

CERTIFICATION OF ENROLLMENT

**ENGROSSED HOUSE BILL 2565**

56th Legislature  
2000 Regular Session

Passed by the House February 10, 2000  
Yeas 95 Nays 2

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**Speaker of the House of Representatives**

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**Speaker of the House of Representatives**

Passed by the Senate March 2, 2000  
Yeas 45 Nays 0

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**President of the Senate**

Approved

\_\_\_\_\_  
Governor of the State of Washington

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 2565** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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ENGROSSED HOUSE BILL 2565

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Passed Legislature - 2000 Regular Session

State of Washington

56th Legislature

2000 Regular Session

By Representatives Poulsen, Crouse, Morris, Cooper, Radcliff, Ruderman, Reardon, Linville, Conway, Schual-Berke, Kenney, Keiser, Santos and O'Brien

Read first time 01/17/2000. Referred to Committee on Technology, Telecommunications & Energy.

1 AN ACT Relating to disclosure of attributes of electricity  
2 products; amending RCW 19.29A.010; adding new sections to chapter  
3 19.29A RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) Consumer disclosure ensures that retail  
6 electric consumers purchasing electric energy receive basic information  
7 about the characteristics associated with their electric product in a  
8 form that facilitates consumer understanding of retail electric energy  
9 service and the development of new products responsive to consumer  
10 preferences.

11 (2) The legislature finds and declares that there is a need for  
12 reliable, accurate, and timely information regarding fuel source, that  
13 is consistently collected, for all electricity products offered for  
14 retail sale in Washington.

15 (3) The desirability and feasibility of such disclosure has been  
16 clearly established in nutrition labeling, uniform food pricing, truth-  
17 in-lending, and other consumer information programs.

18 (4) The legislature intends to establish a consumer disclosure  
19 standard under which retail suppliers in Washington disclose

1 information on the fuel mix of the electricity products they sell.  
2 Fundamental to disclosure is a label that promotes consistency in  
3 content and format, that is accurate, reliable, and simple to  
4 understand, and that allows verification of the accuracy of information  
5 reported.

6 (5) To ensure that consumer information is verifiable and accurate,  
7 certain characteristics of electricity generation must be tracked and  
8 compared with information provided to consumers.

9 **Sec. 2.** RCW 19.29A.010 and 1998 c 300 s 2 are each amended to read  
10 as follows:

11 The definitions in this section apply throughout this chapter  
12 unless the context clearly requires otherwise.

13 (1) "Biomass generation" means electricity derived from burning  
14 solid organic fuels from wood, forest, or field residue, or dedicated  
15 energy crops that do not include wood pieces that have been treated  
16 with chemical preservatives such as creosote, pentachlorophenol, or  
17 copper-chroma-arsenic.

18 (2) "Bonneville power administration system mix" means a generation  
19 mix sold by the Bonneville power administration that is net of any  
20 resource specific sales and that is net of any electricity sold to  
21 direct service industrial customers, as defined in section 3(8) of the  
22 Pacific Northwest Electric Power Planning and Conservation Act (16  
23 U.S.C. Sec. 839(a)(8)).

24 (3) "Coal generation" means the electricity produced by a  
25 generating facility that burns coal as the primary fuel source.

26 (4) "Commission" means the utilities and transportation commission.

27 ~~((+2))~~ (5) "Conservation" means an increase in efficiency in the  
28 use of energy use that yields a decrease in energy consumption while  
29 providing the same or higher levels of service. Conservation includes  
30 low-income weatherization programs.

31 ~~((+3))~~ (6) "Consumer-owned utility" means a municipal electric  
32 utility formed under Title 35 RCW, a public utility district formed  
33 under Title 54 RCW, an irrigation district formed under chapter 87.03  
34 RCW, a cooperative formed under chapter 23.86 RCW, or a mutual  
35 corporation or association formed under chapter 24.06 RCW, that is  
36 engaged in the business of distributing electricity to more than one  
37 retail electric customer in the state.

