
Technology, Telecommunications & Energy Committee

SSB 5292

Brief Description: Modifying definitions of public energy projects.

Sponsors: Senate Committee on Environment, Energy & Water (originally sponsored by Senators T. Sheldon, McDonald, Fraser, Hochstatter, Regala, Stevens, Kastama, Snyder, Honeyford, Patterson, Eide and Hale).

Brief Summary of Substitute Bill

- Limits the requirement for a public vote, authorizing public financing for major public energy facilities, to nuclear power plant facilities.
- Requires an independent cost-effectiveness study and a public hearing for large (250 megawatts or more) non-nuclear power plant projects that are not subject to the public vote requirement.

Hearing Date: 2/20/02

Staff: Pam Madson (786-7166).

Background:

In 1981 voters approved Initiative No. 394, the Washington State Energy Financing Voter Approval Act. Under the act, a public utility district, city, county or joint operating agency is prohibited from selling bonds to finance the construction or acquisition of a major public energy project unless the voters of the respective governmental entity approve a ballot proposition authorizing the expenditure of funds.

Prior to a public vote, the public agency must submit to the voters a cost-effectiveness study of the project conducted by an independent consultant. The study must be available for public review and comment for 30 days. Information both pro and con may be submitted to the voters through a voter's pamphlet distributed by the Secretary of State. The voter's pamphlet must contain information about the project, its cost and level of public financing, and the projected rate increases for consumers using the electricity generated by the project. The rate increase must be sufficient to repay total indebtedness of the project.

A major public energy project is an electrical generating facility capable of generating more than 250 megawatts of electricity and is not limited to any particular type of generation. Each plant located on the same geographic site is considered a separate energy project. An expansion of an existing facility is not subject to a vote unless the expansion produces more than 250 megawatts of electricity.

Summary of Bill:

The existing requirement for voter approval of public financing for the construction or acquisition of major public energy projects is changed so that a public vote is required only for nuclear power plants. Large non-nuclear power plant projects not subject to voter approval must comply with similar disclosure and study requirements to those required for voter-approved projects. A cost-effectiveness study on the project conducted by an independent consultant must be submitted to the governing body of the agency proposing the project. The study must be available for public review and comment for at least 30 days after submission to the governing body.

The public agency must conduct a public hearing on the project and the study. Notice of the hearing must contain information about the project, its cost and level of public financing, and projected rate increases for consumers using the electricity generated.

A large public energy project is defined as a non-nuclear plant capable of generating electricity of 250 megawatts or more. Each large plant at the same site is considered a separate project. Any addition to an existing facility qualifies as a large project if the addition itself is capable of generating 250 megawatts or more.

Appropriation: None.

Fiscal Note: Not Requested.

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