H-0186.1

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**HOUSE BILL 1127**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Representatives Morris, Ryu, Wylie, and Young

AN ACT Relating to the electrification of transportation; adding a new section to chapter 35.92 RCW; adding a new section to chapter 54.16 RCW; and creating new sections.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  The legislature finds that:

(1) Programs for electrification of transportation have the potential to allow electric utilities to optimize the use of electric distribution infrastructure, improve the management of electric loads, and better manage the integration of variable renewable energy resources. The legislature finds that, depending upon each utility's unique circumstances, electrification of transportation programs may provide cost-effective energy efficiency or defer capital investment needed to accommodate unmanaged variable electricity supply and demand. Electrification of transportation may result in cost savings and system benefits for all ratepayers.

(2) State policy can achieve the greatest return on investment in reducing greenhouse gas emissions and improving air quality by expediting the transition to alternative fuel vehicles, including electric vehicles. Potential benefits associated with electrification of transportation include the monetization of environmental attributes associated with carbon reduction in the transportation sector.

NEW SECTION. **Sec.**  A new section is added to chapter 35.92 RCW to read as follows:

(1) The governing authority of an electric utility formed under this chapter may adopt a transportation electrification plan that, at a minimum, establishes a finding that: (a) If the electric utility is acquiring new resources as indicated in its most recent plan developed pursuant to chapter 19.280 RCW, 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 distribution system; or (b) if the electric utility is not acquiring new resources as indicated in its most recent plan developed pursuant to chapter 19.280 RCW, 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 distribution system and long-term contracted wholesale electricity supply that will result in a greater ratepayer benefit than the individual benefit from the program cost.

(2) In adopting a transportation electrification plan under subsection (1) of this section, the governing authority may consider some or all of the following: (a) The applicability of multiple options for electrification of transportation across all customer classes; (b) the impact of electrification on the utility's distribution load, and whether demand response or other load management opportunities, including direct load control and dynamic pricing, are operationally appropriate; (c) system reliability and distribution system efficiencies; (d) interoperability concerns, including the interoperability of hardware and software systems in electrification of transportation proposals; and (e) overall customer experience.

(3) The governing authority of an electric utility formed under this chapter may, upon making a cost-effectiveness determination in accordance with subsection (1) of this section, offer programs in the electrification of transportation for its customers, including advertising programs to promote the utility's or third-party services, incentives, or rebates.

(4) For the purposes of this section, "system benefit" means a situation where financial, reliability, and quality benefits of the electrification of transportation are conferred equally among all ratepayers on the distribution system or among the utility's resource generation portfolio.

(5) For the purposes of this section, "distribution system" means all of the distribution lines, substations, switches, and other distribution hardware contiguously connected at voltages below ninety kilovolts that are owned and operated by a single utility.

NEW SECTION. **Sec.**  A new section is added to chapter 54.16 RCW to read as follows:

(1) The commission of a public utility district may adopt a transportation electrification plan that, at a minimum, establishes a finding that: (a) If the district is acquiring new resources as indicated in its most recent plan developed pursuant to chapter 19.280 RCW, district 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 district on the distribution system; or (b) if the district is not acquiring new resources as indicated in its most recent plan developed pursuant to chapter 19.280 RCW, district 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 distribution system and long-term contracted wholesale electricity supply that will result in a greater ratepayer benefit than the individual benefit from the program cost.

(2) In adopting a transportation electrification plan under subsection (1) of this section, the commission may consider some or all of the following: (a) The applicability of multiple options for electrification of transportation across all customer classes; (b) the impact of electrification on the district's distribution load, and whether demand response or other load management opportunities, including direct load control and dynamic pricing, are operationally appropriate; (c) system reliability and distribution system efficiencies; (d) interoperability concerns, including the interoperability of hardware and software systems in electrification of transportation proposals; and (e) overall customer experience.

(3) The commission of a public utility district may, upon making a cost-effectiveness determination in accordance with subsection (1) of this section, offer programs in the electrification of transportation for its customers, including advertising programs to promote the district's or third-party services, incentives, or rebates.

(4) For the purposes of this section, "system benefit" means a situation where financial, reliability, and quality benefits of the electrification of transportation are conferred equally among all ratepayers on the distribution system or among the utility's resource generation portfolio.

(5) For the purposes of this section, "distribution system" means all of the distribution lines, substations, switches, and other distribution hardware contiguously connected at voltages below ninety kilovolts that are owned and operated by a single utility.

NEW SECTION. **Sec.**  (1) The department of commerce, subject to availability of amounts appropriated for this specific purpose, shall arrange for a study of utility capital expenditures projected to be driven by growth in distributed resources, including photovoltaic systems, electric vehicles, and any other customer-owned technologies identified as likely to cause a shift in capital expenditures. The study must survey each of the state's utilities and must include a low and high adoption scenario for each resource.

(2) If specific funding for the purposes of this section, referencing this section by bill or chapter number and section number, is not provided by June 30, 2019, in the omnibus appropriations act, this section is null and void.

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