
SUBSTITUTE SENATE BILL 6533

State of Washington

64th Legislature

2016 Regular Session

By Senate Energy, Environment & Telecommunications (originally sponsored by Senators McCoy, Ericksen, Sheldon, and Takko)

READ FIRST TIME 02/05/16.

1 AN ACT Relating to improving the accuracy and transparency of the
2 reporting and calculation of the fuel mix information to retail
3 electric customers; amending RCW 19.29A.060, 19.29A.070, and
4 19.29A.080; reenacting and amending RCW 19.29A.010; and adding a new
5 section to chapter 19.29A RCW.

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

7 **Sec. 1.** RCW 19.29A.010 and 2015 c 285 s 1 are each reenacted and
8 amended to read as follows:

9 The definitions in this section apply throughout this chapter
10 unless the context clearly requires otherwise.

11 (1) "Biomass generation" means electricity derived from burning
12 solid organic fuels from wood, forest, or field residue, or dedicated
13 energy crops that do not include wood pieces that have been treated
14 with chemical preservatives such as creosote, pentachlorophenol, or
15 copper-chrome-arsenic.

16 (2) "Bonneville power administration system mix" means a
17 generation mix sold by the Bonneville power administration that is
18 net of any resource specific sales and that is net of any electricity
19 sold to direct service industrial customers, as defined in section
20 3(8) of the Pacific Northwest electric power planning and
21 conservation act (16 U.S.C. Sec. 839(a)(8)).

1 (3) "Coal generation" means the electricity produced by a
2 generating facility that burns coal as the primary fuel source.

3 (4) "Commission" means the utilities and transportation
4 commission.

5 (5) "Conservation" means an increase in efficiency in the use of
6 energy use that yields a decrease in energy consumption while
7 providing the same or higher levels of service. Conservation includes
8 low-income weatherization programs.

9 (6) "Consumer-owned utility" means a municipal electric utility
10 formed under Title 35 RCW, a public utility district formed under
11 Title 54 RCW, an irrigation district formed under chapter 87.03 RCW,
12 a cooperative formed under chapter 23.86 RCW, or a mutual corporation
13 or association formed under chapter 24.06 RCW, that is engaged in the
14 business of distributing electricity to more than one retail electric
15 customer in the state.

16 (7) "Declared resource" means an electricity source specifically
17 identified by a retail supplier to serve retail electric customers. A
18 declared resource includes a stated quantity of electricity tied
19 directly to a specified generation facility or set of facilities
20 either through ownership or contract purchase, or a contractual right
21 to a stated quantity of electricity from a specified generation
22 facility or set of facilities.

23 (8) "Department" means the department of commerce.

24 (9) "Electric meters in service" means those meters that record
25 in at least nine of twelve calendar months in any calendar year not
26 less than two hundred fifty kilowatt-hours per month.

27 (10) "Electric utility" means a consumer-owned or investor-owned
28 utility as defined in this section.

29 (11) "Electricity" means electric energy measured in kilowatt-
30 hours, or electric capacity measured in kilowatts, or both.

31 ~~(12) ("Electricity information coordinator" means the~~
32 ~~organization selected by the department under RCW 19.29A.080 to: (a)~~
33 ~~Compile generation data in the Northwest power pool by generating~~
34 ~~project and by resource category; (b) compare the quantity of~~
35 ~~electricity from declared resources reported by retail suppliers with~~
36 ~~available generation from such resources; (c) calculate the net~~
37 ~~system power mix; and (d) coordinate with other comparable~~
38 ~~organizations in the western interconnection.~~

39 (+13)) "Electricity product" means the electrical energy produced
40 by a generating facility or facilities that a retail supplier sells

1 or offers to sell to retail electric customers in the state of
2 Washington, provided that nothing in this title shall be construed to
3 mean that electricity is a good or product for the purposes of Title
4 62A RCW, or any other purpose. It does not include electrical energy
5 generated on-site at a retail electric customer's premises.

6 ~~((14))~~ (13) "Fuel mix" means the actual or imputed sources of
7 electricity sold to retail electric customers, expressed in terms of
8 percentage contribution by resource category. The total fuel mix
9 included in each disclosure shall total one hundred percent.

10 ~~((15))~~ (14) "Geothermal generation" means electricity derived
11 from thermal energy naturally produced within the earth.

12 ~~((16))~~ (15) "Governing body" means the council of a city or
13 town, the commissioners of an irrigation district, municipal electric
14 utility, or public utility district, or the board of directors of an
15 electric cooperative or mutual association that has the authority to
16 set and approve rates.

