

**SHB 2198** - H AMD 1096

By Representative Morris

1 Strike everything after the enacting clause and insert the  
2 following:

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4 "Sec. 1. RCW 19.280.010 and 2006 c 195 s 1 are each amended to  
5 read as follows:

6 It is the intent of the legislature to encourage the development  
7 of new safe, clean, and reliable energy resources to meet demand in  
8 Washington for affordable and reliable electricity. To achieve this  
9 end, the legislature finds it essential that electric utilities in  
10 Washington develop comprehensive resource plans that explain the mix  
11 of generation and demand-side resources they plan to use to meet their  
12 customers' electricity needs in both the short term and the long term.  
13 The legislature intends that information obtained from integrated  
14 resource planning under this chapter will be used to assist in  
15 identifying and developing new energy generation, including renewable  
16 energy system with an energy storage system, conservation and  
17 efficiency resources, and related infrastructure to meet the state's  
18 electricity needs.

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20 "Sec. 2. RCW 19.280.020 and 2009 c 565 s 19 are each amended to  
21 read as follows:

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

24 (1) "Commission" means the utilities and transportation  
25 commission.

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1 (2) "Conservation and efficiency resources" means any reduction in  
2 electric power consumption that results from increases in the  
3 efficiency of energy use, production, transmission, or distribution.

4 (3) "Consumer-owned utility" includes a municipal electric utility  
5 formed under Title 35 RCW, a public utility district formed under  
6 Title 54 RCW, an irrigation district formed under chapter 87.03 RCW, a  
7 cooperative formed under chapter 23.86 RCW, a mutual corporation or  
8 association formed under chapter 24.06 RCW, a port district formed  
9 under Title 53 RCW, or a water-sewer district formed under Title 57  
10 RCW, that is engaged in the business of distributing electricity to  
11 one or more retail electric customers in the state.

12 (4) "Department" means the department of commerce.

13 (5) "Electric utility" means a consumer-owned or investor-owned  
14 utility.

15 (6) "Full requirements customer" means an electric utility that  
16 relies on the Bonneville power administration for all power needed to  
17 supply its total load requirement other than that served by  
18 nondispatchable generating resources totaling no more than six  
19 megawatts or renewable resources.

20 (7) "Governing body" means the elected board of directors, city  
21 council, commissioners, or board of any consumer-owned utility.

22 (8) "High efficiency cogeneration" means the sequential production  
23 of electricity and useful thermal energy from a common fuel source,  
24 where, under normal operating conditions, the facility has a useful  
25 thermal energy output of no less than thirty-three percent of the  
26 total energy output.

27 (9) "Integrated resource plan" means an analysis describing the  
28 mix of generating resources (~~and~~), conservation, energy storage, and  
29 efficiency resources that will meet current and projected needs at the  
30 lowest reasonable cost to the utility and its ratepayers and that  
31 complies with the requirements specified in RCW 19.280.030(1).

32 (10) "Investor-owned utility" means a corporation owned by  
33 investors that meets the definition in RCW 80.04.010 and is engaged in  
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1 distributing electricity to more than one retail electric customer in  
2 the state.

3 (11) "Lowest reasonable cost" means the lowest cost mix of  
4 generating resources and conservation and efficiency resources  
5 determined through a detailed and consistent analysis of a wide range  
6 of commercially available resources. At a minimum, this analysis must  
7 consider resource cost, market-volatility risks, demand-side resource  
8 uncertainties, resource dispatchability, resource effect on system  
9 operation, the risks imposed on the utility and its ratepayers, public  
10 policies regarding resource preference adopted by Washington state or  
11 the federal government, and the cost of risks associated with  
12 environmental effects including emissions of carbon dioxide.

13 (12) "Plan" means either an "integrated resource plan" or a  
14 "resource plan."

15 (13) "Renewable resources" means electricity generation facilities  
16 fueled by: (a) Water; (b) wind; (c) solar energy; (d) geothermal  
17 energy; (e) landfill gas; (f) biomass energy utilizing animal waste,  
18 solid organic fuels from wood, forest, or field residues or dedicated  
19 energy crops that do not include wood pieces that have been treated  
20 with chemical preservatives such as creosote, pentachlorophenol, or  
21 copper-chrome-arsenic; (g) by-products of pulping or wood  
22 manufacturing processes, including but not limited to bark, wood  
23 chips, sawdust, and lignin in spent pulping liquors; (h) ocean  
24 thermal, wave, or tidal power; or (i) gas from sewage treatment  
25 facilities.

