

ESSB 6187 - H COMM AMD

By Committee on Technology & Economic Development

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that:

4 (1) Programs for electrification of transportation have the
5 potential to allow electric utilities to optimize the use of electric
6 distribution infrastructure, improve the management of electric
7 loads, and better manage the integration of variable renewable energy
8 resources. The legislature finds that, depending upon each utility's
9 unique circumstances, electrification of transportation programs may
10 provide cost-effective energy efficiency or defer capital investment
11 needed to accommodate unmanaged variable electricity supply and
12 demand. Electrification of transportation may result in cost savings
13 and system benefits for all ratepayers.

14 (2) State policy can achieve the greatest return on investment in
15 reducing greenhouse gas emissions and improving air quality by
16 expediting the transition to alternative fuel vehicles, including
17 electric vehicles. Potential benefits associated with electrification
18 of transportation include the monetization of environmental
19 attributes associated with carbon reduction in the transportation
20 sector.

21 NEW SECTION. **Sec. 2.** A new section is added to chapter 35.92
22 RCW to read as follows:

23 (1) The governing authority of an electric utility formed under
24 this chapter may adopt a transportation electrification plan that, at
25 a minimum, establishes a finding that: (a) If the electric utility is
26 acquiring new resources as indicated in its most recent plan
27 developed pursuant to chapter 19.280 RCW, utility outreach and
28 investment in the electrification of transportation infrastructure is
29 cost-effective, as determined using a methodology that assesses both
30 the expected system benefits and expected costs to ratepayers served
31 by the utility on the distribution system; or (b) if the electric

1 utility is not acquiring new resources as indicated in its most
2 recent plan developed pursuant to chapter 19.280 RCW, utility
3 outreach and investment in the electrification of transportation
4 infrastructure is cost-effective, as determined using a methodology
5 that assesses both the expected system benefits and expected costs to
6 ratepayers served by the utility on the distribution system and long-
7 term contracted wholesale electricity supply that will result in a
8 greater ratepayer benefit than the individual benefit from the
9 program cost.

10 (2) In adopting a transportation electrification plan under
11 subsection (1) of this section, the governing authority may consider
12 some or all of the following: (a) The applicability of multiple
13 options for electrification of transportation across all customer
14 classes; (b) the impact of electrification on the utility's
15 distribution load, and whether demand response or other load
16 management opportunities, including direct load control and dynamic
17 pricing, are operationally appropriate; (c) system reliability and
18 distribution system efficiencies; (d) interoperability concerns,
19 including the interoperability of hardware and software systems in
20 electrification of transportation proposals; and (e) overall customer
21 experience.

22 (3) The governing authority of an electric utility formed under
23 this chapter may, upon making a cost-effectiveness determination in
24 accordance with subsection (1) of this section, offer programs in the
25 electrification of transportation for its customers, including
26 advertising programs to promote the utility's or third-party
27 services, incentives, or rebates.

28 (4) For the purposes of this section, "system benefit" means a
29 situation where financial, reliability, and quality benefits of the
30 electrification of transportation are conferred equally among all
31 ratepayers on the distribution system or among the utility's resource
32 generation portfolio.

33 (5) For the purposes of this section, "distribution system" means
34 all of the distribution lines, substations, switches, and other
35 distribution hardware contiguously connected at voltages below ninety
36 kilovolts that are owned and operated by a single utility.

37 NEW SECTION. **Sec. 3.** A new section is added to chapter 54.16
38 RCW to read as follows:

1 (1) The commission of a public utility district may adopt a
2 transportation electrification plan that, at a minimum, establishes a
3 finding that: (a) If the district is acquiring new resources as
4 indicated in its most recent plan developed pursuant to chapter
5 19.280 RCW, district outreach and investment in the electrification
6 of transportation infrastructure is cost-effective, as determined
7 using a methodology that assesses both the expected system benefits
8 and expected costs to ratepayers served by the district on the
9 distribution system; or (b) if the district is not acquiring new
10 resources as indicated in its most recent plan developed pursuant to
11 chapter 19.280 RCW, district outreach and investment in the
12 electrification of transportation infrastructure is cost-effective,
13 as determined using a methodology that assesses both the expected
14 system benefits and expected costs to ratepayers served by the
15 utility on the distribution system and long-term contracted wholesale
16 electricity supply that will result in a greater ratepayer benefit
17 than the individual benefit from the program cost.

18 (2) In adopting a transportation electrification plan under
19 subsection (1) of this section, the commission may consider some or
20 all of the following: (a) The applicability of multiple options for
21 electrification of transportation across all customer classes; (b)
22 the impact of electrification on the district's distribution load,
23 and whether demand response or other load management opportunities,
24 including direct load control and dynamic pricing, are operationally
25 appropriate; (c) system reliability and distribution system
26 efficiencies; (d) interoperability concerns, including the
27 interoperability of hardware and software systems in electrification
28 of transportation proposals; and (e) overall customer experience.

29 (3) The commission of a public utility district may, upon making
30 a cost-effectiveness determination in accordance with subsection (1)
31 of this section, offer programs in the electrification of
32 transportation for its customers, including advertising programs to
33 promote the district's or third-party services, incentives, or
34 rebates.

35 (4) For the purposes of this section, "system benefit" means a
36 situation where financial, reliability, and quality benefits of the
37 electrification of transportation are conferred equally among all
38 ratepayers on the distribution system or among the utility's resource
39 generation portfolio.

1 (5) For the purposes of this section, "distribution system" means
2 all of the distribution lines, substations, switches, and other
3 distribution hardware contiguously connected at voltages below ninety
4 kilovolts that are owned and operated by a single utility.

5 NEW SECTION. **Sec. 4.** (1) The department of commerce, subject to
6 availability of amounts appropriated for this specific purpose, shall
7 arrange for a study of utility capital expenditures projected to be
8 driven by growth in distributed resources, including photovoltaic
9 systems, electric vehicles, and any other customer-owned technologies
10 identified as likely to cause a shift in capital expenditures. The
11 study must survey each of the state's utilities and must include a
12 low and high adoption scenario for each resource.

13 (2) If specific funding for the purposes of this section,
14 referencing this section by bill or chapter number and section
15 number, is not provided by June 30, 2018, in the omnibus
16 appropriations act, this section is null and void."

17 Correct the title.

EFFECT: Requires a municipal electric utility or public utility district's transportation electrification plan to, at a minimum, establish certain cost-effectiveness and ratepayer benefit findings. Defines "system benefit." Defines "distribution system." Requires a study by the Department of Commerce, subject to appropriations, of utility capital expenditures driven by growth in distributed resources.

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