

1

SHB 1335 - H AMD 315 Adopted 3-20-91

2 By Representatives Nelson, H. Myers, Mitchell, Winsley and
3 Silver

4 Strike everything after the enacting clause and insert the
5 following:

6 "Sec. 1. RCW 70.164.010 and 1987 c 36 s 1 are each amended to
7 read as follows:

8 (1) The legislature finds and declares:

9 (a) The health, welfare, and prosperity of the people of the
10 state of Washington require that all citizens receive essential
11 levels of heat and electric service regardless of economic
12 circumstance;

13 (b) That weatherization of the residences of low-income
14 households will help conserve energy resources in this state and
15 can reduce the need to obtain energy from more costly conventional
16 energy resources(~~(. The legislature also finds))~~);

17 (c) That rising energy costs have had a negative effect on the
18 affordability of housing for low-income citizens and have made it
19 difficult for low-income citizens of the state to afford adequate
20 fuel for residential space heat(~~(-))~~);

21 (d) Weatherization of residences will lower energy
22 consumption, making space heat more affordable for persons in low-
23 income households(~~(. It))~~), and will ((also)) reduce the

1 uncollectible accounts of fuel suppliers resulting from low-income
2 customers not being able to pay fuel bills;

3 (e) That the best time to make energy conservation
4 improvements to existing residential dwellings is during
5 rehabilitation;

6 (f) That energy conservation is an important component of
7 housing affordability; and

8 (g) That the public interest is served by the health and
9 welfare of low-income persons benefited by a substantial increase
10 in the pace of weatherizing low-income homes.

11 (2) The legislature declares that it is the policy of the
12 state:

13 (a) To increase the pace of weatherization activities by
14 requiring energy suppliers to have low-income weatherization
15 programs and by improving financial incentives for regulated
16 utilities toward this end;

17 (b) That energy conservation improvements through the
18 retrofit of existing residential dwellings shall be coordinated
19 with rehabilitation activities funded with state resources or
20 resources administered through the state; and

21 (c) To weatherize at least one-half of the existing low-income
22 households in the state by the year 2000.

23 (3) The program implementing the policy of this chapter is
24 necessary to support the poor and infirm and also to benefit the
25 health, safety, and general welfare of all citizens of the state."

26 "Sec. 2. RCW 70.164.020 and 1987 c 36 s 2 are each amended to

1 read as follows:

2 Unless the context clearly requires otherwise, the definitions
3 in this section apply throughout this chapter.

4 (1) "Department" means the department of community
5 development.

6 (2) "Energy assessment" means an analysis of a dwelling unit
7 to determine the need for cost-effective energy conservation
8 measures as determined by the department.

9 (3) "Energy supplier" means an electric utility or natural gas
10 utility, whether privately or publicly owned, a heating oil dealer,
11 or a propane dealer.

12 (4) "Heating oil dealer" means a person who supplies fuel oil
13 at retail for space heating of dwellings.

14 (5) "Household" means an individual or group of individuals
15 living in a dwelling unit as defined by the department.

16 ((+4)) (6) "Low income" means household income that is at or
17 below one hundred twenty-five percent of the federally established
18 poverty level.

19 ((+5)) (7) "Nonutility sponsor" means any sponsor other than
20 a public service company, municipality, public utility district,
21 mutual or cooperative, furnishing gas or electricity used to heat
22 low-income residences.

23 ((+6)) (8) "Propane dealer" means a person who supplies
24 liquefied petroleum gas at retail for space heating of dwellings.

25 (9) "Residence" means a dwelling unit as defined by the

1 department.

2 ((+7)) (10) "Sponsor" means any entity that submits a
3 proposal under RCW 70.164.040, including but not limited to any
4 local community action agency, community service agency, or any
5 other participating agency or any public service company,
6 municipality, public utility district, mutual or cooperative, or
7 any combination of such entities that jointly submit((s)) a
8 proposal.

9 ((+8)) (11) "Sponsor match" means the share, if any, of the
10 cost of weatherization to be paid by the sponsor.

11 ((+9)) (12) "Weatherization" means materials or measures, and
12 their installation, that are used to improve the thermal efficiency
13 of a residence, including educational programs to enable residents
14 to make best use of materials or measures.

15 ((+10)) (13) "Weatherizing agency" means any approved
16 department grantee or any public service company, municipality,
17 public utility district, mutual or cooperative, or other entity
18 that bears the responsibility for ensuring the performance of
19 weatherization of residences under this chapter and has been
20 approved by the department."

