
ENGROSSED SUBSTITUTE HOUSE BILL 1005

State of Washington

58th Legislature

2004 Regular Session

By House Committee on Technology, Telecommunications & Energy
(originally sponsored by Representatives Morris, Linville, Wood,
Anderson, Fromhold, Conway, Kessler, O'Brien, Kenney, Haigh, Schual-
Berke and Sullivan)

READ FIRST TIME 03/04/03.

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. Such policy shall include
13 meeting projected demand for Washington and consideration of the impact
14 that other states and foreign countries have on this state's energy
15 supply;

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

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

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

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

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

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

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

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

15 (c) Five members from the executive branch appointed by the
16 governor to include the governor's office and the department of
17 community, trade, and economic development or its successor agency.

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

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

23 (a) Retail and wholesale energy providers;

24 (b) Environmental organizations;

25 (c) Energy users including commercial, industrial, and residential
26 users;

27 (d) Labor organizations involved directly and indirectly with the
28 energy industry;

29 (e) Cities;

30 (f) Counties;

31 (g) Regional organizations involved in energy planning and
32 distribution; and

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

34 (4) The task force will continue the review of the state's energy
35 strategy under RCW 43.21F.090 that was begun during 2002. As part of
36 this review, the task force will study issues relating to long-term
37 energy supply and demand to include the following:

1 (a) Identifying methods to ensure the creation of new capacity in
2 the electrical supply system in advance of the critical need for
3 energy;

4 (b) Identifying obstacles and incentives to building new generation
5 and transmission, taking into account Washington state's dependence on
6 a hydrobased system that is subject to wide variation of output;

7 (c) Identifying methods to encourage demand management options and
8 technologies, including distributed generation, energy efficiencies,
9 and other conservation measures; and

10 (d) Improving coordination of state planning with regional planning
11 efforts of the Northwest power planning council.

12 (5) In its review of the state's energy strategy, the task force
13 shall include recommendations for revisions to the state's energy
14 strategy, specific actions for implementing the strategy, and
15 performance benchmarks for measuring progress toward meeting the
16 identified goals of the state's energy policy and strategy.

17 (6) The task force will use staff from senate committee services
18 and the house of representatives office of program research and staff
19 from the governor's office and the department of community, trade, and
20 economic development, but may hire additional staff with specific
21 technical expertise if such expertise is necessary to carry out the
22 mandates of this study. The provisions of this section and RCW
23 43.21F.090 must be implemented within available resources.

24 (7) The task force will report its findings and recommendations to
25 the legislature by December 31, 2004.

26 (8) This section expires July 1, 2005.

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

29 The ~~((department))~~ joint task force on long-term energy supply
30 established in section 3 of this act shall review the state energy
31 strategy as developed under section 1, chapter 201, Laws of 1991~~((~~
32 ~~periodically with the guidance of an advisory committee))~~. The state
33 energy strategy may be reviewed periodically. For each review, ~~((an~~
34 ~~advisory committee))~~ a task force shall be established with a
35 membership resembling as closely as possible the ~~((original energy~~
36 ~~strategy advisory committee specified under section 1, chapter 201,~~
37 ~~Laws of 1991))~~ joint task force on long-term energy supply. ~~((Upon~~

1 ~~completion of a public hearing regarding the advisory committee's~~
2 ~~advice and recommendations for revisions to the energy strategy))~~
3 Except as provided in section 3 of this act, a written report shall be
4 conveyed by the ((~~department~~)) task force to the governor and the
5 appropriate legislative committees by July 1st of the year following
6 the year in which the task force is established. Any ((~~advisory~~
7 ~~committee~~)) task force established under this section shall be
8 dissolved within three months after their written report is conveyed.

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