cost increases and supply chain delays in the electric utility sector require urgent action to maintain affordability for electric ratepayers. This challenge is especially heightened during extreme weather events, which increases the need for heating and

cooling and places sustained pressure on the grid during peak periods.

Therefore, it is the intent of the legislature to streamline certain procurement laws for consumer-owned utilities until the 2045 carbon free compliance date under the clean energy transformation act. These changes are intended to expedite needed energy generation, storage, transmission, and distribution to support Washington's growing energy demand and its clean energy commitments in the most timely and cost effective manner.

Sec. 2. RCW 54.04.070 and 2023 c 395 s 32 and 2023 c 255 s 1 are each reenacted and amended to read as follows:

(1) Any item, or items of the same kind of materials, equipment, or supplies purchased, the estimated cost of which is in excess of $30,000, exclusive of sales tax, shall be by contract. However, a district may make purchases of the same kind of items of materials, equipment, and supplies not exceeding $12,000 in any calendar month without a contract, purchasing any excess thereof over $12,000 by contract.

(2) Any work ordered by a district commission, the estimated cost of which is in excess of $150,000 exclusive of sales tax if more than a single craft or trade is involved with the public works project, or a public works project in excess of $75,500 exclusive of sales tax if only a single craft or trade is involved with the public works project, shall be by contract. However, a district commission may have its own regularly employed personnel perform work which is an accepted industry practice under prudent utility management without a contract. For purposes of this ((~~section~~)) subsection, "prudent utility management" means performing work with regularly employed personnel utilizing material of a worth not exceeding $300,000 in value without a contract. This limit on the value of material being utilized in work being performed by regularly employed personnel shall not include the value of individual items of equipment. For the purposes of this section, the term "equipment" includes but is not limited to conductor, cabling, wire, pipe, or lines used for electrical, water, fiber optic, or telecommunications.

(3) Until January 1, 2045, any work ordered by a district commission for the construction, maintenance, operation, or repair of new or existing nonemitting electric generation, electric generation from a renewable resource, energy storage, or transmission or

distribution projects, the estimated cost of which is in excess of $500,000 exclusive of sales tax, shall be by contract. However, a district commission may have its own regularly employed personnel perform work described in this subsection which is an accepted industry practice under prudent utility management without a contract. For purposes of this subsection, "prudent utility management" means performing work with regularly employed personnel utilizing material of a worth not exceeding $1,000,000 in value without a contract. This limit on the value of material being utilized in work being performed by regularly employed personnel does not include the value of individual items of equipment. For the purposes of this subsection, "equipment" includes but is not limited to conductor, cabling, wire, lines, parts, components, or other devices used in nonemitting electrical generation, transmission, or distribution. For purposes of this subsection, "nonemitting electric generation" and "renewable resource" have the definitions provided in RCW 19.405.020.

(4) Before awarding a contract required under subsection (1), (2), or ((~~(2)~~)) (3) of this section, the commission shall publish a notice once or more in a newspaper of general circulation in the district at least 13 days before the last date upon which bids will be received, inviting sealed proposals for the work or materials. Plans and specifications for the work or materials shall at the time of publication be on file at the office of the district and subject to public inspection. Any published notice ordering work to be performed for the district shall be mailed at the time of publication to any established trade association which files a written request with the district to receive such notices. The commission may, at the same time and as part of the same notice, invite tenders for the work or materials upon plans and specifications to be submitted by the bidders.

((~~(4)~~)) (5) As an alternative to the competitive bidding requirements of this section and RCW 54.04.080, a district may let contracts using the small works roster process under RCW 39.04.151 through 39.04.154.

((~~(5)~~)) (6) Whenever equipment or materials required by a district are held by a governmental agency and are available for sale but such agency is unwilling to submit a proposal, the commission may ascertain the price of such items and file a statement of such price

supported by the sworn affidavit of one member of the commission, and may consider such price as a bid without a deposit or bond.

((~~(6)~~)) (7) Pursuant to RCW 39.04.280, the commission may waive the competitive bidding requirements of this section and RCW 54.04.080 if an exemption contained within RCW 39.04.280 applies to the purchase or public work.