1       ~~((4))~~ (7) "Declared resource" means an electricity source  
2 specifically identified by a retail supplier to serve retail electric  
3 customers. A declared resource includes a stated quantity of  
4 electricity tied directly to a specified generation facility or set of  
5 facilities either through ownership or contract purchase, or a  
6 contractual right to a stated quantity of electricity from a specified  
7 generation facility or set of facilities.

8       (8) "Department" means the department of community, trade, and  
9 economic development.

10       ~~((5))~~ (9) "Electricity information coordinator" means the  
11 organization selected by the department under section 6 of this act to:  
12 (a) Compile generation data in the Northwest power pool by generating  
13 project and by resource category; (b) compare the quantity of  
14 electricity from declared resources reported by retail suppliers with  
15 available generation from such resources; (c) calculate the net system  
16 power mix; and (d) coordinate with other comparable organizations in  
17 the western interconnection.

18       (10) "Electric meters in service" means those meters that record in  
19 at least nine of twelve calendar months in any calendar year not less  
20 than two hundred fifty kilowatt hours per month.

21       ~~((6))~~ (11) "Electricity product" means the electrical energy  
22 produced by a generating facility or facilities that a retail supplier  
23 sells or offers to sell to retail electric customers in the state of  
24 Washington, provided that nothing in this title shall be construed to  
25 mean that electricity is a good or product for the purposes of Title  
26 62A RCW, or any other purpose. It does not include electrical energy  
27 generated on-site at a retail electric customer's premises.

28       (12) "Electric utility" means a consumer-owned or investor-owned  
29 utility as defined in this section.

30       ~~((7))~~ (13) "Electricity" means electric energy measured in  
31 kilowatt hours, or electric capacity measured in kilowatts, or both.

32       ~~((8))~~ (14) "Fuel mix" means the actual or imputed sources of  
33 electricity sold to retail electric customers, expressed in terms of  
34 percentage contribution by resource category. The total fuel mix  
35 included in each disclosure shall total one hundred percent.

36       (15) "Geothermal generation" means electricity derived from thermal  
37 energy naturally produced within the earth.

38       (16) "Governing body" means the council of a city or town, the  
39 commissioners of an irrigation district, municipal electric utility, or

1 public utility district, or the board of directors of an electric  
2 cooperative or mutual association that has the authority to set and  
3 approve rates.

4 ~~((+9+))~~ (17) "High efficiency cogeneration" means electricity  
5 produced by equipment, such as heat or steam used for industrial,  
6 commercial, heating, or cooling purposes, that meets the federal energy  
7 regulatory commission standards for qualifying facilities under the  
8 public utility regulatory policies act of 1978.

9 (18) "Hydroelectric generation" means a power source created when  
10 water flows from a higher elevation to a lower elevation and the flow  
11 is converted to electricity in one or more generators at a single  
12 facility.

13 (19) "Investor-owned utility" means a company owned by investors  
14 that meets the definition of RCW 80.04.010 and is engaged in  
15 distributing electricity to more than one retail electric customer in  
16 the state.

17 ~~((+10+))~~ (20) "Landfill gas generation" means electricity produced  
18 by a generating facility that uses waste gases produced by the  
19 decomposition of organic materials in landfills.

20 (21) "Natural gas generation" means electricity produced by a  
21 generating facility that burns natural gas as the primary fuel source.

22 (22) "Northwest power pool" means the generating resources included  
23 in the United States portion of the Northwest power pool area as  
24 defined by the western systems coordinating council.

25 (23) "Net system power mix" means the fuel mix in the Northwest  
26 power pool, net of: (a) Any declared resources in the Northwest power  
27 pool identified by in-state retail suppliers or out-of-state entities  
28 that offer electricity for sale to retail electric customers; (b) any  
29 electricity sold by the Bonneville power administration to direct  
30 service industrial customers; and (c) any resource specific sales made  
31 by the Bonneville power administration.

