

**SENATE BILL REPORT**

**ESHB 1326**

**AS REPORTED BY COMMITTEE ON ENERGY & UTILITIES, MARCH 29, 1993**

**Brief Description:** Relating to conservation tariffs allowing transfer of payment obligations to successive property owners.

**SPONSORS:** House Committee on Energy & Utilities (originally sponsored by Representatives Finkbeiner, Grant, Miller, Casada, R. Meyers, Ludwig, Heavey, Long and Johanson)

**HOUSE COMMITTEE ON ENERGY & UTILITIES**

**SENATE COMMITTEE ON ENERGY & UTILITIES**

**Majority Report:** Do pass as amended.

Signed by Senators Sutherland, Chairman; Jesernig, Vice Chairman; Amondson, Hochstatter, Vognild, and Williams.

**Minority Report:** Do not pass.

Signed by Senator McCaslin.

**Staff:** Phil Moeller (786-7445)

**Hearing Dates:** March 22, 1993; March 29, 1993

**BACKGROUND:**

As the regional surplus of electricity has been consumed over the past three years, many electrical utilities have focused on the need for more aggressive conservation programs. Some of these ongoing and proposed utility programs provide energy efficiency services or products that add to the value of the consumer's property. While consumers receive the benefit of reduced consumption, the utility can recover part of the cost of the measures through ongoing service charges.

Some natural gas utilities have also expressed interest in these types of programs. There is concern about the uncertainty of the financial relationship between the utility and the new owner of the enhanced property when the property is sold. This uncertainty may be preventing some programs from having higher participation rates.

**SUMMARY:**

The Utilities and Transportation Commission may approve a tariff requested by an electric or natural gas company that contains rates or charges for energy conservation measures, services or payments provided to individual property owners or customers. A tariff is required to provide for agreements between electric or natural gas companies and customers; it may also provide for ongoing payment obligations to successive property owners. Electrical or natural gas companies are

required to record a notice of any payment obligations in the records of the county auditor.

A seller of real property subject to a charge for energy conservation measures provided by a utility under tariff must disclose to the purchaser the existence of the obligation and the possibility of payment obligation.

**SUMMARY OF PROPOSED SENATE AMENDMENT:**

A striking amendment was adopted with several additions to the original bill. It is clarified that a legal description must be included when a conservation tariff payment obligation is recorded with the county property records.

Notices of conservation payment obligations may be disclosed as an informational note to a preliminary commitment for policy of title insurance.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**TESTIMONY FOR:**

This bill will clarify the ongoing responsibilities for property owners involved in these types of conservation programs and allow for more participation.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Molly Bork, Pacificorp (pro)