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HOUSE BILL 1853

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State of Washington

64th Legislature

2015 Regular Session

By Representatives Magendanz, Bergquist, Morris, Muri, Tarleton, Fitzgibbon, and Tharinger

Read first time 01/30/15. Referred to Committee on Technology & Economic Development.

1 AN ACT Relating to utility leadership in electric vehicle  
2 charging infrastructure build-out; adding a new section to chapter  
3 80.28 RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that the  
6 transportation sector is Washington's largest contributor to  
7 greenhouse emissions and hazardous air pollutants as defined by  
8 federal national ambient air quality standards and mobile source air  
9 toxics rules. The sector's portion is considerably higher than the  
10 national average because our state relies heavily on hydropower for  
11 electricity generation, unlike other states that rely on fossil fuels  
12 such as coal, petroleum, and natural gas to generate electricity.

13 (2) The legislature also finds that federal clean air act  
14 regulations and complementary Washington policies supporting  
15 renewable energy generation, energy efficiency, and energy  
16 conservation are likely to result in further reduction of emissions  
17 in the electricity and in the combined residential, commercial, and  
18 industrial sectors. The legislature finds that state policy can  
19 achieve the greatest return on investment in reducing greenhouse gas  
20 emissions and improving air quality by expediting the transition to  
21 alternative fuel vehicles, including electric vehicles.

1 (3) The legislature finds that utilities, who are traditionally  
2 responsible for understanding and engineering the electrical grid for  
3 safety and reliability, must be fully empowered and incentivized to  
4 be engaged in electrification of our transportation system. The  
5 legislature further finds that it has given utilities other policy  
6 directives to promote energy conservation which do not make the  
7 benefits of building out electric vehicle infrastructure, as well as  
8 any subsequent increase in energy consumption, readily apparent.  
9 Therefore the legislature intends to provide a clear policy directive  
10 and financial incentive to utilities for electric vehicle  
11 infrastructure build-out.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 80.28  
13 RCW to read as follows:

14 (1) In establishing rates for each gas and electric company  
15 regulated by this chapter, the commission must adopt policies to  
16 encourage electric vehicle charging infrastructure build-out. These  
17 policies must include but are not limited to allowing a return on  
18 investment on capital expenditures for electric vehicle  
19 infrastructure that is deployed for the benefit of ratepayers.

20 (2) A return on investment under this section may be allowed only  
21 if the company chooses to pursue capital investment in electric  
22 vehicle infrastructure on a fully regulated basis similar to other  
23 capital investments in generation, transmission, and distribution  
24 assets. In the case of a return on investment allowed under this  
25 section, an increment of two percent must be added to the rate of  
26 return on common equity allowed on the company's other investments.

27 (3) Measures or projects encouraged under this section are  
28 limited to those for which construction or installation begins after  
29 July 1, 2015, and which are reasonably expected, at the time they are  
30 placed in the rate base, to result in real and tangible electric  
31 vehicle infrastructure being installed and located where customers  
32 are most likely to park their vehicles for intervals longer than two  
33 hours.

34 (4) The rate of return increment pursuant to this section may be  
35 earned only for a period up to the depreciable life of the asset as  
36 defined in the depreciation schedules developed by the company and  
37 submitted to the commission for review.

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