

# SENATE BILL REPORT

## HB 1038

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As Reported By Senate Committee On:  
Water, Energy & Telecommunications, March 30, 2007  
Ways & Means, April 2, 2007

**Title:** An act relating to developing regional compacts for siting electric transmission lines.

**Brief Description:** Developing regional compacts for siting electric transmission lines.

**Sponsors:** Representatives Morris, Hudgins, Anderson, Moeller and B. Sullivan.

**Brief History:** Passed House: 1/29/07, 97-0.

**Committee Activity:** Water, Energy & Telecommunications: 3/28/07, 3/30/07 [DPA, DNP].  
Ways & Means: 4/02/07 [DPA(WET)].

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### SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

**Majority Report:** Do pass as amended.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Fraser, Holmquist, Marr, Morton, Oemig and Regala.

**Minority Report:** Do not pass.

Signed by Senator Pridemore.

**Staff:** William Bridges (786-7424)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended by Committee on Water, Energy & Telecommunications.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

**Staff:** Kirstan Arestad (786-7708)

**Background:** National Interest Electric Transmission Corridors: Under the National Energy Policy Act of 2005 (Act), the U.S. Secretary of Energy must conduct triennial studies of electric transmission congestion. Based on the studies, the Secretary may designate any geographic area a "national interest electric transmission corridor."

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

In August 2006, the Department of Energy issued the first National Electric Transmission Congestion Study (Study), which identified three classes of congestion: (1) areas where near-term action is needed, called "critical congestion areas"; (2) areas where additional analysis and information appear to be needed, called "congestion areas of concern"; and (3) areas where congestion would become a problem if new generation were to be developed without considering new transmission, called "conditional congestion areas."

The Study identified the I-5 corridor between Seattle and Portland as a "congestion area of concern." The U.S. Department of Energy has not identified a national interest electric transmission corridor.

Energy Facility Site Evaluation Council (EFSEC): In 2006, the Legislature extended EFSEC's jurisdiction over the siting of electrical transmission facilities in national interest electric transmission corridors.

Federal Preemption: Under certain conditions, the Act authorizes the Federal Energy Regulatory Commission (FERC) to issue permits for the construction or modification of electric transmission facilities in national interest electric transmission corridors. However, FERC's preemption authority is limited in those states that have established regional transmission siting agencies.

Interstate Compacts: Under the Act, three or more contiguous states may form an interstate compact to establish a regional transmission siting agency. Such an agency is authorized to site future electric transmission facilities within a member state. FERC may still preempt a regional transmission siting agency if a disagreement among the member states impedes the construction of transmission facilities in a relevant national interest electric transmission corridor.

**Summary of Bill:** Establishing a Regional Transmission Task Force: The task force must negotiate the terms of an interstate compact to create a regional process for siting national interest electric transmission corridors under the National Energy Policy Act of 2005.

Membership: The chair and ranking minority members of the Senate and House energy committees will serve as legislative representatives on the task force. The Governor must appoint five members representing EFSEC, local governments, resource agencies, or other appropriate persons. Members of the task force will choose co-chairs representing the House and the Senate from among its legislative membership.

Process: The task force must negotiate the terms of the compact through processes established and supported by the Pacific Northwest Economic Region (PNWER). The task force must ensure that the compact reflects as close as possible the EFSEC model.

Staff Support: The respective committees and appropriate executive agencies must support the task force.

Reporting Requirements: The task force must report its preliminary and final recommendations to the Legislature by January 1, 2008, and September 1, 2008, respectively.

Expiration Date: The law establishing the task force expires on July 1, 2009.

**EFFECT OF CHANGES MADE BY RECOMMENDED STRIKING AMENDMENT(S) AS PASSED COMMITTEE (Water, Energy & Telecommunications):** Corrects the name of the Senate Water, Energy and Telecommunications Committee and authorizes the legislative members of the task force to appoint "designees."

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** Yes.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony (Water, Energy & Telecommunications):** PRO: Access to transmission will be crucial for bringing renewable energy to load centers. This bill would allow the state to enter into discussions with Oregon and Idaho to form a compact to site transmission facilities. This process would allow the state to avoid FERC preemption.

**Persons Testifying (Water, Energy & Telecommunications):** PRO: Representative Morris, prime sponsor.

**Staff Summary of Public Testimony (Ways & Means):** None.

**Persons Testifying (Ways & Means):** No one.