

2 **SHB 1335 - H COMM AMD Failed 3-20-91**

3 By Committee on Revenue

4

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

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

9 (1) The legislature finds and declares:

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

13 (b) That weatherization of the residences of low-income households
14 will help conserve energy resources in this state and can reduce the
15 need to obtain energy from more costly conventional energy resources~~((-~~
16 ~~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 fuel
20 for residential space heat~~((-~~));

21 (d) Declining federal low-income energy assistance funding and
22 limited oil overcharge funds require a state response to ensure the
23 continuity and further development of energy assistance, energy
24 conservation, and related policies within the state of Washington;

25 (e) Weatherization of residences will lower energy consumption,
26 making space heat more affordable for persons in low-income
27 households~~((-~~~~It))~~, and will ~~((also))~~ reduce the uncollectible

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

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

5 (g) That energy conservation is an important component of housing
6 affordability.

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

8 (a) To establish a comprehensive, low-income energy assistance
9 policy and program that incorporates income assistance, energy
10 conservation, and other measures to ensure that citizens have access to
11 affordable energy services;

12 (b) That energy conservation improvements through the retrofit of
13 existing residential dwellings shall be coordinated with rehabilitation
14 activities funded with state resources or resources administered
15 through the state;

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

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

21 **"Sec. 2.** RCW 70.164.020 and 1987 c 36 s 2 are each amended to read
22 as follows:

23 Unless the context clearly requires otherwise, the definitions in
24 this section apply throughout this chapter.

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

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

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

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

6 (5) "Space heating customer" means a household or business that
7 purchases the primary source of heating for the dwelling unit or
8 building from an energy supplier.

9 (6) "Household" means an individual or group of individuals living
10 in a dwelling unit as defined by the department.

11 (~~(4)~~) (7) "Low income" means household income that is at or below
12 one hundred twenty-five percent of the federally established poverty
13 level.

14 (~~(5)~~) (8) "Nonutility sponsor" means any sponsor other than a
15 public service company, municipality, public utility district, mutual
16 or cooperative, furnishing gas or electricity used to heat low-income
17 residences.

18 (~~(6)~~) (9) "Propane dealer" means a person who supplies liquefied
19 petroleum gas at retail for space heating of dwellings.

20 (10) "Residence" means a dwelling unit as defined by the
21 department.

22 (~~(7)~~) (11) "Sponsor" means any entity that submits a proposal
23 under RCW 70.164.040, including but not limited to any local community
24 action agency, community service agency, or any other participating
25 agency or any public service company, municipality, public utility
26 district, mutual or cooperative, or any combination of such entities
27 that jointly submit(~~(s)~~) a proposal.

28 (~~(8)~~) (12) "Sponsor match" means the share, if any, of the cost
29 of weatherization to be paid by the sponsor.

1 (~~(9)~~) (13) "Weatherization" means materials or measures, and
2 their installation, that are used to improve the thermal efficiency of
3 a residence.

4 (~~(10)~~) (14) "Weatherizing agency" means any approved department
5 grantee or any public service company, municipality, public utility
6 district, mutual or cooperative, or other entity that bears the
7 responsibility for ensuring the performance of weatherization of
8 residences under this chapter and has been approved by the department."

9 **"Sec. 3.** RCW 70.164.030 and 1987 c 36 s 3 are each amended to read
10 as follows:

11 (1) The low-income weatherization assistance account is created in
12 the state treasury. All moneys from the money distributed to the state
13 pursuant to *Exxon v. United States*, 561 F.Supp. 816 (1983), affirmed
14 773 F.2d 1240 (1985), or any other oil overcharge settlements or
15 judgments distributed by the federal government, that are allocated to
16 the low-income weatherization assistance account shall be deposited in
17 the account. The department may accept such gifts, grants, and
18 endowments from public or private sources as may be made from time to
19 time, in trust or otherwise, and shall deposit such funds in the
20 account. Any moneys received from sponsor match payments and funds
21 received under section 10 of this act shall be deposited in the
22 account. The legislature may also appropriate moneys to the account.
23 Moneys in the account shall be spent pursuant to appropriation and only
24 for the purposes and in the manner provided in RCW 70.164.040 and
25 sections 4 through 10 of this act. Any moneys appropriated that are
26 not spent by the department shall return to the account.

27 (2) Notwithstanding RCW 43.84.090, all earnings of investments of
28 balances in the low-income weatherization assistance account shall be
29 credited to the account."