21 "NEW SECTION. Sec. 3. A new section is added to chapter
22 70.164 RCW to read as follows:

23 (1) Energy suppliers either individually or jointly through a
24 common fund or otherwise by December 31, 1991, shall submit a plan

1 to the department to complete weatherization of one-half of the
2 residences of their low-income customers by the year 2001. The
3 residences to be included in the plan are all low-income households
4 in existence on the effective date of this section.

5 (2) Before submitting a weatherization plan required under
6 this section, the energy supplier shall make the proposed plan
7 available to its customers, public agencies, and other interested
8 parties for a thirty day review and comment period. The energy
9 supplier shall consider any comments or views on the proposed
10 weatherization plan. A summary of these comments or views must be
11 attached to the plan and submitted to the department.

12 (3) The department shall review and comment on weatherization
13 plans required under subsection (1) of this section. After an
14 energy supplier's weatherization plan has been reviewed by the
15 department, the department shall transmit the plan from energy
16 suppliers regulated by the utilities and transportation commission
17 and any written comments to the utilities and transportation
18 commission.

19 (4) By December 31, 1992, and every year thereafter until
20 December 31, 2001, energy suppliers shall annually review and
21 report, in a form prescribed by the department, on the progress the
22 energy supplier has made in carrying out its weatherization plan.
23 This progress report must include an evaluation of the energy
24 supplier's progress in meeting its goal of weatherizing one-half of
25 the low-income residences in their service area by the year 2001.

1 The report must also include information on the number and type of
2 households served, the level of weatherization assistance per
3 household, and energy education efforts by the energy supplier."

4 "NEW SECTION. Sec. 4. A new section is added to chapter
5 70.164 RCW to read as follows:

6 The department shall develop model energy education programs
7 to be provided as a part of the department's energy assistance and
8 weatherization programs. The model energy education programs shall
9 include, but is not limited to necessary instruction and
10 demonstration of energy conservation measures and money management
11 techniques that the household can adopt to effectively use and
12 preserve energy resources. The model energy education programs
13 shall also provide written educational materials, instructional
14 aids, and follow-up procedures."

15 "NEW SECTION. Sec. 5. A new section is added to chapter
16 70.164 RCW to read as follows:

17 The director of the department of community development, by
18 January 1 of each year, shall prepare an annual report and send
19 copies to the house of representatives committee on housing and
20 energy and utilities committee and the senate committee on energy
21 and utilities on the progress and status of the low-income
22 weatherization programs authorized in this act. Such report shall
23 include, but not be limited to, the stated low-income

1 weatherization goals of energy suppliers, the actual number of low-
2 income residences weatherized by energy suppliers, the source of
3 funding for low-income weatherization activities under this act,
4 and recommendations for improvement of the programs authorized
5 under this act."

6 "NEW SECTION. Sec. 6. A new section is added to chapter
7 80.28 RCW to read as follows:

8 The commission shall require that electrical and gas company
9 low-income residence weatherization programs include all energy
10 efficiency measures that are in the public interest, taking into
11 account the measures that are cost-effective in reference to the
12 company's avoided cost for additional energy supplies, the savings
13 for all ratepayers that can be realized by reducing costs
14 associated with uncollectible accounts, and levels of
15 weatherization for low-income residences determined in consultation
16 with the department of community development."

17 "NEW SECTION. Sec. 7. A new section is added to chapter
18 80.28 RCW to read as follows:

19 Each electrical and gas company shall file an energy
20 conservation tariff, including a component applicable to low-income
21 residential customers, with the commission by December 31, 1991,
22 and at least every five years thereafter until the year 2011. The
23 filing shall include all energy conservation tariffs in effect at

1 the time of filing and any proposed conservation tariff.
2 Conservation tariffs shall reflect low-income weatherization plans
3 required by section 3 of this act."

4 "Sec. 8. RCW 80.28.260 and 1990 c 2 s 9 are each amended to
5 read as follows:

6 (1) The commission shall adopt a policy allowing an incentive
7 rate of return on investment (a) for payments made under RCW
8 19.27A.035 and (b) for programs that improve the efficiency of
9 energy end use if priority is given to senior citizens and low-
10 income citizens in the course of carrying out such programs. The
11 incentive rate of return on investments set forth in this
12 subsection is established by adding an increment of two percent to
13 the rate of return on common equity permitted on the company's
14 other investments.

