

SENATE BILL REPORT

SB 6256

As Reported by Senate Committee On:
Energy, Environment & Telecommunications, January 28, 2016

Title: An act relating to the Washington state energy financing voter approval act.

Brief Description: Concerning the Washington state energy financing voter approval act.

Sponsors: Senators Sheldon, Rivers, Brown, Honeyford and Hewitt.

Brief History:

Committee Activity: Energy, Environment & Telecommunications: 1/26/16, 1/28/16 [DP, DNP].

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

Majority Report: Do pass.

Signed by Senators Ericksen, Chair; Sheldon, Vice Chair; Braun, Brown and Honeyford.

Minority Report: Do not pass.

Signed by Senators McCoy, Ranking Minority Member; Cleveland, Habib and Ranker.

Staff: Kimberly Cushing (786-7421)

Background: Washington State Energy Financing Voter Approval Act. In 1981, voters approved Initiative No. 394, the Washington State Energy Financing Voter Approval Act (Act). It requires public agencies to obtain voter approval prior to issuing bonds for the construction or acquisition of major public energy projects. Public agencies include public utility districts, joint operating agencies, cities, and counties.

A major public energy project is an electrical generating facility capable of generating more than 350 megawatts (MW) of electricity and is not limited to any particular type of generation. Each plant located on the same geographic site is considered a separate energy project. An expansion of an existing facility is not subject to a vote unless the expansion produces more than 350 MW of electricity.

Small Modular Reactor (SMR). A traditional base-load nuclear power plant generates 1000 MW or more of electricity, while an SMR is a nuclear power plant designed to generate 300 MW or less. An SMR is also designed to be factory-fabricated and transportable by truck or

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rail to a nuclear power site. The U.S. Department of Energy has a program to advance the certification and licensing of domestic SMR designs.

Summary of Bill: Under the Act, a major public energy project does not include a plant or installation that generates electricity through the use of an SMR.

An SMR is defined as a scalable nuclear power plant using reactors, where each reactor has a gross power output no greater than 300 MW electric and is designed for factory manufacturing and ease of transport.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Nuclear energy, in general, and SMRs, in particular, hold the potential to help mitigate global climate change by providing reliable baseload zero-emissions energy. The attraction of an SMR is that each installation is designed for individual use in modular arrays, where each component is designed to produce 50 MW of gross power. SMRs incorporate passive safety systems to ensure safe operation and are capable of following electric load requirements as they vary with customer demand and the intermittency of renewable energy of wind and solar. This bill helps SMRs to be developed and stand ready to serve the needs of ratepayers when additional carbon-free energy is needed in the future.

CON: The purpose of the initiative was to prevent bond default that occurred under the Washington Public Power Supply System (WPPSS). As a result, Washington voters decided that larger energy projects should be voted on to prevent the promise of low costs from ballooning out. SMRs are double the cost of power currently in the region. If SMRs are cost-effective, utilities should have no problem putting plants before voters. The bill language is evasive: could a plant be larger than 300 MW? We can have differences of opinions about nuclear energy and then ratepayers can resolve differences at the polls. The bill ignores the intent and purpose of Act. There is no valid reason to exempt an SMR due to the inherent financial risks of new technology. It would be a better use of state funds to research alternative energy. We all know the problems that occurred with Fukushima and Chernobyl; there are just as many problems with SMRs.

Persons Testifying: PRO: Jim Gaston, Energy Northwest.

CON: Charles Johnson, Director, Task Force on Nuclear Power - Washington & Oregon Physicians for Social Responsibility; Steve Zemke, Don't Bankrupt Washington; David Groves; Arthur West; Deborah Wolpoff.

Persons Signed In To Testify But Not Testifying: No one.