17 ~~((17))~~ (16) "High efficiency cogeneration" means electricity
18 produced by equipment, such as heat or steam used for industrial,
19 commercial, heating, or cooling purposes, that meets the federal
20 energy regulatory commission standards for qualifying facilities
21 under the public utility regulatory policies act of 1978.

22 ~~((18))~~ (17) "Hydroelectric generation" means a power source
23 created when water flows from a higher elevation to a lower elevation
24 and the flow is converted to electricity in one or more generators at
25 a single facility.

26 ~~((19))~~ (18) "Investor-owned utility" means a company owned by
27 investors that meets the definition of RCW 80.04.010 and is engaged
28 in distributing electricity to more than one retail electric customer
29 in the state.

30 ~~((20))~~ (19) "Landfill gas generation" means electricity
31 produced by a generating facility that uses waste gases produced by
32 the decomposition of organic materials in landfills.

33 ~~((21))~~ (20) "Natural gas generation" means electricity produced
34 by a generating facility that burns natural gas as the primary fuel
35 source.

36 ~~((22) "Net system power mix" means the fuel mix in the Northwest
37 power pool, net of: (a) Any declared resources in the Northwest power
38 pool identified by in-state retail suppliers or out-of-state entities
39 that offer electricity for sale to retail electric customers; (b) any
40 electricity sold by the Bonneville power administration to direct~~

1 ~~service industrial customers; and (c) any resource specific sales~~
2 ~~made by the Bonneville power administration.~~

3 ~~(+23))~~ (21)(a) "Nonpower attributes" has the same meaning as
4 defined in RCW 19.285.030 for an eligible renewable resource as that
5 term is defined in RCW 19.285.030.

6 (b) "Nonpower attributes" may also include greenhouse gas
7 emission reduction credits, offsets, or similar tradable commodities
8 that may be associated with the generation or consumption of
9 electricity.

10 (22) "Northwest power pool" means the generating resources
11 included in the United States portion of the Northwest power pool
12 area as defined by the western ~~((systems))~~ electric coordinating
13 council.

14 ~~((+24))~~ (23) "Oil generation" means electricity produced by a
15 generating facility that burns oil as the primary fuel source.

16 ~~((+25))~~ (24) "Private customer information" includes a retail
17 electric customer's name, address, telephone number, and other
18 personally identifying information.

19 ~~((+26))~~ (25) "Proprietary customer information" means: (a)
20 Information that relates to the source, technical configuration,
21 destination, and amount of electricity used by a retail electric
22 customer, a retail electric customer's payment history, and household
23 data that is made available by the customer solely by virtue of the
24 utility-customer relationship; and (b) information contained in a
25 retail electric customer's bill.

26 ~~((+27))~~ (26) "Renewable resources" means electricity generation
27 facilities fueled by: (a) Water; (b) wind; (c) solar energy; (d)
28 geothermal energy; (e) landfill gas; or (f) biomass energy based on
29 solid organic fuels from wood, forest, or field residues, or
30 dedicated energy crops that do not include wood pieces that have been
31 treated with chemical preservatives such as creosote,
32 pentachlorophenol, or copper-chrome-arsenic.

33 ~~((+28))~~ (27) "Resale" means the purchase and subsequent sale of
34 electricity ~~((for profit, but does not include the purchase and the~~
35 ~~subsequent sale of electricity at the same rate at which the~~
36 ~~electricity was purchased)).~~

37 ~~((+29))~~ (28) "Retail electric customer" means a person or entity
38 that purchases electricity for ultimate consumption and not for
39 resale.

1 ~~((30))~~ (29) "Retail supplier" means an electric utility that
2 offers an electricity product for sale to retail electric customers
3 in the state.

4 ~~((31))~~ (30) "Small utility" means any consumer-owned utility
5 with twenty-five thousand or fewer electric meters in service, or
6 that has an average of seven or fewer customers per mile of
7 distribution line.

8 ~~((32))~~ (31) "Solar generation" means electricity derived from
9 radiation from the sun that is directly or indirectly converted to
10 electrical energy.

11 ~~((33))~~ (32) "State" means the state of Washington.

12 ~~((34))~~ (33) "Unspecified sources" means the fuel mix of the
13 Northwest power pool from electric generation that is available to be
14 sold on the wholesale market, calculated as recommended by the work
15 group pursuant to RCW 19.29A.070 and incorporated to the extent
16 practicable by the department.

17 (34) "Waste incineration generation" means electricity derived
18 from burning solid or liquid wastes from businesses, households,
19 municipalities, or waste treatment operations.