15 (2) The commission shall consider and may adopt a policy
16 allowing an incentive rate of return on investment in additional
17 programs to improve the efficiency of energy end use or other
18 incentive policies to encourage utility investment in such
19 programs.

20 (3) The commission shall consider and may adopt other policies
21 to protect a company from a reduction of short-term earnings that
22 may be a direct result of utility programs to increase the
23 efficiency of energy use. These policies may include allowing a
24 periodic rate adjustment for investments in end use efficiency or

1 allowing changes in price structure designed to produce additional
2 new revenue and encourage adoption of least cost planning and
3 operation.

4 (4) The commission may adopt a policy allowing the recovery of
5 a utility's expenses incurred under RCW 19.27A.055."

6 "NEW SECTION. Sec. 9. A new section is added to chapter
7 54.04 RCW to read as follows:

8 Public utility districts shall provide low-income residence
9 weatherization programs that include all energy efficiency measures
10 that are in the public interest, taking into account the measures
11 that are cost-effective in reference to the company's avoided cost
12 for additional energy supplies, the savings for all ratepayers that
13 can be realized by reducing costs associated with uncollectible
14 accounts, and levels of weatherization for low-income residences
15 determined in consultation with the department of community
16 development."

17 "NEW SECTION. Sec. 10. A new section is added to chapter
18 35.92 RCW to read as follows:

19 Municipal owned utility companies shall provide low-income
20 residence weatherization programs that include all energy
21 efficiency measures that are in the public interest, taking into
22 account the measures that are cost-effective in reference to the
23 company's avoided cost for additional energy supplies, the savings

1 for all ratepayers that can be realized by reducing costs
2 associated with uncollectible accounts, and levels of
3 weatherization for low-income residences determined in consultation
4 with the department of community development."

5 "NEW SECTION. Sec. 11. A new section is added to chapter
6 23.86 RCW to read as follows:

7 An electric cooperative or mutual shall provide low-income
8 residence weatherization programs that include all energy
9 efficiency measures that are in the public interest, taking into
10 account the measures that are cost-effective in reference to the
11 company's avoided cost for additional energy supplies, the savings
12 for all ratepayers that can be realized by reducing costs
13 associated with uncollectible accounts, and levels of
14 weatherization for low-income residences determined in consultation
15 with the department of community development."

16 "NEW SECTION. Sec. 12. A new section is added to chapter
17 43.63A RCW to read as follows:

18 The department shall require applicants requesting assistance
19 to rehabilitate either single-family or multifamily residential
20 dwellings to coordinate available energy conservation assistance
21 with rehabilitation activities funded through the Washington
22 housing trust fund under chapter 43.185 RCW and the community
23 development block grant program for states and small cities under

1 the Title I housing and community development act of 1974 (42
2 U.S.C. 5301 et seq.)."

3 "NEW SECTION. Sec. 13. A new section is added to chapter
4 43.21F RCW to read as follows:

5 The office, in consultation with the department of community
6 development, may prepare proposals to sell low-income conservation
7 to utilities."

8 "NEW SECTION. Sec. 14. If any provision of this act or its
9 application to any person or circumstance is held invalid, the
10 remainder of the act or the application of the provision to other
11 persons or circumstances is not affected."

12 **SHB 1335** - H AMD TO REV COMM AMD (1335-S AMH REV H-2477.1)
13 By Representative Nelson

14 On page 1, beginning on line 1 of the title, after
15 "assistance;" strike the remainder of the title and insert
16 "amending RCW 70.164.010, 70.164.020, 80.28.260; adding new
17 sections to chapter 70.164 RCW; adding new sections to chapter
18 80.28 RCW; adding a new section to chapter 54.04 RCW; adding a new
19 section to chapter 35.92 RCW; adding a new section to chapter 23.86
20 RCW; adding a new section to chapter 43.63A RCW; and adding a new
21 section to chapter 43.21F RCW."

EFFECT: The striking amendment: (1) removes the excise tax on space heating customers that is used to fund energy programs; (2) removes the requirement for a state-wide energy assistance and conservation plan; and (3) removes the requirement for an energy assistance program.

Energy suppliers are required to develop plans on how they are going to weatherize one-half of the low-income residences in their service area by the year 2001. Energy suppliers are to receive public input on the proposed weatherization plans. Energy suppliers are required to send the proposed plans to DCD for review and comment. DCD is to develop model energy education programs. The UTC is to consider conservation tariffs filed to recover the cost of weatherization activities by regulated utilities.