26 (14) "Resource plan" means an assessment that estimates  
27 electricity loads and resources over a defined period of time and  
28 complies with the requirements in RCW 19.280.030(2).

29 (15) "Ancillary services" means services such as frequency  
30 regulation, spinning reserves, voltage control, and load following.

31 (16) "Energy storage system" means a system that is capable of  
32 absorbing energy, storing it for a period of time, and thereafter  
33 dispatching the energy as electricity to an electrical transmission or  
34 distribution system. An energy storage system may be part of multiple

1 energy storage systems in different locations that are linked under  
2 common control as part of a network. An energy storage system may not  
3 exceed the greenhouse gas emissions performance standards under RCW  
4 80.80.040 when storing electricity from a renewable energy system or  
5 dispatching electricity from the energy storage system into an  
6 electrical transmission or distribution system.

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8 **Sec. 3.** RCW 19.280.030 and 2011 c 180 s 305 are each amended to  
9 read as follows:

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

12 (1) Utilities with more than twenty-five thousand customers that  
13 are not full requirements customers shall develop or update an  
14 integrated resource plan by September 1, 2008. At a minimum, progress  
15 reports reflecting changing conditions and the progress of the  
16 integrated resource plan must be produced every two years thereafter.  
17 An updated integrated resource plan must be developed at least every  
18 four years subsequent to the 2008 integrated resource plan. The  
19 integrated resource plan, at a minimum, must include:

20 (a) A range of forecasts, for at least the next ten years, of  
21 projected customer demand which takes into account econometric data  
22 and customer usage;

23 (b) An assessment of commercially available conservation and  
24 efficiency resources. Such assessment may include, as appropriate,  
25 high efficiency cogeneration, demand response and load management  
26 programs, and currently employed and new policies and programs needed  
27 to obtain the conservation and efficiency resources;

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

32 (d) A comparative evaluation of renewable and nonrenewable  
33 generating resources, including transmission and distribution delivery

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1 costs, and conservation and efficiency resources using "lowest  
2 reasonable cost" as a criterion;

3 (e) An assessment of renewable energy systems on the utility and  
4 distributed generation scale, including an analysis of energy storage  
5 systems as an alternative or adjunct to building nonrenewable  
6 generating resources for ancillary services and new transmission or  
7 distribution lines for peak loads, and as a complement to a renewable  
8 energy system. For an investor owned utility, if the assessment  
9 demonstrates that an energy storage system that is part of a renewable  
10 energy system is the lowest reasonable cost resource available, the  
11 utility shall include a proposal for recovering incurred costs  
12 associated with the installation and operation of an energy storage  
13 system as part of a renewable energy system;

14 (f) The integration of the demand forecasts and resource  
15 evaluations into a long-range assessment describing the mix of supply  
16 side generating resources and conservation and efficiency resources  
17 that will meet current and projected needs at the lowest reasonable  
18 cost and risk to the utility and its ratepayers; and

19 ((+f)) (g) A short-term plan identifying the specific actions to  
20 be taken by the utility consistent with the long-range integrated  
21 resource plan.

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

- 25 (a) Estimates loads for the next five and ten years;
- 26 (b) Enumerates the resources that will be maintained and/or  
27 acquired to serve those loads; and
- 28 (c) Explains why the resources in (b) of this subsection were  
29 chosen and, if the resources chosen are not renewable resources  
30 ((e)), conservation and efficiency resources, or energy storage, why  
31 such a decision was made.

32 (3) An electric utility that is required to develop a resource  
33 plan under this section must complete its initial plan by September 1,  
34 2008.

1 (4) Resource plans developed under this section must be updated on  
2 a regular basis, at a minimum on intervals of two years.

3 (5) Plans shall not be a basis to bring legal action against  
4 electric utilities.

5 (6) Each electric utility shall publish its final plan either as  
6 part of an annual report or as a separate document available to the  
7 public. The report may be in an electronic form."

EFFECT: Specifies that integrated resource plans must include an assessment of renewable energy systems on the utility and distributed generation scale. Provides that if the assessment demonstrates that an energy storage system that is part of a renewable energy system is the lowest reasonable cost resource available, an investor owned utility must include a proposal for recovering incurred costs associated with the installation and operation of an energy storage system as part of a renewable energy system. Removes definitions for peak hours and off-peak hours. Changes reference to eligible renewable resources and renewable energy facilities to renewable energy systems.

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