1 "NEW SECTION. **Sec. 4.** The department shall prepare a state
2 plan for the low-income energy assistance and energy conservation
3 programs to ensure the availability and affordability of heating and
4 electric service to low-income citizens. The state plan shall:

5 (1) Ensure that low-income households, regardless of the primary
6 energy source used for home heating, will receive energy assistance and
7 energy conservation;

8 (2) Establish uniform eligibility, verification, and documentation
9 requirements for the low-income energy assistance and energy
10 conservation program offered by the state;

11 (3) Require all energy suppliers to offer an energy conservation
12 and energy assistance program to all qualified customers;

13 (4) Require demonstration of the performance or of the installation
14 of no-cost or low-cost energy conservation measures, state measures,
15 energy conserving practices and other appropriate program requirements
16 during energy audits;

17 (5) Establish such registration, certification, training, and
18 inspection programs with respect to energy auditors, suppliers,
19 installers, lenders, and inspectors participating in the state plan as
20 may be necessary or desirable for the public health, safety, and
21 welfare;

22 (6) Establish and review goals for delivery of energy audits and
23 other program requirements to customers;

24 (7) Require all home heating energy suppliers to work, either
25 individually or cooperatively, with local community action agencies to
26 publicize the availability of low-income energy assistance and energy
27 conservation programs;

28 (8) Establish a public advisory committee described in section 9 of
29 this act; and

1 (9) Coordinate the Washington low-income energy assistance and
2 energy conservation programs."

3 "NEW SECTION. **Sec. 5.** (1) The department shall establish a
4 low-income energy assistance program to ensure the availability and
5 affordability of heating and electric services to low-income
6 households.

7 (2) The energy assistance program established by the department
8 shall contain the following elements:

9 (a) The customer shall not be required to pay utility deposits; and

10 (b) The customer shall be required to apply for any energy
11 conservation programs and any energy education programs created under
12 section 8 of this act for which he or she may be eligible.

13 (3) An energy supplier may apply to the department for
14 authorization to offer an energy assistance program which differs from
15 the program established by the department but which substantially meets
16 the standards in subsection (2) of this section. A utility-sponsored
17 energy assistance program may include a percentage-of-income payment
18 plan, provide for discounted rates, or include other plans approved by
19 the department.

20 (4) The department shall adopt rules for the program not later than
21 one hundred eighty days after the effective date of this section. The
22 rules shall be developed in consultation with the advisory committee
23 established by section 9 of this act.

24 (5) The department, to the maximum extent permitted under federal
25 law, shall use funds made available to the state under the low-income
26 heating energy assistance program for the state program and any
27 equivalent programs approved by the department pursuant to subsection
28 (3) of this section."

1 (f) Labor.

2 (3) The low-income energy conservation program shall be developed
3 in consultation with the low-income energy assistance advisory
4 committee established pursuant to section 9 of this act."

5 "NEW SECTION. Sec. 7. The energy conservation program
6 established pursuant to section 6 of this act shall provide for the
7 replacing of wood stoves as provided in this section. If the low-
8 income household is located in a nonattainment area for ambient air
9 quality, or in an area for which an air authority has prohibited the
10 installation of wood stoves in new construction, the program shall
11 require the wood stove to be replaced by the most cost-efficient source
12 of home heating other than wood or coal. If the household is located
13 in an attainment area and an air authority has not prohibited the
14 installation of wood stoves in new construction, a certified wood stove
15 shall be installed."

16 "NEW SECTION. Sec. 8. The department shall develop model
17 energy education programs to be provided as a part of the low-income
18 energy assistance and energy conservation programs. The model energy
19 education programs shall include, but are not limited to, necessary
20 instruction and demonstration of energy conservation measures and money
21 management techniques that the household can adopt to effectively use
22 and preserve energy resources. The model energy education programs
23 shall also provide written educational materials, instructional aids,
24 and follow-up procedures."

25 "NEW SECTION. Sec. 9. (1) The department shall establish the
26 low-income energy assistance advisory committee to be comprised of:

1 (a) The secretary of social and health services, the directors of
2 community development and the state energy office, and the chair of the
3 utilities and transportation commission, or their designees, who shall
4 serve as ex-officio, nonvoting members of the advisory committee;

5 (b) Fourteen persons appointed by the director of community
6 development to serve two-year terms and until their successors are
7 appointed and qualified. Three shall be persons who represent low-
8 income households or organizations which represent low-income
9 households; seven shall be representatives of energy suppliers: One
10 from the natural gas industry, one from the investor-owned electric
11 industry, one from the publicly owned electric industry, one from the
12 municipal electric industry, one from the oil heat industry, one from
13 the liquefied petroleum gas industry, and one representing the
14 Washington wood heat association; two shall be representatives from
15 local agencies which contract with the department to provide energy
16 assistance or energy conservation services; and two shall represent
17 owners of low-income rental property, one representing owners of
18 single-family or multifamily units, and one representing owners of
19 mobile home rental units. The chairperson shall be elected from the
20 voting members of the advisory committee.

