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HOUSE BILL 1826

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State of Washington

63rd Legislature

2013 Regular Session

By Representative Morris

Read first time 02/11/13. Referred to Committee on Environment.

1 AN ACT Relating to updating integrated resource plan requirements  
2 to address changing energy markets; and amending RCW 19.280.010,  
3 19.280.020, 19.280.030, and 19.280.060.

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

5 **Sec. 1.** RCW 19.280.010 and 2006 c 195 s 1 are each amended to read  
6 as follows:

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

1 overgeneration event; and (4) related infrastructure to meet the  
2 state's electricity needs.

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

5 The definitions in this section apply throughout this chapter  
6 unless the context clearly requires otherwise.

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

8 (2) "Conservation and efficiency resources" means any reduction or  
9 increase in electric power consumption that (~~results from~~) increases  
10 (~~in~~) the efficiency of energy use, production, transmission, or  
11 distribution.

12 (3) "Consumer-owned utility" includes a municipal electric utility  
13 formed under Title 35 RCW, a public utility district formed under Title  
14 54 RCW, an irrigation district formed under chapter 87.03 RCW, a  
15 cooperative formed under chapter 23.86 RCW, a mutual corporation or  
16 association formed under chapter 24.06 RCW, a port district formed  
17 under Title 53 RCW, or a water-sewer district formed under Title 57  
18 RCW, that is engaged in the business of distributing electricity to one  
19 or more retail electric customers in the state.

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

21 (5) "Electric utility" means a consumer-owned or investor-owned  
22 utility.

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

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

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

35 (9) "Integrated resource plan" means an analysis describing the mix  
36 of generating resources (~~and~~) conservation, various technologies and  
37 resources to integrate renewable resources, including during an

1 overgeneration event, and efficiency resources that will meet current  
2 and projected needs at the lowest reasonable cost to the utility and  
3 its ratepayers and that complies with the requirements specified in RCW  
4 19.280.030(1).

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

9 (11) "Lowest reasonable cost" means the lowest cost mix of  
10 generating resources and conservation and efficiency resources  
11 determined through a detailed and consistent analysis of a wide range  
12 of commercially available resources. At a minimum, this analysis must  
13 consider resource cost, market-volatility risks, demand-side resource  
14 uncertainties, resource dispatchability, resource effect on system  
15 operation, the risks imposed on the utility and its ratepayers, public  
16 policies regarding resource preference adopted by Washington state or  
17 the federal government, and the cost of risks associated with  
18 environmental effects including emissions of carbon dioxide.

19 (12) "Plan" means either an "integrated resource plan" or a  
20 "resource plan."

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

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

34 (15) "Overgeneration event" means an event of fifteen minutes or  
35 longer when the electricity supply, including generation from  
36 intermittent renewable resources, exceeds the demand for electricity  
37 for that utility's customer.

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

3       Each electric utility must develop a plan consistent with this  
4 section.

5       (1) Utilities with more than twenty-five thousand customers that  
6 are not full requirements customers shall develop or update an  
7 integrated resource plan by September 1, 2008. At a minimum, progress  
8 reports reflecting changing conditions and the progress of the  
9 integrated resource plan must be produced every two years thereafter.  
10 An updated integrated resource plan must be developed at least every  
11 four years subsequent to the 2008 integrated resource plan. The  
12 integrated resource plan, at a minimum, must include:

13       (a) A range of forecasts, for at least the next ten years but  
14 preferably for the next twenty years, of projected customer demand  
15 which takes into account econometric data and customer usage;

16       (b) An assessment of commercially available conservation and  
17 efficiency resources. Such assessment may include, as appropriate,  
18 high efficiency cogeneration, demand response and load management  
19 programs, and currently employed and new policies and programs needed  
20 to obtain the conservation and efficiency resources;

21       (c) An assessment of commercially available, utility scale  
22 renewable and nonrenewable generating technologies including a  
23 comparison of the benefits and risks of purchasing power or building  
24 new resources;

25       (d) A comparative evaluation of renewable and nonrenewable  
26 generating resources, including transmission and distribution delivery  
27 costs, and conservation and efficiency resources using "lowest  
28 reasonable cost" as a criterion;

29       (e) An assessment of methods, technologies, or facilities for  
30 integrating renewable resources, including during an overgeneration  
31 event, if applicable to the utility's resource portfolio;

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

37       ((+f+)) (g) A short-term plan identifying the specific actions to

1 be taken by the utility consistent with the long-range integrated  
2 resource plan.

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

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

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

9 (c) Explains why the resources in (b) of this subsection were  
10 chosen and, if the resources chosen are not: (i) Renewable resources  
11 ((or)); (ii) methods, technologies, or facilities for integrating  
12 renewable resources, including during an overgeneration event; or (iii)  
13 conservation and efficiency resources, why such a decision was made.

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

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

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

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

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

25 The department shall review the plans of consumer-owned utilities  
26 and investor-owned utilities, and data available from other state,  
27 regional, and national sources, and prepare an electronic report to the  
28 legislature aggregating the data and assessing the overall adequacy of  
29 Washington's electricity supply. The report shall include a statewide  
30 summary of utility load forecasts, load/resource balance, and utility  
31 plans for the development of thermal generation, renewable resources,  
32 ((and)) conservation and efficiency resources, and an examination of  
33 assessment methods used by utilities to address overgeneration events.  
34 The commission shall provide the department with data summarizing the  
35 plans of investor-owned utilities for use in the department's statewide

1 summary. The department may submit its report within the biennial  
2 report required under RCW 43.21F.045.

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