

HB 1826 - H AMD 142

By Representative Morris

ADOPTED 03/09/2013

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 19.280.010 and 2006 c 195 s 1 are each amended to
4 read as follows:

5 It is the intent of the legislature to encourage the development of
6 new safe, clean, and reliable energy resources to meet demand in
7 Washington for affordable and reliable electricity. To achieve this
8 end, the legislature finds it essential that electric utilities in
9 Washington develop comprehensive resource plans that explain the mix of
10 generation and demand-side resources they plan to use to meet their
11 customers' electricity needs in both the short term and the long term.
12 The legislature intends that information obtained from integrated
13 resource planning under this chapter will be used to assist in
14 identifying and developing: (1) New energy generation((τ)); (2)
15 conservation and efficiency resources((τ)); (3) methods, commercially
16 available technologies, and facilities for integrating renewable
17 resources, including to address an overgeneration event; and (4)
18 related infrastructure to meet the state's electricity needs.

19 **Sec. 2.** RCW 19.280.020 and 2009 c 565 s 19 are each amended to
20 read as follows:

21 The definitions in this section apply throughout this chapter
22 unless the context clearly requires otherwise.

23 (1) "Commission" means the utilities and transportation commission.

24 (2) "Conservation and efficiency resources" means any reduction in
25 electric power consumption that results from increases in the
26 efficiency of energy use, production, transmission, or distribution.

27 (3) "Consumer-owned utility" includes a municipal electric utility
28 formed under Title 35 RCW, a public utility district formed under Title
29 54 RCW, an irrigation district formed under chapter 87.03 RCW, a

1 cooperative formed under chapter 23.86 RCW, a mutual corporation or
2 association formed under chapter 24.06 RCW, a port district formed
3 under Title 53 RCW, or a water-sewer district formed under Title 57
4 RCW, that is engaged in the business of distributing electricity to one
5 or more retail electric customers in the state.

6 (4) "Department" means the department of commerce.

7 (5) "Electric utility" means a consumer-owned or investor-owned
8 utility.

9 (6) "Full requirements customer" means an electric utility that
10 relies on the Bonneville power administration for all power needed to
11 supply its total load requirement other than that served by
12 nondispatchable generating resources totaling no more than six
13 megawatts or renewable resources.

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

16 (8) "High efficiency cogeneration" means the sequential production
17 of electricity and useful thermal energy from a common fuel source,
18 where, under normal operating conditions, the facility has a useful
19 thermal energy output of no less than thirty-three percent of the total
20 energy output.

21 (9) "Integrated resource plan" means an analysis describing the mix
22 of generating resources (~~and~~), conservation, various technologies and
23 resources to integrate renewable resources, including to address an
24 overgeneration event, and efficiency resources that will meet current
25 and projected needs at the lowest reasonable cost to the utility and
26 its ratepayers and that complies with the requirements specified in RCW
27 19.280.030(1).

28 (10) "Investor-owned utility" means a corporation owned by
29 investors that meets the definition in RCW 80.04.010 and is engaged in
30 distributing electricity to more than one retail electric customer in
31 the state.

32 (11) "Lowest reasonable cost" means the lowest cost mix of
33 generating resources and conservation and efficiency resources
34 determined through a detailed and consistent analysis of a wide range
35 of commercially available resources. At a minimum, this analysis must
36 consider resource cost, market-volatility risks, demand-side resource
37 uncertainties, resource dispatchability, resource effect on system
38 operation, the risks imposed on the utility and its ratepayers, public

1 policies regarding resource preference adopted by Washington state or
2 the federal government, and the cost of risks associated with
3 environmental effects including emissions of carbon dioxide.

4 (12) "Plan" means either an "integrated resource plan" or a
5 "resource plan."

6 (13) "Renewable resources" means electricity generation facilities
7 fueled by: (a) Water; (b) wind; (c) solar energy; (d) geothermal
8 energy; (e) landfill gas; (f) biomass energy utilizing animal waste,
9 solid organic fuels from wood, forest, or field residues or dedicated
10 energy crops that do not include wood pieces that have been treated
11 with chemical preservatives such as creosote, pentachlorophenol, or
12 copper-chrome-arsenic; (g) by-products of pulping or wood manufacturing
13 processes, including but not limited to bark, wood chips, sawdust, and
14 lignin in spent pulping liquors; (h) ocean thermal, wave, or tidal
15 power; or (i) gas from sewage treatment facilities.

16 (14) "Resource plan" means an assessment that estimates electricity
17 loads and resources over a defined period of time and complies with the
18 requirements in RCW 19.280.030(2).

19 (15) "Overgeneration event" means an event within an operating
20 period of a balancing authority when the electricity supply, including
21 generation from intermittent renewable resources, exceeds the demand
22 for electricity for that utility's energy delivery obligations and a
23 negatively priced regional market.

