

SENATE BILL REPORT

EHB 1606

As Reported By Senate Committee On:
Environment, Energy & Water, March 30, 2001

Title: An act relating to electricity rate structure for irrigation pumping installations.

Brief Description: Allowing tariffs for irrigation pumping installations to reduce energy usage.

Sponsors: By Representatives Clements, Crouse, B. Chandler, G. Chandler, Schoesler and Lisk.

Brief History:

Committee Activity: Environment, Energy & Water: 3/29/01, 3/30/01 [DP].

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & WATER

Majority Report: Do pass.

Signed by Senators Fraser, Chair; Regala, Vice Chair; Eide, Hale, Honeyford, Jacobsen, Morton and Patterson.

Staff: Andrea McNamara (786-7483)

Background: Low water conditions and a tight energy supply have prompted the Bonneville Power Administration (BPA) and some public and private electric utilities to begin offering agricultural irrigators compensation to curtail their electrical consumption and disconnect their irrigation pumps during the upcoming agricultural growing season.

The specific terms offered by BPA and the other public and private utilities differ, but essentially each will pay irrigators a specified amount per kilowatt hour or per acre of land for electricity not used during the 2001 growing season.

The Washington Utilities and Transportation Commission (WUTC) has authority to approve or set rates for retail electricity service provided by private, investor-owned utilities. Rates must be fair, just, reasonable and sufficient to return reasonable compensation to the utility for the service provided. Special contracts or curtailment programs offered by investor-owned utilities must also be approved by the WUTC.

Rates charged by publicly-owned utilities are generally set by the utility's board, or by another governing body such as a commission or council. Elected officials in most cases are ultimately accountable for rates that are set. Special contracts or curtailment programs offered by publicly-owned utilities must also be approved by the governing body of the utility.

Summary of Bill: All public and private electric utilities are authorized to offer a program to reduce electricity usage by buying back electricity from irrigation pumping customers during their irrigation seasons.

This authority is given to investor-owned utilities, municipal utilities, public utility districts, electric cooperatives and mutuals, and irrigation districts.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: Prioritization of scarce resources such as water and power is going to become even more difficult and more important as we head into this summer. Farmers should have the option to sell the power they are not going to use to irrigate, and to receive forbearance of the load charges charged by utilities. This bill, as amended, takes a small step in the right direction by specifically clarifying the authority of all our electric utilities to enter into these kinds of buy-back programs. The irrigation buy-back programs will save power, save water, and keep the wholesale power purchase costs down for the utilities which will save all electric customers money in the long run.

Testimony Against: None.

Testified: Representative Jim Clements, prime sponsor; Kathryn Crum, Avista Corp.; Kathleen Collins, PacifiCorp.