((~~(7)~~)) (8)(a) A district may procure public works with a unit priced contract under this section, RCW 54.04.080, or 54.04.085 for the purpose of completing anticipated types of work based on hourly rates or unit pricing for one or more categories of work or trades.

(b) For the purposes of this section, unit priced contract means a competitively bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of a district, under which the contractor agrees to a fixed period indefinite quantity delivery of work, at a defined unit price, for each category of work.

(c) Unit priced contracts must be executed for an initial contract term not to exceed three years, with the district having the option of extending or renewing the unit priced contract for one additional year.

(d) Invitations for unit price bids shall include, for purposes of the bid evaluation, estimated quantities of the anticipated types of work or trades, and specify how the district will issue or release work assignments, work orders, or task authorizations pursuant to a unit priced contract for projects, tasks, or other work based on the hourly rates or unit prices bid by the contractor. Where electrical facility construction or improvement work is anticipated, contractors on a unit priced contract shall comply with the requirements under RCW 54.04.085 (1) through (5). Contracts must be awarded to the lowest responsible bidder as per RCW 39.04.010.

(e) Unit price contractors shall pay prevailing wages for all work that would otherwise be subject to the requirements of chapter 39.12 RCW. Prevailing wages for all work performed pursuant to each work order must be the prevailing wage rates in effect at the beginning date for each contract year. Unit priced contracts must have prevailing wage rates updated annually. Intents and affidavits for prevailing wages paid must be submitted annually for all work completed within the previous 12-month period of the unit priced contract.

((~~(8)~~)) (9) For the purposes of this section, "lowest responsible bidder" means a bid that meets the criteria under RCW 39.04.350 and has the lowest bid; provided, that if the district commission issues a written finding that the lowest bidder has delivered a project to the district within the last three years which was late, over budget, or did not meet specifications, and the commission does not find in writing that such bidder has shown how they would improve performance to be likely to meet project specifications then the commission may choose the second lowest bidder whose bid is within five percent of the lowest bid and meets the same criteria as the lowest bidder.

Sec. 3. RCW 54.04.080 and 1996 c 18 s 12 are each amended to read as follows:

Any notice inviting sealed bids shall state generally the work to be done, or the material to be purchased and shall call for proposals for furnishing it, to be sealed and filed with the commission on or before the time named therein. Utilities with a purchasing department are authorized to receive hard copy or electronic bids. Each bid shall be accompanied by a certified or cashier's check, payable to the order of the commission, for a sum not less than five percent of the amount of the bid, or accompanied by a bid bond in an amount not less than five percent of the bid with a corporate surety licensed to do business in the state, conditioned that the bidder will pay the district as liquidated damages the amount specified in the bond unless he or she enters into a contract in accordance with his or her bid and furnishes the performance bond within ten days from the date on which he or she is notified that he or she is the successful bidder. A low bidder who claims error and fails to enter into a contract is prohibited from bidding on the same project if a second or subsequent call for bids is made for the project.

At the time and place named, the bids shall be publicly opened and read, and the commission shall canvass the bids, and may let the contract to the lowest responsible and responsive bidder upon the plans and specifications on file, or to the best bidder submitting his or her own plans or specifications; or if the contract to be let is to construct or improve electrical facilities, the contract may be let to the lowest bidder prequalified according to the provisions of RCW 54.04.085 upon the plans and specifications on file, or to the best bidder submitting his or her own plans and specifications: PROVIDED, That no contract shall be let for more than ((~~fifteen~~)) 25

percent in excess of the estimated cost of the materials or work. The commission may reject all bids and readvertise, and in such case all checks shall be returned to the bidders. The commission may procure materials in the open market, have its own personnel perform the work or negotiate a contract for such work to be performed by others, in lieu of readvertising, if it receives no bid. If the contract is let, all checks shall be returned to the bidders, except that of the successful bidder, which shall be retained until a contract is entered into and a bond to perform the work furnished, with sureties satisfactory to the commission, in an amount to be fixed by the commission, not less than ((~~twenty-five~~)) 25 percent of the contract price, in accordance with the bid. If the bidder fails to enter into the contract and furnish the bond within ten days from the date at which he or she is notified that he or ((~~her [she]~~)) she is the successful bidder, his or her check and the amount thereof shall be forfeited to the district.

