
SUBSTITUTE SENATE JOINT MEMORIAL 8015

State of Washington

57th Legislature

2001 Regular Session

By Senate Committee on Environment, Energy & Water (originally sponsored by Senators Finkbeiner, T. Sheldon, Kline, Sheahan, Morton, Rossi, Oke, Rasmussen and Fraser)

Read first time 02/26/2001. Referred to Committee on .

1 TO THE HONORABLE GRAY DAVIS, GOVERNOR OF CALIFORNIA, LORETTA LYNCH,
2 PRESIDENT OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION, JOHN BURTON,
3 PRESIDENT PRO TEM OF THE CALIFORNIA STATE SENATE, ROBERT HERTZBERG,
4 SPEAKER OF THE CALIFORNIA STATE ASSEMBLY, MEMBERS OF THE CALIFORNIA
5 STATE SENATE COMMITTEE ON ENERGY, UTILITIES, & COMMUNICATIONS, AND TO
6 MEMBERS OF THE CALIFORNIA STATE ASSEMBLY COMMITTEE ON ENERGY COSTS AND
7 AVAILABILITY:

8 We, your Memorialists, the Senate and House of Representatives of
9 the State of Washington, in legislative session assembled, respectfully
10 represent and petition as follows:

11 WHEREAS, The states of Washington and California have a long
12 history of cooperative and mutually beneficial relations with respect
13 to power supplies and operations; and

14 WHEREAS, The state of Washington desires to continue this
15 cooperative and mutually beneficial relationship; and

16 WHEREAS, The California energy crisis, brought on in significant
17 part by the restructuring of the California retail electricity market,
18 has caused wholesale power prices throughout the western United States
19 to increase dramatically; and

20 WHEREAS, Unprecedented increases in wholesale power costs have put
21 tremendous financial strain on Washington utilities that rely, to

1 varying degrees, on the wholesale market to serve Washington consumers;
2 and

3 WHEREAS, Several Washington electric and gas utilities have
4 responded to this situation by adopting significant rate increases,
5 ranging on average from thirty to sixty percent for residential
6 customers and even higher increases for commercial and industrial
7 customers, in an effort to maintain their financial stability; and

8 WHEREAS, The federal Department of Energy has issued emergency
9 orders requiring certain Washington utilities to sell surplus power to
10 California without providing any assurance of repayment, through either
11 federal or state guarantees on the purchases made by financially
12 unstable California utilities; and

13 WHEREAS, The California Power Exchange is seeking to recover up to
14 eight hundred seventy-five million dollars in missed payments by
15 Pacific Gas & Electric Company and Southern California Edison from
16 other market participants, including Washington utilities and energy
17 marketers; and

18 WHEREAS, The California Public Utilities Commission has approved
19 temporary rate increases of one cent per kilowatt hour for customers of
20 Pacific Gas & Electric Company and Southern California Edison Company;
21 and

22 WHEREAS, These temporary increases equate to approximately nine
23 percent for California residential customers, seven percent for small
24 business customers, twelve percent for medium business customers, and
25 fifteen percent for large commercial and industrial customers; and

26 WHEREAS, It is just and reasonable to require additional rate
27 increases for the customers of Pacific Gas & Electric Company and
28 Southern California Edison Company in order to increase the likelihood
29 of their ability to repay Washington utilities and energy marketers;
30 and

31 WHEREAS, It is fair and equitable for the state of California to
32 provide a payment guarantee on behalf of Pacific Gas & Electric Company
33 and Southern California Edison Company for any purchases made by them
34 from Washington utilities and energy marketers as a result of the
35 Department of Energy emergency orders; and

36 WHEREAS, It is unfair and inequitable to require wholesale market
37 participants from outside the state of California to pay the California
38 Power Exchange for Pacific Gas & Electric Company's and Southern
39 California Edison's missed payments, essentially causing Washington

1 utilities and energy marketers to pay the Exchange for power that
2 Washington utilities and energy marketers, and others, were required to
3 sell;

4 NOW, THEREFORE, Your Memorialists respectfully pray that the state
5 of California require rate increases for California utility customers
6 to guarantee payment for the power it receives from Washington state.

7 BE IT RESOLVED, That copies of this Memorial be immediately
8 transmitted to the Honorable Gray Davis, Governor of California,
9 Loretta Lynch, President of the California Public Utilities Commission,
10 John Burton, President Pro Tem of the California State Senate, Robert
11 Hertzberg, Speaker of the California State Assembly, Members of the
12 California State Senate Committee on Energy, Utilities, &
13 Communications, and Members of the California State Assembly Committee
14 on Energy Costs and Availability.

--- END ---