

2 ESHB 1326 - S COMM AMD  
3 By Committee on Energy & Utilities

4 ADOPTED 4/12/.93

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

7 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

8 (a) The ability of utilities to acquire cost effective conservation  
9 measures is instrumental in assuring that Washington citizens have  
10 reasonable energy rates and that utilities have adequate energy  
11 resources to meet future energy demands;

12 (b) Customers may be more willing to accept investments in energy  
13 efficiency and conservation if real and perceived impediments to  
14 property transactions are avoided;

15 (c) Potential purchasers of real property should be notified of any  
16 utility conservation charges at the earliest point possible in the  
17 sale.

18 (2) It is the intent of the legislature to encourage utilities to  
19 develop innovative approaches designed to promote energy efficiency and  
20 conservation that have limited rate impacts on utility customers. It  
21 is not the intent of the legislature to restrict the authority of the  
22 utilities and transportation commission to approve tariff schedules.

23 (3) It is also the intent of the legislature that utilities which  
24 establish conservation tariffs should undertake measures to assure that  
25 potential purchasers of property are aware of the existence of any  
26 conservation tariffs. Measures that may be considered include, but are  
27 not limited to:

28 (a) Recording a notice of a conservation tariff payment obligation,  
29 containing a legal description, with the county property records;

30 (b) Annually notifying customers who have entered agreements of the  
31 conservation tariff obligation;

32 (c) Working with the real estate industry to provide for disclosure  
33 of conservation tariff obligations in standardized listing agreements  
34 and earnest money agreements; and

1 (d) Working with title insurers to provide recorded conservation  
2 tariff obligations as an informational note to the preliminary  
3 commitment for policy of title insurance.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 80.28 RCW  
5 to read as follows:

6 (1) Upon request by an electrical or gas company, the commission  
7 may approve a tariff schedule that contains rates or charges for energy  
8 conservation measures, services, or payments provided to individual  
9 property owners or customers. The tariff schedule shall require the  
10 electrical or gas company to enter into an agreement with the property  
11 owner or customer receiving services at the time the conservation  
12 measures, services, or payments are initially provided. The tariff  
13 schedule may allow for the payment of the rates or charges over a  
14 period of time and for the application of the payment obligation to  
15 successive property owners or customers at the premises where the  
16 conservation measures or services were installed or performed or with  
17 respect to which the conservation payments were made.

18 (2) The electrical or gas company shall record a notice of a  
19 payment obligation, containing a legal description, resulting from an  
20 agreement under this section with the county auditor or recording  
21 officer as provided in RCW 65.04.030.

22 (3) The commission may prescribe by rule other methods by which an  
23 electrical or gas company shall notify property owners or customers of  
24 any such payment obligation.

25 NEW SECTION. **Sec. 3.** A new section is added to chapter 64.04 RCW  
26 to read as follows:

27 Prior to closing, the seller of real property subject to a rate or  
28 charge for energy conservation measures, services, or payments provided  
29 under a tariff approved by the utilities and transportation commission  
30 pursuant to section 2 of this act shall disclose to the purchaser of  
31 the real property the existence of the obligation and the possibility  
32 that the purchaser may be responsible for the payment obligation.

33 NEW SECTION. **Sec. 4.** A new section is added to chapter 48.29 RCW  
34 to read as follows:

35 The existence of notices of payment obligations in section 2 of  
36 this act may be disclosed as an informational note to a preliminary

1 commitment for policy of title insurance. Neither the inclusion nor  
2 the exclusion of any such informational note shall create any liability  
3 against such title insurer under any preliminary commitment for title  
4 insurance, policy or otherwise."

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8 On page 1, line 2 of the title, after "owners;" strike the  
9 remainder of the title and insert "adding a new section to chapter  
10 80.28 RCW; adding a new section to chapter 64.04 RCW; adding a new  
11 section to chapter 48.29 RCW; and creating a new section."

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