21 (2) The energy assistance advisory committee shall have the
22 following duties:

23 (a) To monitor the administration of this chapter to ensure
24 effective, efficient, and coordinated program development and
25 administration;

26 (b) To assist the department in developing and administering rules
27 required to be adopted under this chapter in a manner consistent with
28 the purpose and objectives of this chapter;

1 (c) To facilitate and coordinate the collection and exchange of all
2 program data and other information needed by the department and others
3 in fulfilling their duties pursuant to this chapter;

4 (d) To advise the department on the proper level of support
5 required for effective administration of this chapter;

6 (e) To review and comment on any energy assistance, energy
7 conservation, or related plan developed by the department or any energy
8 supplier pursuant to this chapter; and

9 (f) To prepare and submit not later than December 1 of each year to
10 the appropriate standing committees of the senate and the house of
11 representatives a report which describes the activities of the
12 department in development and implementation of energy assistance and
13 related policies and programs, which characterizes progress towards
14 meeting the objectives and requirements of this chapter, and which
15 recommends any statutory changes which might be needed to further such
16 progress."

17 "NEW SECTION. Sec. 10. (1) A tax is imposed on space heating
18 customers and collected by energy suppliers at the following rates:

19 (a) For electrical space heating customers and gas space heating
20 customers the tax shall be levied at the rate of thirty-five cents per
21 space heating customer per month;

22 (b) For heating oil space heating customers the tax shall be levied
23 at the rate of eighty cents per one hundred gallons of fuel oil sold
24 for space heating purposes;

25 (c) For propane space heating customers the tax shall be levied at
26 the rate of fifty-five cents per one hundred gallons of liquified
27 petroleum gas sold for space heating.

28 (2) Moneys collected under this section shall be deposited in the
29 low-income weatherization assistance account under RCW 70.164.030.

1 (3) Chapter 82.32 RCW applies to the tax imposed in this section.
2 The tax due dates, reporting periods, and return requirements
3 applicable to chapter 82.04 RCW apply equally to the tax imposed in
4 this section.

5 (4) To the extent feasible, the department shall target the
6 expenditures of tax receipts from taxes collected under this section to
7 the areas where the tax was collected.

8 (5) The department shall give first priority for funding activities
9 with moneys collected under this section to energy conservation
10 activities. Second priority for funding activities with moneys
11 collected under this section shall be given to energy education
12 activities.

13 (6) This tax shall be known as the fuel conservation and assistance
14 excise tax.

15 (7) This section shall expire July 1, 2001."

16 "NEW SECTION. **Sec. 11.** A new section is added to chapter 43.63A
17 RCW to read as follows:

18 The department shall require applicants requesting assistance to
19 rehabilitate either single-family or multifamily residential dwellings
20 to coordinate available energy conservation assistance with
21 rehabilitation activities funded through the Washington housing trust
22 fund under chapter 43.185 RCW and the community development block grant
23 program for states and small cities under the Title I housing and
24 community development act of 1974 (42 U.S.C. 5301 et seq.)."

25 "NEW SECTION. **Sec. 12.** A new section is added to chapter 43.21F
26 RCW to read as follows:

1 The office, in consultation with the department of community
2 development, shall prepare proposals to sell low-income conservation to
3 utilities."

4 "NEW SECTION. Sec. 13. If any provision of this act or its
5 application to any person or circumstance is held invalid, the
6 remainder of the act or the application of the provision to other
7 persons or circumstances is not affected."

8 "NEW SECTION. Sec. 14. Sections 4 through 10 of this act are
9 each added to chapter 70.164 RCW."

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11 By Committee on Revenue

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13 On page 1, beginning on line 1 of the title, after "assistance;"
14 strike the remainder of the title and insert "amending RCW 70.164.010,
15 70.164.020, and 70.164.030; adding new sections to chapter 70.164 RCW;
16 adding a new section to chapter 43.63A RCW; and adding a new section to
17 chapter 43.21F RCW."