32 (24) "Oil generation" means electricity produced by a generating  
33 facility that burns oil as the primary fuel source.

34 (25) "Proprietary customer information" means: (a) Information  
35 that relates to the source and amount of electricity used by a retail  
36 electric customer, a retail electric customer's payment history, and  
37 household data that is made available by the customer solely by virtue  
38 of the utility-customer relationship; and (b) information contained in  
39 a retail electric customer's bill.

1       (~~(11)~~) (26) "Renewable resources" means electricity generation  
2 facilities fueled by: (a) Water; (b) wind; (c) solar energy; (d)  
3 geothermal energy; (e) landfill gas; or (f) biomass energy based on  
4 solid organic fuels from wood, forest, or field residues, or dedicated  
5 energy crops that do not include wood pieces that have been treated  
6 with chemical preservatives such as creosote, pentachlorophenol, or  
7 copper-chrome-arsenic.

8       (~~(12)~~) (27) "Resale" means the purchase and subsequent sale of  
9 electricity for profit, but does not include the purchase and the  
10 subsequent sale of electricity at the same rate at which the  
11 electricity was purchased.

12       (~~(13)~~) (28) "Retail electric customer" means a person or entity  
13 that purchases electricity for ultimate consumption and not for resale.

14       (~~(14)~~) (29) "Retail supplier" means an electric utility that  
15 offers an electricity product for sale to retail electric customers in  
16 the state.

17       (30) "Small utility" means any consumer-owned utility with twenty-  
18 five thousand or fewer electric meters in service, or that has an  
19 average of seven or fewer customers per mile of distribution line.

20       (~~(15)~~) (31) "Solar generation" means electricity derived from  
21 radiation from the sun that is directly or indirectly converted to  
22 electrical energy.

23       (32) "State" means the state of Washington.

24       (33) "Waste incineration generation" means electricity derived from  
25 burning solid or liquid wastes from businesses, households,  
26 municipalities, or waste treatment operations.

27       (34) "Wind generation" means electricity created by movement of air  
28 that is converted to electrical energy.

29       NEW SECTION. Sec. 3. (1) Beginning in 2001, each retail supplier  
30 shall provide to its existing and new retail electric customers its  
31 annual fuel mix information by generation category as required in  
32 section 4 of this act.

33       (2) Disclosures required under subsection (1) of this section shall  
34 be provided through a disclosure label presented in a standardized  
35 format as required in section 4(7) of this act.

36       (3) Except as provided in subsection (5) of this section, each  
37 retail supplier shall provide the disclosure label:

1 (a) To each of its new retail electric customers at the time  
2 service is established;

3 (b) To all of its existing retail electric customers, as a bill  
4 insert or other mailed publication, not less than semiannually; and

5 (c) As part of any marketing material, in paper, written, or other  
6 media format, that is used primarily to promote the sale of any  
7 specific electricity product being advertised, contracted for, or  
8 offered for sale to current or prospective retail electric customers.

9 (4) In addition to the disclosure requirements under subsection (3)  
10 of this section, each retail supplier shall provide to each electric  
11 customer it serves, at least two additional times per year, a  
12 publication that contains either:

13 (a) The disclosure label;

14 (b) A customer service phone number to request a disclosure label;  
15 or

16 (c) A reference to an electronic form of the disclosure label.

17 (5) Small utilities and mutual light and power companies shall  
18 provide the disclosure label not less than annually through a  
19 publication that is distributed to all their retail electric customers,  
20 and have disclosure label information available in their main business  
21 office. If a small utility or mutual company engages in marketing a  
22 specific electric product new to that utility it shall provide the  
23 disclosure label described in subsection (3)(c) of this section.

24 NEW SECTION. **Sec. 4.** (1) Each retail supplier shall disclose the  
25 fuel mix of each electricity product it offers to retail electric  
26 customers as follows:

27 (a) For an electricity product comprised entirely of declared  
28 resources, a retail supplier shall disclose the fuel mix for the  
29 electricity product based on the quantity of electric generation from  
30 those declared resources for the previous calendar year and any  
31 adjustment, if taken, available under subsection (6) of this section.

