

**ESSB 5735 - S AMD TO S AMD (S-3311.1/15) 804**

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

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

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

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

30 (ii) The following are not subject to the requirements of this  
31 subsection: (A) A utility's allocation of Bonneville power  
32 administration tier 1 power, as determined pursuant to a utility's

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

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

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

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

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

40 (f) The"

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

--- END ---