

# SENATE BILL REPORT

## SB 6447

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As Reported By Senate Committee On:  
Energy, Technology & Telecommunications, February 3, 2000

**Title:** An act relating to disclosure of attributes of electricity products.

**Brief Description:** Providing for disclosure to consumers regarding the characteristics associated with their electric energy product.

**Sponsors:** Senators Brown, Fairley, Kline, Fraser and Franklin.

**Brief History:**

**Committee Activity:** Energy, Technology & Telecommunications: 2/1/2000, 2/3/2000 [DPS].

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### SENATE COMMITTEE ON ENERGY, TECHNOLOGY & TELECOMMUNICATIONS

**Majority Report:** That Substitute Senate Bill No. 6447 be substituted therefor, and the substitute bill do pass.

Signed by Senators Brown, Chair; Goings, Vice Chair; Fairley, Fraser, Hochstatter, Roach and Rossi.

**Staff:** Andrea McNamara (786-7483)

**Background:** Numerous electricity suppliers around the country now offer, or have plans to offer, their consumers choices in the electricity products they buy. In Washington, a growing number of utilities are offering, or are considering offering, "green" power products, ones which are supplied by generating resources with minimal environmental impacts, such as certain hydroelectric projects and wind power projects.

In Washington and Oregon, retail choice pilot projects have experimented with different formats and content for electricity product labels, and other states have begun adopting fuel mix disclosure requirements. Regional efforts have been underway over the past few years to examine various issues relating to electricity product labeling, tracking of environmental claims, and analyzing the effectiveness of customer disclosures.

**Summary of Substitute Bill:** Findings and intent. Findings and intent are added to reflect the Legislature's desire to facilitate consumer understanding of electric energy service and the development of new products responsive to consumer preferences.

Disclosure requirement. Beginning in 2001, retail electricity suppliers must provide specified disclosures about the fuel mix they use to supply the electricity products they sell.

Frequency of disclosure. Disclosures must be provided to new customers when they sign up for service, semi-annually to all customers in the form of a bill insert or other mailing, and with marketing materials for all new product offerings. Additionally, suppliers must

provide their customers two additional publications per year containing either the disclosure label, a telephone number to call and request the label, or a reference to an electronic form of the label. Small utilities, mutuals, and cooperatives may satisfy the requirements by providing the disclosure annually through an annual publication and having the information available through their main business office.

If a small utility or a mutual begins marketing a new electricity product, it must then comply with the same disclosure requirements as other suppliers.

Content of disclosure label. Fuel mix disclosures must include the quantity of each source of generation attributed to declared resources, net system power, or both. Net system power is the power remaining in the northwest power pool after deducting declared resources sold by both in-state and out-of-state retail suppliers, and the Bonneville Power Administration's (BPA) resource-specific sales and sales to direct service industrial customers. The categories of fuel that must or may be listed are specified, and suppliers are prohibited from attributing environmental quality or impact claims to any category. Power purchased from BPA may be reported as BPA's annual system generation mix.

Format of label. A tabular format is required for the fuel mix label, with the types of resources listed alphabetically in the first column and the relative percentages of each type listed in the second column.

Electricity information coordinator. The Department of Community, Trade, and Economic Development (CTED) is directed to form a work group for the purposes of selecting an electricity information coordinator, and must be the default coordinator if no appropriate regional entity can be found by November 1, 2000. The coordinator compiles specified information, calculates net system power fuel mix, and verifies the quantity of dedicated resource claims. Retail suppliers are required to make certain information available to the coordinator to facilitate the calculation and verification process.

Report to Legislature. CTED must report to the Legislature by December 1, 2003, with suggested modifications, if any, to the disclosure requirements and responsibility of the information coordinator. CTED must convene a work group of interested parties to explore such modifications.

Numerous definitions are added.

**Substitute Bill Compared to Original Bill:** The substitute adds all mutuals and cooperatives into the group of small utilities that must make the required disclosures just one time per year in an annual publication and have them available in their business offices. It also requires small utilities, mutuals, and cooperatives to make additional disclosures if they begin marketing new electricity products.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Electricity generation accounts for a substantial amount of pollution and has significant impacts on the environment and public health. Yet people are not well informed about the sources or impacts of their electricity. Disclosure enables them to influence the decisions of their utilities, even in the absence of full customer choice. Several other states have adopted laws or rules related to disclosure, and more are considering it. This bill has been extensively worked by a diverse group of stakeholders since last session and all identified concerns have been addressed.

**Testimony Against:** None.

**Testified:** PRO: Jim Todd, Seattle City Light; Danielle Dixon, NW Energy Coalition; Collins Sprague, AVISTA Corp; Tom Starrs, Renewable NW Project; Charlie Brown, Washington Rural Electric Coops; Mike Tracy; Eric Espenhurst, Friends of the Earth; Toni Potts, League of Women Voters; Lew McMurrin, Washington PUD Assoc (neutral).