

SENATE BILL REPORT

SB 6187

As Reported by Senate Committee On:
Energy, Environment & Technology, January 23, 2018

Title: An act relating to the electrification of transportation.

Brief Description: Concerning the electrification of transportation.

Sponsors: Senators Palumbo, Carlyle, McCoy, Hobbs, Wellman, Sheldon, Hawkins, Mullet, Conway and Brown.

Brief History:

Committee Activity: Energy, Environment & Technology: 1/17/18, 1/23/18 [DPS, DNP].

Brief Summary of First Substitute Bill

- Authorizes the governing bodies of a municipal utility or a public utility district commission to 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 to ratepayers.

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TECHNOLOGY

Majority Report: That Substitute Senate Bill No. 6187 be substituted therefor, and the substitute bill do pass.

Signed by Senators Carlyle, Chair; Palumbo, Vice Chair; Brown, Hawkins, Hobbs, McCoy, Ranker, Sheldon and Wellman.

Minority Report: Do not pass.

Signed by Senator Ericksen, Ranking Member.

Staff: Kimberly Cushing (786-7421)

Background: Municipal Utilities. Municipal utilities in Washington are authorized to provide residents with gas, electricity, water, and other services that are charged by rates or fixed prices. A municipality that intends to acquire or construct a public utility must generally submit the matter for a public vote.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Public Utility Districts (PUDs). Formed in 1931 by Initiative 1, PUDs are municipal corporations authorized to provide electricity, water and sewer services, and wholesale telecommunications. There are 28 operating PUDs in Washington.

Incentive Rate of Return for Investment. In 2015, the Legislature authorized the Utilities and Transportation Commission to allow an incentive rate of return on investment on capital expenditures for electric vehicle supply equipment (EVSE) for investor-owned utilities. The capital expenditures may not increase costs to ratepayers in excess of 0.0025 percent.

Summary of Bill (First Substitute): The Legislature intends to achieve parity among all electric utilities, so that each electric utility can determine its appropriate role in the development of electrification of transportation infrastructure.

The governing bodies of a municipal utility or a public utility district commission, i.e., public utilities are authorized to adopt a transportation electrification plan (plan) that, at a minimum, establishes a finding that utility outreach and investment in the electrification of transportation infrastructure is cost-effective. The cost-effectiveness must assess both the expected benefits and costs to utility ratepayers.

When adopting a plan, the, the governing body of a public utility may consider the following:

- applicability of multiple options across all customer classes;
- impact on the utility's load, and whether demand response or load management opportunities are operationally appropriate;
- system reliability and distribution system efficiencies;
- interoperability concerns; and
- overall customer experience.

Upon making a cost-effectiveness determination in a plan, the governing body of a public utility may offer incentive programs for the electrification of transportation for its customers.

EFFECT OF CHANGES MADE BY ENERGY, ENVIRONMENT & TECHNOLOGY COMMITTEE (First Substitute): Makes a technical correction.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: The bill clarifies in law that PUDs have right to work on electrification in statute. Utilities offer clear incentives to offer rebates for energy efficiency but are limited with what they can do with electric vehicle (EV) incentives. Electric transportation benefits all customers not just those with EVs. Each utility needs to make its own determination of what is cost effective. We want to level the

playing field for publically available fast charging for utilities. This will bring in private sector partners. Reducing transportation emissions will greatly reduce GHG emissions. There should be a public input process for transparency and required reporting for how the program performed over time. Cost-effectiveness does not preclude technologies that are essential for market transformation but might not be cost effective right now.

OTHER: This is a prime opportunity to address GHG emissions. However, are investments cost effective from rate payer perspective? We need a better definition of the electrification of transportation plan. What truly is cost effective? We would like to see language we all understand.

Persons Testifying: PRO: Senator Guy Palumbo, Prime Sponsor; Elyette Weinstein, Washington League of Women Voters; Brendan O'Donnell, Seattle City Light; Marian Dacca, Tacoma Public Utilities; Isaac Kastama, Benton PUD & Franklin PUD; Michael Mann, EVgo; Joni Bosh, NW Energy Coalition.

OTHER: Tim Boyd, Industrial Customers of NW Utilities.

Persons Signed In To Testify But Not Testifying: No one.