

CERTIFICATION OF ENROLLMENT

ENGROSSED HOUSE BILL 1826

63rd Legislature
2013 Regular Session

Passed by the House April 22, 2013
Yeas 86 Nays 9

Speaker of the House of Representatives

Passed by the Senate April 17, 2013
Yeas 48 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 1826** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED HOUSE BILL 1826

AS AMENDED BY THE SENATE

Passed Legislature - 2013 Regular Session

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, commercially
18 available technologies, and facilities for integrating renewable

1 resources, including addressing any overgeneration event; and (4)
2 related infrastructure to meet the 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 in
9 electric power consumption that results from increases in the
10 efficiency of energy use, production, transmission, or distribution.

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

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

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

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

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

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

34 (9) "Integrated resource plan" means an analysis describing the mix
35 of generating resources (~~and~~), conservation, methods, technologies,
36 and resources to integrate renewable resources and, where applicable,
37 address overgeneration events, and efficiency resources that will meet

1 current and projected needs at the lowest reasonable cost to the
2 utility and its ratepayers and that complies with the requirements
3 specified in RCW 19.280.030(1).

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

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

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

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

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

33 (15) "Overgeneration event" means an event within an operating
34 period of a balancing authority when the electricity supply, including
35 generation from intermittent renewable resources, exceeds the demand
36 for electricity for that utility's energy delivery obligations and when
37 there is a negatively priced regional market.

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 or
14 longer, of projected customer demand which takes into account
15 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, commercially available technologies,
30 or facilities for integrating renewable resources, and addressing
31 overgeneration events, if applicable to the utility's resource
32 portfolio;

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

1 (~~(f)~~) (g) A short-term plan identifying the specific actions to
2 be taken by the utility consistent with the long-range integrated
3 resource plan.

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

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

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

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

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

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

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

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

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

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

1 plans of investor-owned utilities for use in the department's statewide
2 summary. The department may submit its report within the biennial
3 report required under RCW 43.21F.045.

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