
**Technology & Economic Development
Committee**

HB 1458

Brief Description: Concerning electric energy performance baselines.

Sponsors: Representatives Fitzgibbon, Fey, Farrell and Doglio.

Brief Summary of Bill

- Requires the Utilities and Transportation Commission to adopt rules that require investor-owned utilities to develop and implement a program to achieve greater energy savings in existing residential and nonresidential building stock that fall below current standards of the Washington State Energy Code.

Hearing Date: 2/9/17

Staff: Nikkole Hughes (786-7156).

Background:

The Energy Independence Act.

The Energy Independence Act (EIA) was approved by voters in 2006. The EIA requires an electric utility with more than 25,000 customers to meet targets for energy conservation and to meet a certain percent of its annual load with eligible renewable resources. Utilities that must comply with the EIA are called "qualifying utilities."

Energy Conservations Targets.

A qualifying utility must pursue all available conservation that is cost-effective, reliable, and feasible. "Conservation" means any reduction in electric power consumption resulting from increases in the efficiency of energy use, production, or distribution.

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Every two years, the qualifying utility must review and update an assessment of its achievable cost-effective conservation potential for the subsequent 10-year period. The qualifying utility must establish and make publicly available a biennial acquisition target for cost-effective conservation consistent with its 10-year assessment. At a minimum, each biennial target must be no lower than the qualifying utility's pro rata share for that two-year period of its cost-effective conservation potential for the subsequent 10-year period.

Accountability and Enforcement.

The Utilities and Transportation Commission (UTC) determines compliance with the requirements of the EIA for investor-owned utilities. The UTC is authorized to determine if a conservation program implemented by an investor-owned utility is cost-effective based on the UTC's policies and practice.

Energy Benchmarking Requirements.

An electric or gas utility that serves more than 25,000 customers in the state must maintain records of the energy consumption data of all nonresidential and certain public agency buildings to which the utility provides service. This data must be maintained in a format that is compatible with the United States Environmental Protection Agency's Energy Star Portfolio Manager, which is an Internet-based program that allows users to track their energy consumption data and to benchmark the energy use of their buildings against comparable buildings.

State Energy Code.

The Washington State Energy Code (Code) is part of the State Building Code, which sets the minimum construction requirements for buildings in the state. The Code provides a minimum level of energy efficiency for residential and nonresidential buildings, but allows flexibility in building design, construction, and heating equipment efficiencies. The State Building Code Council (Council) maintains the Code. Unless otherwise amended by rule, the Code must reflect the 2006 edition.

The Council reviews, updates, and adopts model state building codes every 3 years. The Council must adopt state energy codes that require buildings constructed from 2013 through 2031 to move incrementally toward a 70 percent reduction in energy use by 2031. The Code must consider regional climatic conditions. The Council may amend the Code by rule if the amendments increase energy efficiency in the affected buildings.

Summary of Bill:

The Utilities and Transportation Commission (UTC) must adopt rules that require investor-owned utilities to develop and implement a program to achieve greater energy savings in existing residential and nonresidential building stock that fall below current standards of the Code. The program must use the buildings' energy performance baseline to calculate financial incentives for increasing energy savings. "Energy performance baseline" means current normalized electrical energy use of an existing building.

Appropriation: None.

Fiscal Note: Available.

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