
**Technology & Economic Development
Committee**

HB 2620

Brief Description: Modifying administrative processes for the utilities and transportation commission in managing deposits and cost reimbursements of the energy facility site evaluation council.

Sponsors: Representatives Tarleton and Smith; by request of Utilities & Transportation Commission.

Brief Summary of Bill

- Modifies requirements pertaining to deposits and other payments submitted to the Energy Facility Site Evaluation Council for the costs of application processing, site inspections, and compliance monitoring.

Hearing Date: 1/27/16

Staff: Nikkole Hughes (786-7156).

Background:

The Energy Facility Site Evaluation Council.

The Energy Facility Site Evaluation Council (EFSEC or Council) was established in 1970 to provide a single siting process for major energy facilities located in the state. The EFSEC coordinates all evaluation and licensing steps for siting certain energy facilities, as well as specifies the conditions of construction and operation. If approved, a site certification agreement is issued in lieu of any other individual state or local agency permits.

The Washington Utilities and Transportation Commission (UTC) provides all administrative and staff support for the EFSEC. The UTC has supervisory authority over the staff of the EFSEC.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The EFSEC otherwise retains its independence in exercising its powers, functions, and duties and its supervisory control over non-administrative staff support.

The Council's Site Certification and Permitting Authority.

The EFSEC's siting authority extends over nuclear power plants of any size and thermal electric power plants with a generating capacity of 350 megawatts or greater. Energy facilities of any size that exclusively use alternative energy resources such as wind may opt into the EFSEC review and certification process. The EFSEC's jurisdiction does not extend to hydropower facilities or thermal electric plants that have a generating capacity of less than 350 megawatts.

The EFSEC may enforce compliance with conditions in a site certification agreement or with a permit through fines or by ceasing construction or operation of the facility.

Administration of Site Certification Application Costs and Monitoring Costs.

Each applicant seeking energy facility site certification must pay reasonable costs as are actually and necessarily incurred by the EFSEC in processing an application. A site certification application to the EFSEC must be accompanied by a \$50,000 deposit, or a greater amount as specified by the EFSEC after consultation with the applicant. The EFSEC may charge costs against the deposit, including but not limited to independent consultants' costs, staff salaries, travel expenses, and goods and services.

Each certificate holder must pay reasonable costs as are actually and necessarily incurred by the EFSEC for inspection and determination of compliance with the terms of a site certification agreement. A \$50,000 deposit, or a greater amount as specified by the EFSEC, is also required from each certificate holder within 30 days of execution of the site certification agreement. The EFSEC may charge costs against the deposit in the same manner as is permitted for processing applications.

The EFSEC must provide each applicant and certificate holder with a statement of expenditures for each calendar quarter. The applicant or certificate holder must provide payment in order to restore the deposit to the originally established level. An applicant is permitted to increase the amount of funds in the deposit to cover anticipated expenses during peak periods of application processing.

Applicants and certificate holders are required to make all payments to the State Treasurer.

Summary of Bill:

Administration of Site Certification Application Costs and Monitoring Costs.

Applicants and certificate holders must make all payments to the Utilities and Transportation Commission (UTC). Applicants and certificate holders must pay actual costs incurred by both the EFSEC and the UTC. Deposit amounts are modified to be up to \$50,000, or such greater amount as specified by the EFSEC after consultation with the applicant or certificate holder. For applicants, the EFSEC and the UTC must charge costs against a deposit if the applicant withdraws its application and has not reimbursed the UTC, on behalf of the EFSEC, for all actual

expenditures incurred. For certificate holders, the EFSEC and the UTC must charge costs against a deposit if the certificate holder ceases operations and has not reimbursed the UTC, on behalf of the EFSEC, for all actual expenditures incurred. The categories of costs that may be charged are not specified.

In addition to the amount of the deposit, applicants and certificate holders must reimburse the UTC, on behalf of the EFSEC, for actual expenditures that arise in considering applications or conducting inspections and determining compliance, including the cost of any studies by independent consultants.

The UTC must submit an invoice on behalf of the EFSEC to each applicant and certificate holder for the actual expenditures made during the preceding calendar quarter. Any unexpended portions of a deposit must be returned to the applicant within 60 days following the conclusion of the application process or to the certificate holder within 60 days after a determination that the certificate is no longer required.

The bill does not extend or modify the jurisdiction of the EFSEC or the UTC with respect to any energy facility that is not subject to the jurisdiction of the EFSEC or the UTC as of the effective date of the bill.

Appropriation: None.

Fiscal Note: Requested on January 22, 2016.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.