

HOUSE BILL REPORT

HB 2814

As Reported by House Committee On:
Technology & Economic Development
Appropriations

Title: An act relating to studying state policies and programs that impact the affordability of retail electric bills in Washington state.

Brief Description: Studying state policies and programs that impact the affordability of retail electric bills in Washington state.

Sponsors: Representatives Smith, McCabe and Young.

Brief History:

Committee Activity:

Technology & Economic Development: 1/25/18, 2/1/18 [DPS];

Appropriations: 2/5/18, 2/6/18 [DPS(TED)].

Brief Summary of Substitute Bill

- Requires the Joint Legislative Audit and Review Committee to conduct a review of state policies and programs that have a direct or indirect impact on retail electric bills in the state.

HOUSE COMMITTEE ON TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Morris, Chair; Kloba, Vice Chair; Tarleton, Vice Chair; Smith, Ranking Minority Member; DeBolt, Assistant Ranking Minority Member; Doglio, Fey, Harmsworth, Hudgins, Manweller, McDonald, Nealey, Santos, Slatter, Steele, Wylie and Young.

Staff: Nikkole Hughes (786-7156).

Background:

The Joint Legislative Audit and Review Committee (JLARC) was established to conduct objective performance audits, program evaluations, special studies, and sunset reviews on

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behalf of the Legislature and the citizens of the state of Washington. The JLARC makes recommendations to the Legislature and to state agencies to improve the performance of state government and identify cost savings.

Summary of Substitute Bill:

In order to facilitate a study of state policies and programs that have an impact on the affordability of retail electric bills in the state, the JLARC must submit a report that contains an inventory of state policies, programs, incentives, and tax preferences that may have a direct or indirect impact on retail electric rates in the state, including but not limited to items that regulate greenhouse gas emissions from the electric power generation, transmission, and distribution sector of the economy. The inventory must include, but not be limited to, the following:

- meeting conservation targets and annual renewable energy targets under chapter 19.285 RCW;
- providing net metering under chapter 80.60 RCW;
- meeting the baseload electric generation performance standard under chapter 80.80 RCW; and
- meeting the requirements of other state legislation enacted with the intent of controlling greenhouse gas emissions, including any state energy-related incentive programs and tax preferences for which electric utilities may qualify.

The report must also include an assessment of potential methods for estimating impacts, including costs and benefits, on retail electric rates of the policies, programs, incentives, and tax preferences identified in the inventory. The assessment must include a description of techniques, data requirements, costs, and suggested timelines for pursuing future rate impact analyses.

The JLARC must consult with relevant state agencies and electric utilities in completing the report.

The JLARC must submit the report to the energy committees of the Legislature by December 31, 2018.

Substitute Bill Compared to Original Bill:

The substitute bill narrows the scope of the study to be completed by the JLARC and focuses on the completion of an inventory of relevant policies, programs, incentives, and tax preferences and an assessment of potential methods for estimating the impacts of the inventoried items on retail electric rates.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill would shed light on how energy programs and policies in the state interact with each other and impact ratepayers. Electric utilities currently comply with several legislative mandates. This bill would allow us to learn the separate and combined impacts of these mandates on utility bills. This type of information could help the Legislature and advocates consider how these mandates could be amended to reduce any burden they may cause.

(Opposed) None.

Persons Testifying: Representative Smith, prime sponsor; Nicolas Garcia, Washington Public Utility Districts Association; Kathleen Collins, PacifiCorp; Brandon Houskeeper, Puget Sound Energy; and John Rothlin, Avista.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Technology & Economic Development be substituted therefor and the substitute bill do pass. Signed by 32 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Bergquist, Buys, Caldier, Cody, Condotta, Fitzgibbon, Graves, Haler, Hansen, Harris, Hudgins, Jinkins, Kagi, Lytton, Manweller, Pettigrew, Pollet, Sawyer, Schmick, Senn, Stanford, Sullivan, Taylor, Tharinger, Vick, Volz and Wilcox.

Staff: Jordan Clarke (786-7123).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Technology & Economic Development:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) None.

(Opposed) None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.