
SUBSTITUTE HOUSE BILL 2637

State of Washington

57th Legislature

2002 Regular Session

By House Committee on Technology, Telecommunications & Energy (originally sponsored by Representatives Morris, Hatfield, Kessler, Anderson, Veloria, Linville, Haigh, Conway, Hunt, Schual-Berke, Wood, Simpson, Rockefeller, Jackley, Kagi and Ogden)

Read first time 02/01/2002. Referred to Committee on .

1 AN ACT Relating to the joint task force on long-term energy supply;
2 amending RCW 43.21F.015 and 43.21F.090; creating new sections; and
3 providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that passage of
6 the energy policy act (P.L. 102-486) by congress in 1992 has had a
7 profound impact on the electricity industry in the northwest. The
8 electricity market in the state has transformed from transactions
9 between utilities and seasonal exchanges among utilities in the
10 northwest and the southwest to an active wholesale electricity market
11 that involves independent marketers and developers of merchant power
12 plants. Uncertainty about changes occurring in the market and the
13 industry has discouraged investment in additional generation and
14 transmission capacity and conservation. Recent experience with extreme
15 price fluctuations in the wholesale markets continues to have a
16 significant impact on the electric industry.

17 (2) The legislature declares that state energy strategy should be
18 revised to consider the implications of wholesale market volatility
19 upon the electric industry. To the extent that actions can be

1 undertaken to encourage investment in additional generation resources,
2 new technologies, and conservation, they should be pursued to minimize
3 the impacts of wholesale market volatility on consumers, utilities, and
4 independent power producers.

5 **Sec. 2.** RCW 43.21F.015 and 1994 c 207 s 3 are each amended to read
6 as follows:

7 It is the policy of the state of Washington that:

8 (1) The development and use of a diverse array of energy resources
9 with emphasis on conservation, renewable energy resources, and new
10 generation and energy management technologies shall be encouraged;

11 (2) The supply of energy shall be sufficient to insure the health
12 and economic welfare of its citizens that includes meeting projected
13 demand for Washington as well as other states or foreign countries
14 having an impact on this state's energy supply;

15 (3) The development and use of energy resources shall be consistent
16 with the statutory environmental policies of the state;

17 (4) Energy conservation and elimination of wasteful and uneconomic
18 uses of energy and materials shall be encouraged, and this conservation
19 should include, but is not limited to, cost-effective energy
20 efficiency, resource recovery that achieves at least a doubling of
21 previous resource utilization or eighty percent efficiency, and
22 materials recycling;

23 (5) In energy emergency shortage situations, energy requirements to
24 maintain ((the)) critical public health, safety, and welfare activities
25 shall be given priority in the allocation of energy resources while
26 curtailing noncritical government functions, and citizens and industry
27 shall be assisted in adjusting to the limited availability of energy in
28 order to minimize adverse impacts on their physical, social, and
29 economic well being;

30 (6) State government shall provide a source of impartial and
31 objective information in order that this energy policy may be enhanced;
32 and

33 (7) The state energy strategy shall provide primary guidance for
34 implementation of the state's energy policy.

35 NEW SECTION. **Sec. 3.** (1) A joint task force on long-term energy
36 supply is established. The joint task force will consist of eleven
37 members, as follows:

1 (a) Two members from each of the two largest caucuses of the
2 senate, appointed by the president of the senate. At least one member
3 from each caucus will be a member of the standing committee that hears
4 energy issues. The standing committee members will be the chair of the
5 committee and the ranking minority member of the committee;

6 (b) Two members from each of the two largest caucuses of the house
7 of representatives, appointed by the speaker of the house of
8 representatives. At least one member from each caucus will be a member
9 of the standing committee that hears energy issues. The standing
10 committee members will be the chair of the committee and the ranking
11 minority member of the committee;

12 (c) Three members from the executive branch appointed by the
13 governor to include the governor's office and the department of
14 community, trade, and economic development or its successor agency.

15 (2) The task force will choose its chair from among its membership.

16 (3) The task force, where feasible, may consult with individuals
17 from the public and private sector and may ask such persons to
18 establish advisory committees or work groups. Those with whom the task
19 force may consult include representatives from at least the following:

20 (a) Retail and wholesale energy providers;

21 (b) Environmental organizations;

22 (c) Energy users including commercial, industrial, and residential
23 users;

24 (d) Labor organizations involved directly and indirectly with the
25 energy industry;

26 (e) Cities;

27 (f) Counties;

28 (g) Regional organizations involved in energy planning and
29 distribution; and

30 (h) State agencies that deal with energy issues.

31 (4) The task force will study, as part of its review of the state's
32 energy strategy under RCW 43.21F.090, issues relating to long-term
33 energy supply and demand and:

34 (a) Identify methods to ensure the creation of new capacity in the
35 electrical supply system in advance of the critical need for energy;

36 (b) Identify obstacles that provide a disincentive to building new
37 generation;

1 (c) Identify incentives for investment in building new generation
2 capacity, including setting a floor price for electricity to offset
3 costs of construction; and

4 (d) Identify methods to encourage demand management options and
5 technologies.

6 (5) In its review of the state's energy strategy, the task force
7 will recommend revisions and specific actions that may be taken to
8 implement the state's energy strategy. The task force will examine a
9 broad array of energy resources and environmental impacts of supply and
10 demand side options.

11 (6) The task force will use staff from senate committee services
12 and the house of representatives office of program research and staff
13 from the governor's office and the department of community, trade, and
14 economic development, but may hire additional staff with specific
15 technical expertise if such expertise is necessary to carry out the
16 mandates of this study.

17 (7) The task force will report its findings and recommendations to
18 the legislature by December 31, 2002.

19 (8) This section expires July 1, 2003.

20 **Sec. 4.** RCW 43.21F.090 and 1996 c 186 s 106 are each amended to
21 read as follows:

22 The ~~((department))~~ joint task force on long-term energy supply
23 established in section 3 of this act shall review the state energy
24 strategy as developed under section 1, chapter 201, Laws of 1991~~((~~
25 ~~periodically with the guidance of an advisory committee))~~. The state
26 energy strategy may be reviewed periodically. For each review, ~~((an~~
27 ~~advisory committee))~~ a task force shall be established with a
28 membership resembling as closely as possible the ~~((original energy~~
29 ~~strategy advisory committee specified under section 1, chapter 201,~~
30 ~~Laws of 1991))~~ joint task force on long-term energy supply. ~~((Upon~~
31 ~~completion of a public hearing regarding the advisory committee's~~
32 ~~advice and recommendations for revisions to the energy strategy))~~
33 Except as provided in section 3 of this act, a written report shall be
34 conveyed by the ~~((department))~~ task force to the governor and the
35 appropriate legislative committees by July 1st of the year following
36 the year in which the task force is established. Any ~~((advisory~~

1 committee)) task force established under this section shall be
2 dissolved within three months after their written report is conveyed.

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