32 (b) For an electricity product comprised of no declared resources,  
33 a retail supplier shall report the fuel mix for the electricity product  
34 as the fuel mix of net system power for the previous calendar year, as  
35 determined by the electricity information coordinator under section 6  
36 of this act.

37 (c) For an electricity product comprised of a combination of  
38 declared resources and the net system power, a retail supplier shall

1 disclose the fuel mix for the electricity product as a weighted average  
2 of the megawatt-hours from declared resources and the megawatt-hours  
3 from the net system power mix for the previous calendar year according  
4 to the proportion of declared resources and net system power contained  
5 in the electricity product.

6 (2) The disclosures required by this section shall identify the  
7 percentage of the total electricity product sold by a retail supplier  
8 during the previous calendar year from each of the following  
9 categories:

10 (a) Coal generation;

11 (b) Hydroelectric generation;

12 (c) Natural gas generation;

13 (d) Nuclear generation; and

14 (e) Other generation, except that when a component of the other  
15 generation category meets or exceeds two percent of the total  
16 electricity product sold by a retail supplier during the previous  
17 calendar year, the retail supplier shall identify the component or  
18 components and display the fuel mix percentages for these component  
19 sources, which may include, but are not limited to: (i) Biomass  
20 generation; (ii) geothermal generation; (iii) landfill gas generation;  
21 (iv) oil generation; (v) solar generation; (vi) waste incineration; or  
22 (vii) wind generation. A retail supplier may voluntarily identify any  
23 component or components within the other generation category that  
24 comprises two percent or less of annual sales.

25 (3) Retail suppliers may separately report a subcategory of natural  
26 gas generation to identify high efficiency cogeneration.

27 (4) Except as provided in subsection (3) of this section, a retail  
28 supplier cannot include in the disclosure label any environmental  
29 quality or environmental impact qualifier related to any of the  
30 generation categories disclosed.

31 (5) For the portion of an electricity product purchased from the  
32 Bonneville power administration, retail suppliers may disclose the  
33 Bonneville power administration system mix.

34 (6) A retail supplier may adjust its reported fuel mix for known  
35 changes in its declared resources for the current year based on any  
36 changes in its sources of electricity supply from either generation or  
37 contracts. If a retail supplier changes its fuel mix during a calendar  
38 year, it shall report those changes to the electricity information  
39 coordinator.



1 (7) Disclosure of the fuel mix information required in this section  
2 shall be made in the following uniform format: A tabular format with  
3 two columns, where the first column shall alphabetically list each  
4 category and the second column shall display the corresponding  
5 percentage of the total that each category represents. The percentage  
6 shall be reported as a numeric value rounded to the nearest one  
7 percent. The percentages listed for the categories identified must sum  
8 to one hundred percent with the table displaying such a total.

9 NEW SECTION. **Sec. 5.** The department shall:

10 (1) Convene a work group of interested parties to suggest  
11 modifications, if any, to the disclosure requirements required in  
12 section 4 of this act to improve information content, readability, and  
13 consumer understanding, and to suggest modifications, if any, to the  
14 responsibilities of the electricity information coordinator required in  
15 section 6 of this act to improve the accuracy and efficiency of the  
16 tracking process. If the department serves as the electricity  
17 information coordinator, these evaluation and reporting requirements  
18 relative to the responsibilities of the electricity information  
19 coordinator and the tracking process shall be assigned to an  
20 independent third party;

21 (2) Invite interested parties, including but not limited to  
22 representatives from investor-owned utilities, consumer-owned  
23 utilities, the commission, the attorney general's office, consumer  
24 advocacy groups, and the environmental community to participate in the  
25 work group convened in subsection (1) of this section; and

26 (3) Submit to the legislature no later than December 1, 2003, a  
27 report with suggested modifications, if any, to the disclosure  
28 requirements and responsibilities of the electricity information  
29 coordinator, as referred to in subsection (1) of this section.

