

**ESSB 5735 - S AMD TO S AMD (S-3311.1/15) 802**

By Senator McCoy

1 On page 7, line 25 of the amendment, after "2019;" strike "and"  
2 and insert "((and))"

3 On page 7, line 27 of the amendment, after "thereafter" insert ";  
4 and

5 (iv) Beginning January 1, 2021, the qualifying utility shall use  
6 eligible renewable resources or acquire equivalent renewable energy  
7 credits, or any combination of them, for at least fifteen percent of  
8 its load and, in addition, shall comply with the requirements of (e)  
9 of this subsection"

10 Beginning on page 8, line 7 of the amendment, after "(e)" strike  
11 all material through "base value." on page 9, line 14 and insert  
12 "Except as provided in (b), (c), and (d) of this subsection,  
13 beginning January 1, 2021, and each year thereafter, all electric  
14 utilities as that term is defined in RCW 19.29A.010 shall meet one  
15 hundred percent of any new generation need with any one or any  
16 combination of the following: Conservation, eligible renewable  
17 resources, and storage.

18 (i) New generation subject to the requirements of this  
19 subsection, whether that new generation is needed to replace retiring  
20 generation, to meet load growth, or for any other purpose, includes  
21 the following:

22 (A) A utility's new or increased ownership interest in a new or  
23 existing generation facility or unit; and

24 (B) A new or increased contractual commitment that obligates a  
25 utility to purchase a specified amount of megawatt-hours. Contracts  
26 do not comply with this subsection unless the sources or origins of  
27 generation can be ascertained with reasonable certainty. A contract  
28 is not in compliance with this subsection if the contract specifies a  
29 source of generation where the megawatt-hours from such source are  
30 double counted or contractually committed to another purchaser.

31 (ii) The following are not subject to the requirements of this  
32 subsection: (A) A utility's allocation of Bonneville power

1 administration tier 1 power, as determined pursuant to a utility's  
2 tier 1 contract with the Bonneville power administration; (B) short-  
3 term spot market purchases; (C) generation that is found by the  
4 Washington utilities and transportation commission or a utility's  
5 governing board to be required to maintain reliable service and  
6 comply with applicable standards of the North American electric  
7 reliability corporation or its successor; and (D) increased megawatt-  
8 hours from a generation facility that is already owned by a utility  
9 where the utility's ownership interest in the facility does not  
10 increase.

11 (iii) A utility may acquire new generation other than  
12 conservation, eligible renewable resources, and storage for  
13 integration, ancillary services, load following, and peak load  
14 requirements only if the new generation is found by the Washington  
15 utilities and transportation commission or a utility's governing  
16 board to be required for such purposes.

17 (iv) A utility may only acquire existing Washington-based and  
18 Washington utility-owned hydropower in a year where a utility  
19 acquires new generation that individually or collectively serves more  
20 than ten percent of the utility's annual load. The hydropower  
21 acquired pursuant to this subsection (2)(e)(iv) may not exceed fifty  
22 percent of the new generation acquired by the utility.

23 (v) If a utility acquires a new ownership interest or contractual  
24 commitment in gas-fired generation after January 1, 2015, and before  
25 January 1, 2021, only the megawatt-hours needed to serve the  
26 utility's load in the year that the utility acquires such ownership  
27 interest or contractual commitment will be considered existing  
28 generation. Any increase in the megawatt-hours used or acquired by  
29 the utility after January 1, 2021, must be treated as new generation  
30 and is subject to the requirements of this subsection (2)(e).

31 (vi) For the purposes of this subsection, "storage" means a set  
32 of technologies capable of storing previously generated electric  
33 energy and releasing that energy at a later time. For the purposes of  
34 this subsection (2)(e), pumped storage projects are considered an  
35 energy storage tool for grid stabilization and improved integration  
36 of variable renewable energy resources and should not cause any  
37 additional adverse impacts to waterways. Adverse impacts may be in  
38 river, in-channel peaking, ramping, new pumping of groundwater, or

1 diversion of surface water resources. Utilities should focus on  
2 reservoirs already built where water rights are already issued."

3 Reletter the remaining subsections consecutively and correct any  
4 internal references accordingly.

EFFECT: Replaces the compliance alternatives relating to carbon reduction investments with a compliance requirement beginning January 2021 applicable to new generation.

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