
Technology & Economic Development Committee

HB 2897

Brief Description: Concerning electric utility plans for distributed energy resources and transportation electrification.

Sponsors: Representative Morris.

Brief Summary of Bill

- Requires the governing authority of a municipal electric utility or the commission of a public utility district to engage in a distributed energy resources planning process that accomplishes certain goals before developing a transportation electrification plan.
- Authorizes the governing authority of a municipal electric utility or the commission of a public utility district to offer programs in the electrification of transportation for its customers if it makes a cost-effectiveness determination in accordance with a transportation electrification plan.

Hearing Date: 1/23/18

Staff: Nikkole Hughes (786-7156).

Background:

Municipal Electric Utilities and Public Utility Districts.

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. Public utility districts (PUD) are a type of special purpose district authorized for the purpose of generating and distributing electricity, providing water and sewer services, and providing telecommunications services. A PUD may operate on a countywide basis or may

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encompass a smaller jurisdiction. A PUD is governed by a board of either three or five elected commissioners.

Investor-Owned Utility Investment in Electric Vehicle Supply Equipment.

In establishing rates for privately-owned gas and electrical companies, the Utilities and Transportation Commission (UTC) must consider policies to improve access to and promote fair competition in the provision of electric vehicle supply equipment (EVSE) build-out. These policies may include, but are not limited to, allowing a rate of return on investment on capital expenditures for EVSE that is deployed for the benefit of ratepayers, provided that the capital expenditures do not increase costs to ratepayers in excess of 0.25 percent.

A rate of return on investment for EVSE build-out may only be allowed if the company chooses to pursue capital investment in EVSE on a fully regulated basis similar to other capital investments behind a customer's meter. The incentive rate of return is established by adding an increment of up to 2 percent to the rate of return on common equity permitted on the company's other investments.

The UTC was required to report to the Legislature by December 31, 2017 with regard to the use of any incentives allowed for EVSE, the quantifiable impacts of the incentives on actual electric vehicle deployment, and any recommendations to the Legislature about utility participation in the electric vehicle market.

Summary of Bill:

The governing authority of a municipal electric utility or the commission of a public utility district may adopt a transportation electrification plan that, at a minimum, establishes a finding that utility outreach and investment in the electrification of transportation infrastructure is:

- cost-effective, as determined using a methodology that assesses both the expected system benefits and expected costs to ratepayers served by the utility on the intra-distribution system; and
- within the limits established by the Constitution of the state of Washington.

In order to develop a transportation electrification plan, the governing authority or commission must first engage in a distributed energy resources (DER) planning process that accomplishes the following:

- identifies data gaps and any upgrades needed to obtain that data;
- proposes monitoring and metering upgrades;
- identifies potential programs and tariffs to compensate customers for the value of their DERs;
- forecasts, using probabilistic models, DER growth on the utility's system;
- identifies all major, planned distribution system investments for the next 10 years and analyzes non-wires alternatives for each investment;
- competitively procures the DER needs identified in the plan;
- includes the DERs in the utility's integrated resource plan;
- includes a discussion of how the utility is adapting cybersecurity and data privacy practices to the changing distribution grid; and
- includes a discussion of lessons learned from the planning cycle.

In adopting a transportation electrification plan, the governing authority or commission may consider all or some of the following:

- the applicability of multiple options for electrification of transportation across all customer classes;
- the impact of electrification on the utility's distribution load;
- system reliability and distribution system efficiencies;
- interoperability concerns; and
- overall customer experience.

The governing authority or commission may, upon making a cost-effectiveness determination under its transportation electrification plan, offer programs in the electrification of transportation for its customers, including advertising programs to promote the utility's or a third-party's services, incentives, or rebates.

Appropriation: None.

Fiscal Note: Not requested.

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