20 (35) "Wind generation" means electricity created by movement of
21 air that is converted to electrical energy.

22 **Sec. 2.** RCW 19.29A.060 and 2000 c 213 s 4 are each amended to
23 read as follows:

24 (1) Each retail supplier shall disclose the fuel mix of each
25 electricity product it ~~((offers))~~ delivers to its retail electric
26 customers as follows:

27 ~~((For an electricity product comprised entirely of declared~~
28 ~~resources,))~~ A retail supplier shall disclose the fuel mix for the
29 electricity product based on the quantity of electric generation from
30 ~~((those))~~ declared resources for the previous calendar year,
31 unspecified sources, and any adjustment, if taken, available under
32 subsection (6) of this section.

33 ~~((For an electricity product comprised of no declared~~
34 ~~resources, a retail supplier shall report the fuel mix for the~~
35 ~~electricity product as the fuel mix of net system power for the~~
36 ~~previous calendar year, as determined by the electricity information~~
37 ~~coordinator under RCW 19.29A.080.))~~ Declared resources must be
38 reported by the retail supplier as those resources reasonably known

1 to be used to serve the retail supplier's electric customers in the
2 state.

3 (c) For an electricity product comprised of a combination of
4 declared resources and (~~the net system power~~) unspecified sources,
5 a retail supplier shall disclose the fuel mix for the electricity
6 product as (~~a weighted average of~~) the megawatt-hours from declared
7 resources and the megawatt-hours from (~~the net system power mix~~)
8 unspecified sources for the previous calendar year according to the
9 proportion of declared resources and (~~net system power~~) unspecified
10 sources contained in the electricity product.

11 (2) The disclosures required by this section shall identify the
12 percentage of the total electricity product sold by a retail supplier
13 during the previous calendar year from each of the following
14 categories:

- 15 (a) Coal generation;
- 16 (b) Hydroelectric generation;
- 17 (c) Natural gas generation;
- 18 (d) Nuclear generation; (~~and~~)

19 (e) Other generation, except that when a component of the other
20 generation category meets or exceeds two percent of the total
21 electricity product sold by a retail supplier during the previous
22 calendar year, the retail supplier shall (~~identify~~) disclose the
23 component or components and display the fuel mix percentages for
24 these component sources, which may include, but are not limited to:
25 (i) Biomass generation; (ii) geothermal generation; (iii) landfill
26 gas generation; (iv) oil generation; (v) solar generation; (vi) waste
27 incineration; or (vii) wind generation. A retail supplier may
28 voluntarily identify any component or components within the other
29 generation category that comprises two percent or less of annual
30 sales; and

31 (f) Unspecified sources, using the fuel mix for unspecified
32 sources as determined annually by the department under RCW
33 19.29A.080(5)(b).

34 (3) Retail suppliers may separately report a subcategory of
35 natural gas generation to identify high efficiency cogeneration.

36 (4) Except as provided in subsection (3) of this section, a
37 retail supplier cannot include in the disclosure label any
38 environmental quality or environmental impact qualifier related to
39 any of the generation categories disclosed.

1 (a) To ensure accuracy in informing customers and for purposes of
2 any taxes or fees levied pursuant to the reports required to be filed
3 by this chapter, a retail supplier and the department shall identify
4 a resource according to the generation categories in subsection (2)
5 of this section, regardless of whether or not any associated nonpower
6 attributes of the resource have been retired, sold, or banked from
7 the generation resource.

8 (b) A retail supplier shall separately report the form and amount
9 of nonpower attributes associated with the electricity reported and
10 whether those nonpower attributes were retired, sold, or banked
11 during that reporting year.

12 (5) For the portion of an electricity product purchased from the
13 Bonneville power administration, retail suppliers may disclose the
14 Bonneville power administration system mix.

15 (6) A retail supplier may adjust its reported fuel mix for known
16 changes in its declared resources for the current year based on any
17 changes in its sources of electricity supply from either generation
18 or contracts. If a retail supplier changes its fuel mix during a
19 calendar year, it shall report those changes to the ((electricity
20 information coordinator)) department.

21 (7) Disclosure of the fuel mix information required in this
22 section shall be made in the following uniform format: A tabular
23 format with two columns, where the first column shall alphabetically
24 list each category and the second column shall display the
25 corresponding percentage of the total that each category represents.
26 The percentage shall be reported as a numeric value rounded to the
27 nearest one percent. The percentages listed for the categories
28 identified must sum to one hundred percent with the table displaying
29 such a total.