24 **Sec. 3.** RCW 19.280.030 and 2011 c 180 s 305 are each amended to
25 read as follows:

26 Each electric utility must develop a plan consistent with this
27 section.

28 (1) Utilities with more than twenty-five thousand customers that
29 are not full requirements customers shall develop or update an
30 integrated resource plan by September 1, 2008. At a minimum, progress
31 reports reflecting changing conditions and the progress of the
32 integrated resource plan must be produced every two years thereafter.
33 An updated integrated resource plan must be developed at least every
34 four years subsequent to the 2008 integrated resource plan. The
35 integrated resource plan, at a minimum, must include:

36 (a) A range of forecasts, for at least the next ten years or

1 longer, of projected customer demand which takes into account
2 econometric data and customer usage;

3 (b) An assessment of commercially available conservation and
4 efficiency resources. Such assessment may include, as appropriate,
5 high efficiency cogeneration, demand response and load management
6 programs, and currently employed and new policies and programs needed
7 to obtain the conservation and efficiency resources;

8 (c) An assessment of commercially available, utility scale
9 renewable and nonrenewable generating technologies including a
10 comparison of the benefits and risks of purchasing power or building
11 new resources;

12 (d) A comparative evaluation of renewable and nonrenewable
13 generating resources, including transmission and distribution delivery
14 costs, and conservation and efficiency resources using "lowest
15 reasonable cost" as a criterion;

16 (e) An assessment of methods, commercially available technologies,
17 or facilities for integrating renewable resources, including to address
18 an overgeneration event, if applicable to the utility's resource
19 portfolio;

20 (f) The integration of the demand forecasts and resource
21 evaluations into a long-range assessment describing the mix of supply
22 side generating resources and conservation and efficiency resources
23 that will meet current and projected needs at the lowest reasonable
24 cost and risk to the utility and its ratepayers; and

25 ((+f)) (g) A short-term plan identifying the specific actions to
26 be taken by the utility consistent with the long-range integrated
27 resource plan.

28 (2) All other utilities may elect to develop a full integrated
29 resource plan as set forth in subsection (1) of this section or, at a
30 minimum, shall develop a resource plan that:

31 (a) Estimates loads for the next five and ten years;

32 (b) Enumerates the resources that will be maintained and/or
33 acquired to serve those loads; and

34 (c) Explains why the resources in (b) of this subsection were
35 chosen and, if the resources chosen are not: (i) Renewable resources
36 ((+r)); (ii) methods, commercially available technologies, or
37 facilities for integrating renewable resources, including to address an

1 overgeneration event; or (iii) conservation and efficiency resources,
2 why such a decision was made.

3 (3) An electric utility that is required to develop a resource plan
4 under this section must complete its initial plan by September 1, 2008.

5 (4) Resource plans developed under this section must be updated on
6 a regular basis, at a minimum on intervals of two years.

7 (5) Plans shall not be a basis to bring legal action against
8 electric utilities.

9 (6) Each electric utility shall publish its final plan either as
10 part of an annual report or as a separate document available to the
11 public. The report may be in an electronic form.

12 **Sec. 4.** RCW 19.280.060 and 2006 c 195 s 6 are each amended to read
13 as follows:

14 The department shall review the plans of consumer-owned utilities
15 and investor-owned utilities, and data available from other state,
16 regional, and national sources, and prepare an electronic report to the
17 legislature aggregating the data and assessing the overall adequacy of
18 Washington's electricity supply. The report shall include a statewide
19 summary of utility load forecasts, load/resource balance, and utility
20 plans for the development of thermal generation, renewable resources,
21 ~~((and))~~ conservation and efficiency resources, and an examination of
22 assessment methods used by utilities to address overgeneration events.

23 The commission shall provide the department with data summarizing the
24 plans of investor-owned utilities for use in the department's statewide
25 summary. The department may submit its report within the biennial
26 report required under RCW 43.21F.045."

27 Correct the title.

EFFECT: Restores the definition of conservation and efficiency resources to the definition in current law. Modifies the definition of overgeneration event to mean an event within an operating period of a balancing authority when the electricity supply, including generation from intermittent renewable resources, exceeds the demand for electricity for that utility's energy delivery obligations and a negatively priced regional market. Specifies that electric utilities when developing an integrated resource plan may provide a range of

forecasts of projected customer demand that are longer than the required ten year forecast. Specifies that integrated resource plans must include an assessment of methods, commercially available technologies, or facilities for integrating renewable resources, including to address an overgeneration event. Requires electric utilities that have to develop a resource plan, rather than an integrated resource plan, to explain why resources chosen are not methods, commercially available technologies, or facilities for integrating renewable resources, including to address an overgeneration event.

--- END ---