The commission shall, by resolution, define the term "same kind of materials, equipment, and supplies" with respect to purchase of items under the provisions of RCW 54.04.070.

The term "construction or improvement of any electrical facility" as used in this section and in RCW 54.04.085, shall mean the construction, the moving, maintenance, modification, or enlargement of facilities primarily used or to be used for the transmission or distribution of electricity at voltages above seven hundred fifty volts, including structures directly supporting transmission or distribution conductors but not including site preparation, housing, or protective fencing associated with but not included in a contract for such construction, moving, modification, maintenance, or enlargement of such facilities.

The commission shall be the final authority with regard to whether a bid is responsive to the call for bids and as to whether a bidder is a responsible bidder under the conditions of his or her bid. No award of contract shall be invalidated solely because of the failure of any prospective bidder to receive an invitation to bid.

NEW SECTION. **Sec. 4.** A new section is added to chapter 54.04 RCW to read as follows:

(1) For the awarding of a contract to purchase any item, or items of the same kind of materials, equipment, or supplies in an amount exceeding $50,000 per calendar month, but less than $250,000 per

calendar month, exclusive of sales tax, the district commission may, in lieu of the procedure described in RCW 54.04.070 and 54.04.080 requiring public notice to invite sealed proposals for such materials, equipment, or supplies, pursuant to commission resolution, use the process provided in RCW 39.04.190. Waiver of the deposit or bid bond required under RCW 54.04.080 may be authorized by the commission in securing such bid quotations.

(2) This section applies only to new or existing nonemitting electric generation, electric generation from a renewable resource, energy storage, transmission, or distribution projects as defined in RCW 54.04.070.

Sec. 5. RCW 39.04.280 and 1998 c 278 s 1 are each amended to read as follows:

This section provides uniform exemptions to competitive bidding requirements utilized by municipalities when awarding contracts for public works and contracts for purchases. The statutes governing a specific type of municipality may also include other exemptions from competitive bidding requirements. The purpose of this section is to supplement and not to limit the current powers of any municipality to provide exemptions from competitive bidding requirements.

(1) Competitive bidding requirements may be waived by the governing body of the municipality for:

(a) Purchases that are clearly and legitimately limited to a single source of supply;

(b) Purchases involving special facilities or market conditions;

(c) Purchases in the event of an emergency;

(d) Purchases of insurance or bonds; ((~~and~~))

(e) Until January 1, 2045, purchases involving projects that are common facilities as described in RCW 54.44.020;

(f) Until January 1, 2045, purchases relating to energy generation, storage, transmission, or distribution facilities if the governing body determines that the expedited procurement action is for proprietary or specialized technologies with no comparable alternatives, is necessary to ensure compliance with electrical reliability standards, or prevent threats to grid reliability; and

(g) Public works in the event of an emergency.

(2)(a) The waiver of competitive bidding requirements under subsection (1) of this section may be by resolution or by the terms of written policies adopted by the municipality, at the option of the

governing body of the municipality. If the governing body elects to waive competitive bidding requirements by the terms of written policies adopted by the municipality, immediately after the award of any contract, the contract and the factual basis for the exception must be recorded and open to public inspection.

If a resolution is adopted by a governing body to waive competitive bidding requirements under (b) of this subsection, the resolution must recite the factual basis for the exception. This subsection (2)(a) does not apply in the event of an emergency.

(b) If an emergency exists, the person or persons designated by the governing body of the municipality to act in the event of an emergency may declare an emergency situation exists, waive competitive bidding requirements, and award all necessary contracts on behalf of the municipality to address the emergency situation. If a contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by the governing body or its designee and duly entered of record no later than two weeks following the award of the contract.

(3) For purposes of this section "emergency" means unforeseen circumstances beyond the control of the municipality that either: (a) Present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

Passed by the Senate March 10, 2026.
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