30 **Sec. 3.** RCW 19.29A.070 and 2000 c 213 s 5 are each amended to
31 read as follows:

32 (1) By July 1, 2016, the department shall:
33 ~~((1))~~ (a) Convene a work group of interested parties on an
34 annual basis to ((suggest modifications, if any, to the disclosure
35 requirements required in RCW 19.29A.060 to)) improve information
36 content, readability, and consumer understanding, and to suggest
37 modifications, if any, ((to the responsibilities of the electricity
38 information coordinator required in RCW 19.29A.080)) to improve the
39 accuracy and efficiency of the ((tracking process. If the department

1 ~~serves as the electricity information coordinator, these evaluation~~
2 ~~and reporting requirements relative to the responsibilities of the~~
3 ~~electricity information coordinator and the tracking process shall be~~
4 ~~assigned to an independent third party)) process of gathering,~~
5 ~~reporting, calculating, and tracking fuel mix data, including the~~
6 ~~methods and inputs for calculating the fuel mix for unspecified~~
7 ~~sources, including a review and recommendations for intra-annual~~
8 ~~changes of unspecified sources and resources on the margin, on a~~
9 ~~monthly basis or quarterly basis; and~~

10 ~~((2))~~ (b) Invite interested parties, including but not limited
11 to representatives from investor-owned utilities, consumer-owned
12 utilities, the commission, the attorney general's office, consumer
13 advocacy groups, and the environmental community to participate in
14 the work group convened in (a) of this subsection ~~((1) of this~~
15 ~~section; and))~~.

16 ~~((3))~~ (2) By December 1, 2016, the department and the work
17 group shall submit to the legislature ((no later than December 1,
18 2003,)) a report with suggested modifications, if any, to the
19 disclosure methods, calculations, and requirements, the accuracy of
20 the unspecified sources calculations and pool of resources, and the
21 responsibilities of the ((electricity information coordinator))
22 department, as referred to in subsection (1) of this section.

23 **Sec. 4.** RCW 19.29A.080 and 2000 c 213 s 6 are each amended to
24 read as follows:

25 (1) ~~((For the purpose of selecting the electricity information~~
26 ~~coordinator, the department shall form a work group of interested~~
27 ~~parties. The department shall invite interested parties, including,~~
28 ~~but not limited to, representatives from investor-owned utilities,~~
29 ~~consumer-owned utilities, the commission, the attorney general's~~
30 ~~office, consumer advocacy groups, and the environmental community to~~
31 ~~participate in the work group. In the event an appropriate regional~~
32 ~~entity is not selected by November 1, 2000, the department shall~~
33 ~~serve as the electricity information coordinator after notifying the~~
34 ~~committees of the senate and house of representatives with~~
35 ~~jurisdiction over energy matters.)) In order to ensure that fuel mix~~
36 ~~information is verifiable and accurate, the department must on an~~
37 ~~annual basis:~~

38 (a) Compile the generation data in the Northwest power pool by
39 generating project, generation, and by resource category;

1 (b) Compile the information required under subsection (3) of this
2 section;

3 (c) Compare the quantity of electricity from declared resources
4 by retail suppliers with the total reported generation from these
5 resources;

6 (d) Calculate the fuel mix for unspecified sources;

7 (e) Coordinate with other comparable organizations in the western
8 interconnection;

9 (f) Publish an annual fuel mix disclosure report;

10 (g) Make the data and calculations used for developing the fuel
11 mix information in this section available to the public as it becomes
12 available or is developed by the department.

13 (2) The department may receive any lawful gifts, grants, or
14 endowments from public or private sources that are made from time to
15 time, in trust or otherwise, for the use and benefit of the
16 department in implementing this section, and may spend such gifts,
17 grants, or endowments for the purposes of implementing this section.

18 (3) ~~((As a condition for an appropriate regional entity to be~~
19 ~~selected under this section to serve as the electricity information~~
20 ~~coordinator, it must agree to)) The department must compile the
21 following information for the prior calendar year:~~

22 (a) Actual generation, expressed in megawatt hours, by fuel mix
23 in the Northwest power pool ~~((for the prior calendar year, expressed~~
24 ~~in megawatt hours. This data will be compiled))~~ as it becomes
25 available.

26 (b) Adjustments to the actual generation for the prior calendar
27 year that are known and provided to the ~~((electricity information~~
28 ~~coordinator))~~ department by the end of January of the current
29 calendar year to reflect known changes in declared resources ~~((for~~
30 ~~the current year and)).~~

31 (c) Changes due to interconnection of new generating resources or
32 decommissioning or sale of existing resources or contracts. These
33 adjustments shall include supporting documentation.