30 NEW SECTION. **Sec. 6.** (1) For the purpose of selecting the  
31 electricity information coordinator, the department shall form a work  
32 group of interested parties. The department shall invite interested  
33 parties, including, but not limited to, representatives from investor-  
34 owned utilities, consumer-owned utilities, the commission, the attorney  
35 general's office, consumer advocacy groups, and the environmental  
36 community to participate in the work group. In the event an  
37 appropriate regional entity is not selected by November 1, 2000, the

1 department shall serve as the electricity information coordinator after  
2 notifying the committees of the senate and house of representatives  
3 with jurisdiction over energy matters.

4 (2) The department may receive any lawful gifts, grants, or  
5 endowments from public or private sources that are made from time to  
6 time, in trust or otherwise, for the use and benefit of the department  
7 in implementing this section, and may spend such gifts, grants, or  
8 endowments for the purposes of implementing this section.

9 (3) As a condition for an appropriate regional entity to be  
10 selected under this section to serve as the electricity information  
11 coordinator, it must agree to compile the following information:

12 (a) Actual generation by fuel mix in the Northwest power pool for  
13 the prior calendar year, expressed in megawatt hours. This data will  
14 be compiled as it becomes available.

15 (b) Adjustments to the actual generation for the prior calendar  
16 year that are known and provided to the electricity information  
17 coordinator by the end of January of the current calendar year to  
18 reflect known changes in declared resources for the current year and  
19 changes due to interconnection of new generating resources or  
20 decommissioning or sale of existing resources or contracts. These  
21 adjustments shall include supporting documentation.

22 (c) The amount of electricity from declared resources that retail  
23 suppliers will identify in their fuel mix disclosures during the  
24 current calendar year. Retail suppliers shall make this data available  
25 by the end of January each year.

26 (4) Retail suppliers shall make available upon request the  
27 following information to support the ownership or contractual rights to  
28 declared resources:

29 (a) Documentation of ownership of declared resources by retail  
30 suppliers; or

31 (b) Documentation of contractual rights by retail suppliers to a  
32 stated quantity of electricity from a specific generating facility.

33 If the documentation referred to in either (a) or (b) of this  
34 subsection is not available, the retail supplier may not identify the  
35 electricity source as a declared resource and instead must report the  
36 net system power mix for the quantity of electric generation from that  
37 resource.

38 (5) If the documentation referred to in either subsection (4)(a) or  
39 (b) of this section is not available, the retail supplier may not

1 identify the electricity source as a declared resource and instead must  
2 report the net system power mix for the quantity of electric generation  
3 from that resource.

4 (6) As a condition for an appropriate regional entity to be  
5 selected under this section to serve as the electricity information  
6 coordinator, it must agree to:

7 (a) Coordinate with comparable entities or organizations in the  
8 western interconnection;

9 (b) On or before May 1st of each year, or as soon thereafter as  
10 practicable once the data in subsection (3)(a) of this section is  
11 available, calculate and make available the net system power mix as  
12 follows:

13 (i) The actual Northwest power pool generation for the prior  
14 calendar year;

15 (ii) Plus any adjustments to the Northwest power pool generation as  
16 made available to the electricity information coordinator by the end of  
17 January of the current calendar year pursuant to section 4(6) of this  
18 act;

19 (iii) Less the quantity of electricity associated with declared  
20 resources claimed by retail suppliers for the current calendar year;

21 (iv) Plus other adjustments necessary to ensure that the same  
22 resource output is not declared more than once.

23 (c) To the extent the information is available, verify that the  
24 quantity of electricity associated with the declared resources does not  
25 exceed the available generation from those resources.

26 (7) Subsections (3) and (6) of this section apply to the department  
27 in the event the department assumes the functions of the electricity  
28 information coordinator.

29 NEW SECTION. **Sec. 7.** Sections 3 through 6 of this act are each  
30 added to chapter 19.29A RCW.

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