SENATE BILL REPORT SHB 1571

As Reported by Senate Committee On: Environment, Water & Energy, March 8, 2011

Title: An act relating to electric vehicle battery charging facilities.

Brief Description: Limiting regulation of electric vehicle battery charging facilities.

Sponsors: House Committee on Technology, Energy & Communications (originally sponsored by Representatives Eddy, McCoy, Crouse, Frockt, Kelley, Short, Jacks, Fitzgibbon and Billig; by request of Utilities & Transportation Commission).

Brief History: Passed House: 2/14/11, 93-0.

Committee Activity: Environment, Water & Energy: 3/08/11 [DP].

SENATE COMMITTEE ON ENVIRONMENT, WATER & ENERGY

Majority Report: Do pass.

Signed by Senators Rockefeller, Chair; Nelson, Vice Chair; Honeyford, Ranking Minority Member; Chase, Delvin, Fraser, Holmquist Newbry and Morton.

Staff: William Bridges (786-7416)

Background: Washington Utilities and Transportation Commission (WUTC). The WUTC is a three-member commission that has broad authority to regulate the rates, services, and practices of investor-owned utilities and transportation companies. The commission regulates these utilities under a rate-of-return system, where a utility is generally allowed to charge rates that cover its costs, plus an opportunity to make a fair profit. Unless a legal exception applies, the retail sale of electricity is generally subject to regulation by the WUTC.

<u>Electric Vehicles</u>. Electricity can be used as a transportation fuel to power electric vehicles. Electric vehicles are propelled by an electric motor powered by rechargeable battery packs. These vehicles typically have limited energy storage capacity, which must be replenished by plugging the vehicle into an electrical source to recharge the battery.

<u>Battery Charging Stations.</u> In 2009 the Legislature passed a comprehensive act promoting the development of an electric vehicle infrastructure, including the deployment of stations to charge electric vehicle batteries. Under the act, a battery charging station generally means a

Senate Bill Report - 1 - SHB 1571

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.

code-compliant electrical assembly designed to charge electric vehicle batteries. A rapid charging station is generally defined as a code-compliant industrial grade electrical outlet for faster recharging of electric vehicle batteries.

<u>WUTC Work Session on Electric Vehicles.</u> In October 2010 the WUTC held a work session to consider its role in the development of electric vehicle infrastructure and other regulatory issues relating to electric vehicles. Presentations included regulatory issues relating to the resale of electricity at public charging stations and whether the activity should be subject to economic regulation.

Summary of Bill: Prohibiting the WUTC From Regulating Electric Vehicle Charging Stations. The WUTC is prohibited from regulating the rates, services, facilities, and practices of an entity that offers battery charging facilities to the public for hire if that entity is not regulated by the WUTC as an electrical company. The prohibition also applies to rates, services, facilities, and practices of an electrical company regulated by the WUTC if its battery charging facilities and services are not subsidized by any regulated service. However, an electrical company regulated by the WUTC may offer battery charging facilities as a regulated service, subject to commission approval.

<u>Incorporating Definitions.</u> Current definitions of battery charging station and rapid charging station are incorporated in the RCW Title governing the WUTC's regulation of investor-owned utilities.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill supports the development of electric vehicle infrastructure by clarifying that the WUTC does not have regulatory authority over charging stations. Without this bill, the WUTC could arguably require owners of vehicle charging stations to file tariffs with the WUTC.

Persons Testifying: PRO: Ann Rendahl, WUTC.