
HOUSE BILL 1010

State of Washington 59th Legislature 2005 Regular Session

By Representatives Morris, Hudgins, Morrell, Linville, B. Sullivan, McCoy and Chase

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1 AN ACT Relating to energy efficiency and renewable energy; and
2 adding a new chapter to Title 19 RCW.

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

4 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
5 establish a goal of encouraging the construction and development of
6 renewable energy in the state of Washington to meet increasing demands
7 for affordable and reliable electricity. Since electricity supply may
8 lag behind electricity demand, the result may be a sharp increase in
9 electricity prices. The legislature finds that it is desirable to
10 shorten the time it takes to bring new electricity generation to
11 market. Washington is a leader in the development of renewable energy
12 technologies and the legislature acknowledges that encouraging the
13 development of renewable technologies in meeting increased electricity
14 demand will create jobs for Washington's citizens.

15 NEW SECTION. **Sec. 2.** The definitions in this section apply
16 throughout this chapter unless the context clearly requires otherwise.

17 (1) "Commission" means the Washington state utilities and
18 transportation commission.

1 (2) "Consumer-owned utility" includes a municipal electric utility
2 formed under Title 35 RCW, a public utility district formed under Title
3 54 RCW, an irrigation district formed under chapter 87.03 RCW, a
4 cooperative formed under chapter 23.86 RCW, a mutual corporation or
5 association formed under chapter 24.06 RCW, a port district formed
6 under Title 53 RCW, or a water-sewer district formed under Title 57
7 RCW, that is engaged in the business of distributing electricity to one
8 or more retail electric customers in the state.

9 (3) "Department" means the department of community, trade, and
10 economic development.

11 (4) "Electric utility" means a consumer-owned or investor-owned
12 utility.

13 (5) "Governing body" means the board of directors, city council,
14 commissioners, or board of any consumer-owned utility.

15 (6) "Integrated resource plan" or "plan" means a plan describing
16 the mix of generating resources and improvements in the efficient use
17 of electricity that will meet current and future needs at the lowest
18 reasonable cost to the utility and its ratepayers.

19 (7) "Investor-owned utility" means a corporation owned by investors
20 that meets the definition in RCW 80.04.010 and is engaged in
21 distributing electricity to more than one retail electric customer in
22 the state.

23 (8) "Renewable resources" means electricity generation facilities
24 fueled by: (a) Water; (b) wind; (c) solar energy; (d) geothermal
25 energy; (e) landfill gas; (f) biomass energy based on animal waste or
26 solid organic fuels from wood, forest, or field residues, or dedicated
27 energy crops that do not include wood pieces that have been treated
28 with chemical preservatives such as creosote, pentachlorophenol, or
29 copper-chrome-arsenic; (g) wave or tidal power; or (h) gas from sewage
30 treatment facilities.

31 NEW SECTION. **Sec. 3.** Each electric utility must develop an
32 integrated resource plan consistent with the provisions of this
33 section. Such a plan shall be updated on a regular basis and, at a
34 minimum, must include:

35 (1) A range of forecasts of future customer demand using methods
36 that examine the effect of economic forces on the consumption of

1 electricity and that address changes in the number, type, and
2 efficiency of electrical end-uses;

3 (2) An assessment of technically feasible improvements in the
4 efficient use of electricity, including load management and fuel
5 switching, as well as currently employed and new policies and programs
6 needed to obtain the efficiency improvements;

7 (3) An assessment of technically feasible generating technologies
8 including but not limited to renewable resources, cogeneration, power
9 purchases, and thermal resources;

10 (4) An evaluation comparing the cost-effectiveness of generating
11 resources with the cost-effectiveness of improvements in the efficient
12 use of electricity;

13 (5) The integration of the demand forecasts and resource
14 evaluations into a long-range integrated resource plan describing the
15 mix of resources and efficiency measures that will meet current and
16 future needs at the lowest reasonable cost, including an assessment of
17 risk associated with fuel price, fuel availability, hedging, and future
18 environmental regulations, to the utility and its ratepayers;

19 (6) A short-term plan outlining the specific actions to be taken by
20 the utility consistent with the long-range integrated resource plan;
21 and

22 (7) For all plans subsequent to the initial integrated resource
23 plan, a progress report that relates the new plan to the previous plan.

24 NEW SECTION. **Sec. 4.** (1) Investor-owned utilities shall submit
25 integrated resource plans to the commission. The commission shall
26 establish by rule the requirements for preparation and submission of
27 integrated resource plans.

28 (2) The commission may adopt additional rules as necessary to
29 clarify the requirements of section 3 of this act as they apply to
30 investor-owned utilities.

31 NEW SECTION. **Sec. 5.** (1) Each consumer-owned utility shall
32 develop and publish a work schedule for the preparation of an
33 integrated resource plan. The work schedule shall set forth the
34 proposed content of the integrated resource plan, the proposed schedule
35 of preparation, and provisions for public involvement in the
36 preparation and review of the plan. The governing body of each utility

1 shall approve an integrated resource plan only after it has provided
2 public notice and hearing on the proposed plan. Upon approval of its
3 governing board, each consumer-owned utility shall publish a final
4 integrated resource plan either as part of an annual report or as a
5 separate document available to the public.

6 (2) Each consumer-owned utility shall transmit a copy of its
7 integrated resource plan to the department by July 31, 2006, and
8 transmit subsequent plans every two years thereafter.

9 (3) Consumer-owned utilities may develop integrated resource plans
10 jointly with other consumer-owned utilities. Data and assessments
11 included in joint reports must be identifiable to each individual
12 utility.

13 NEW SECTION. **Sec. 6.** The department shall review the integrated
14 resource plans of consumer-owned utilities and prepare a report to the
15 legislature assessing the utilities' conformance with this section.
16 The report shall include a statewide summary of utility load forecasts,
17 load/resource balance, and utility plans for the development of thermal
18 generation, renewable resources, and efficiency resources. The
19 commission shall provide the department with data summarizing
20 activities of investor-owned utilities for use in the department's
21 statewide summary. The department shall submit the initial report by
22 December 1, 2006, and subsequent reports every two years thereafter.
23 Where appropriate, the department may include reports required by this
24 section within the biennial report required under RCW 43.21F.045.

25 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act constitute
26 a new chapter in Title 19 RCW.

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