
**Technology & Economic Development
Committee**

HB 1335

Brief Description: Concerning the electrification of transportation infrastructure.

Sponsors: Representatives Tarleton, Fitzgibbon, Frame, Fey, Stanford, Pollet, Hudgins, Young, Bergquist, Macri and Santos.

Brief Summary of Bill

- Establishes legislative intent to provide authority for municipal utilities to engage in and promote the build-out of electric vehicle infrastructure.
- Authorizes a municipal utility with 400,000 or more customers to offer programs for and assist its customers in financing the acquisition and installation of materials and equipment, for compensation or otherwise, for the electrification of transportation.

Hearing Date: 2/9/17

Staff: Nikkole Hughes (786-7156).

Background:

General Powers of Municipal Utilities.

Municipalities are authorized to operate as utilities and set the rates and charges for the provision of water, sewer, electric power, heating fuel, solid waste removal, and transportation facility services.

Constitutional and Statutory Provisions Authorizing Conservation.

The state Constitution generally prohibits the gift or loan of public money by state or local governments. An exception to this general prohibition can be found in Article VIII, section 10 of the state Constitution, which authorizes counties, cities, municipal corporations, or political

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subdivisions engaged in the sale or distribution of energy to assist owners of structures or equipment in financing conservation measures. Any financing for conservation must be used for conservation purposes in existing structures and must not be used for any purpose that results in the conversion from one energy source to another.

In addition to parameters outlined in Article VIII, section 10 of the state Constitution, state law contains provisions that electric municipal utilities and public utility districts must follow when implementing conservation loan financing programs, including contracting-out provisions and payback terms and methods. State law also establishes a statement of legislative findings declaring the conservation of energy, in all forms and by every possible means, to be a public purpose of highest priority.

Terms used in Article VII, section 10 of the state Constitution are also defined. The term "conservation purposes in existing structures" includes projects that allow a municipal utility's customers to generate all or a portion of their own electricity through on-site installation of solar, wind, geothermal, or mini-hydroelectric generating systems, or other distributed generation systems that use fuel from on-site renewable resources. Projects are not considered a "conversion from one energy source to another" so long as they do not involve the substitution of one commercial energy supplier for another.

Summary of Bill:

The legislative findings statement declaring energy conservation to be a public purpose further finds that municipal utilities must be engaged in the electrification of the transportation system as a means to provide for the more efficient use of energy and energy infrastructure. Legislative intent to provide authority for municipal utilities to engage in and promote the build-out of electric vehicle infrastructure is established.

Within limits established by the state Constitution, a municipal utility that has 400,000 or more customers may:

- assist its customers in financing the acquisition and installation of materials and equipment, for compensation or otherwise, for the electrification of transportation; and
- offer programs, services, or investments in the electrification of transportation for its customers in such a way as to benefit ratepayers, pursuant to an electrification of transportation plan adopted by the governing body of the city or town.

Appropriation: None.

Fiscal Note: Requested on February 6, 2017.

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