34 ~~((e))~~ (d) Pursuant to RCW 19.29A.060(4)(a), the form and amount
35 of electricity reported to the department by retail suppliers by the
36 fuel sources identified in RCW 19.29A.060(2), regardless of the
37 disposition of the associated nonpower attributes.

38 (e) The form and amount of nonpower attributes associated with
39 declared resources that a retail supplier retired, banked, or sold.

1 (f) The amount of electricity from declared resources that retail
2 suppliers will identify in their fuel mix disclosures ((during the
3 current calendar year)). Retail suppliers shall make this data
4 available by the end of January ((each)) of the following year.

5 (g) The amount of electricity from unspecified sources that
6 retail suppliers will identify in their fuel mix disclosures.

7 (4) Retail suppliers shall make available upon request the
8 following ~~((information to support the ownership or contractual~~
9 ~~rights to declared resources))):~~

10 (a) Documentation of ownership of declared resources by retail
11 suppliers; ~~((or))~~

12 (b) Documentation of contractual rights by retail suppliers to a
13 stated quantity of electricity from a specific generating facility;
14 and

15 (c) Information regarding or demonstration of purchases of
16 electricity from unspecified sources.

17 ~~((If the documentation referred to in either (a) or (b) of this~~
18 ~~subsection is not available, the retail supplier may not identify the~~
19 ~~electricity source as a declared resource and instead must report the~~
20 ~~net system power mix for the quantity of electric generation from~~
21 ~~that resource.~~

22 ~~(5) If the documentation referred to in either subsection (4)(a)~~
23 ~~or (b) of this section is not available, the retail supplier may not~~
24 ~~identify the electricity source as a declared resource and instead~~
25 ~~must report the net system power mix for the quantity of electric~~
26 ~~generation from that resource.~~

27 ~~(6) As a condition for an appropriate regional entity to be~~
28 ~~selected under this section to serve as the electricity information~~
29 ~~coordinator, it must agree to)) (5) The department must:~~

30 (a) Coordinate with comparable entities or organizations in the
31 western interconnection;

32 (b) On or before May 1st of each year, or as soon thereafter as
33 practicable once the data in subsection (3)~~((a))~~ of this section is
34 available, and incorporating the recommendations of the work group,
35 calculate and make available to the extent possible on an intra-
36 annual basis, the ((net system power mix)) fuel mix for unspecified
37 sources as follows:

38 (i) The actual Northwest power pool generation for the prior
39 calendar year by project and resource type;

1 (ii) Plus any adjustments to the Northwest power pool generation
2 as made available to the ~~((electricity information coordinator))~~
3 department by the end of January of the current calendar year
4 ~~((pursuant to RCW 19.29A.060(6)))~~;

5 (iii) Less the ~~((quantity of electricity associated with declared
6 resources claimed by retail suppliers for the current calendar year))~~
7 amount of electricity from declared resources in the Northwest power
8 pool identified by in-state retail suppliers or out-of-state entities
9 as sold to retail electric customers;

10 (iv) Less the quantity of electricity, including the Bonneville
11 power administration system mix and resource specific sales, by fuel
12 type sold to retail customers by retail suppliers in states other
13 than Washington within the geographic area of the Northwest power
14 pool;

15 (v) Less the Bonneville power administration system mix and
16 resource-specific sales sold to retail suppliers and delivered to
17 retail electric customers in Washington;

18 (vi) Less the quantity of electricity generated within the
19 Northwest power pool and sold outside of its geographic area;

20 (vii) Less any electricity sold by the Bonneville power
21 administration or other sellers to direct service industrial
22 customers;

23 (viii) Other adjustments necessary to determine resources on the
24 margin on the intra-annual basis selected by the department pursuant
25 to recommendations of the work group; and

26 ~~((iv))~~ (ix) Plus other adjustments necessary to ensure that the
27 same resource output is not declared more than once;

28 (c) To the extent the information is available, verify that the
29 quantity of electricity associated with the declared resources does
30 not exceed the available generation from those resources.

31 ~~((7) Subsections (3) and (6) of this section apply to the
32 department in the event the department assumes the functions of the
33 electricity information coordinator.))~~

34 NEW SECTION. Sec. 5. A new section is added to chapter 19.29A
35 RCW to read as follows:

36 Each electric utility shall disclose on all billing statements
37 sent to retail electric customers the costs of electricity generated,

1 as well as the environmental costs, for each category of electricity
2 product disclosed under the fuel mix disclosure in RCW 19.29A.060(2).

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