

SSB 6248 - S AMD 653

By Senator Ericksen

ADOPTED 02/17/2016

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

3 NEW SECTION. **Sec. 1.** The definitions in this section apply
4 throughout this chapter unless the context clearly requires
5 otherwise.

6 (1) "Eligible coal plant" means a coal-fired electric generation
7 facility that: (a) Had two or fewer generating units as of January 1,
8 1980, and four generating units as of January 1, 2016; (b) is owned
9 by more than one electrical company as of January 1, 2016; and (c)
10 provides, as a portion of the load served by the coal-fired electric
11 generation facility, electricity paid for in rates by customers in
12 the state of Washington.

13 (2) "Eligible coal unit" means any generating unit of an eligible
14 coal plant.

15 NEW SECTION. **Sec. 2.** (1) The commission may, after conducting
16 an adjudicative proceeding under chapters 34.05 and 80.04 RCW,
17 authorize an electrical company to place amounts from one or more
18 regulatory liabilities into a retirement account established pursuant
19 to RCW 80.04.350 to cover decommissioning and remediation costs of
20 eligible coal units that commenced commercial operations before
21 January 1, 1980.

22 (2) Regulatory liabilities placed in a retirement account
23 pursuant to subsection (1) of this section must: (a) Not be used for
24 any purpose other than the funding and recovery of prudently incurred
25 decommissioning and remediation costs for such eligible coal units;
26 (b) except as provided in RCW 80.04.350, not be reduced, altered,
27 impaired, or limited from the date of commission approval of the
28 inclusion of the regulatory liabilities in the retirement account
29 until all prudently incurred decommissioning and remediation costs
30 for such coal units are recovered or paid in full; and (c) provide
31 that any remaining funds in the retirement account, after recovery by

1 the electrical company of all prudently incurred decommissioning and
2 remediation costs for such eligible coal units, be returned to
3 customers.

4 NEW SECTION. **Sec. 3.** (1) If an electrical company proposes a
5 closure date or retires from service an eligible coal unit that
6 commenced commercial operations before January 1, 1980, prior to
7 December 31, 2022, then the commission may not authorize the
8 electrical company to use regulatory liabilities placed in a
9 retirement account for decommissioning and remediation costs pursuant
10 to section 2 of this act.

11 (2) Subsection (1) of this section does not apply if an
12 electrical company demonstrates to the commission that a decision to
13 retire from service an eligible coal unit that commenced commercial
14 operations before January 1, 1980, prior to December 31, 2022:

15 (a) Is prudent as determined by evidence showing the continued
16 operation of an eligible coal unit is economically or technologically
17 unfeasible or requires a capital investment that is outside the scope
18 of a prudent improvement or investment or the eligible coal unit has
19 reached the end of its useful life; or

20 (b) Does not meet the standard in (a) of this subsection but is
21 attributable to the actions of a co-owner or operator of the eligible
22 coal unit over whom the electrical company does not exercise control.

23 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act
24 constitute a new chapter in Title 80 RCW."

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25 On page 1, beginning on line 1 of the title, after "Relating to"
26 strike the remainder of the title and insert "a pathway for a
27 transition of eligible coal units; and adding a new chapter to Title
28 80 RCW."

EFFECT: Allows an electric company to use regulatory liabilities
for decommissioning and remediation costs for coal units that
commenced operation before January 1, 1980.

Prevents an electric company from using regulatory liabilities
for decommissioning and remediation costs for coal units that

commenced operation before January 1, 1980, prior to December 31, 2022. However, the electric company may use the regulatory liabilities if it demonstrates to the utilities and transportation commission (UTC) that a decision to close these coal units prior to December 31, 2022, is: (1) Prudent and in the best interest of its customers; or (2) not prudent nor in the best interest of its customers but attributable to actions of a co-owner or operator.

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