

SHB 2586 - H AMD 1615

By Representative Ramel

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that:

4 (1) Programs for the electrification of homes and buildings have
5 the potential to allow electric utilities to optimize the use of
6 electric grid infrastructure, improve the management of electric
7 loads, better manage the integration of variable renewable energy
8 resources, reduce greenhouse gas emissions from the buildings sector,
9 and improve indoor air quality.

10 (2) Legislative clarity is important for utilities to offer
11 programs and services, including incentives, in the electrification of
12 homes and buildings for their customers. It is the intent of the
13 legislature to allow certain utilities with appropriate and unique
14 circumstance to determine its appropriate role in advancing home and
15 building electrification for its customers.

16
17 NEW SECTION. **Sec. 2.** A new section is added to chapter 35.92 RCW
18 to read as follows:

19 (1) The governing authority of an electric utility formed under
20 this chapter that is located in a county with a population of two
21 million or more may adopt a beneficial electrification plan that
22 establishes a finding that utility outreach and investment in the
23 electrification of homes and buildings will provide net benefits to
24 the utility. Prior to adopting a beneficial electrification plan,
25 the governing authority must request the input of any natural gas
26 company serving customers in the electric utility's service area on
27 the development of the plan.

1 (2) A beneficial electrification plan adopted under subsection
2 (1) of this section must identify options and program schedules for
3 the electrification of various energy end-uses or other energy
4 sources.

5 (3) In adopting a beneficial electrification plan under
6 subsection (1) of this section, the governing authority must
7 determine that the sum of the benefits of an electrification option
8 equals or exceeds the sum of its costs. As part of this
9 determination, the governing authority may differentiate the level
10 of benefits and costs accrued to highly impacted communities and
11 vulnerable populations in the electric utility's service area, as
12 those terms are defined in RCW 19.405.020.

13 (a) The benefits of beneficial electrification considered by a
14 governing authority must include but are not limited to system
15 impacts, as well as the following:

16 (i) Utility revenue from increased retail load from beneficial
17 electrification;

18 (ii) Distribution system efficiencies resulting from demand
19 response or other load management opportunities, including direct
20 control and dynamic pricing, associated with the increased retail
21 load;

22 (iii) System reliability improvements;

23 (iv) The opportunity for indoor and outdoor air quality benefits
24 to existing utility customers and customers from projects
25 constructed after the effective date of this section;

26 (v) The opportunity for greenhouse gas emissions reductions from
27 existing utility customers and customers from projects constructed
28 after the effective date of this section, consistent with the
29 emission reduction targets recommended by the department of ecology
30 under RCW 70.235.020; and

31 (vi) Other benefits identified by the governing authority.

32 (b) The costs of beneficial electrification considered by a
33 governing authority must include, but are not limited to:

34

1 (i) The electricity, which must be demonstrated to have a lower
2 greenhouse gas emissions profile than direct-use natural gas, or any
3 other resources used to serve or offset the increased retail load
4 from beneficial electrification;

5 (ii) Any upgrades to the utility's distribution system or load
6 management practices and equipment made necessary by the increased
7 retail load; and

8 (iii) The cost of the incentive, advertising, or other
9 inducements used to encourage customers to electrify an energy
10 end-use currently served by a different fuel source.

11 (4) The electric utility may, upon making a determination in
12 accordance with subsection (1) of this section, offer incentives and
13 other programs to accelerate the beneficial electrification of homes
14 and buildings for its customers, including the promotion of
15 electrically powered equipment, advertising beneficial
16 electrification programs and projects, educational programs, and
17 customer incentives or rebates. In offering such incentives and
18 other programs, the electric utility must, when practical,
19 prioritize service to highly impacted communities in the electric
20 utility's service area, as that term is defined in RCW 19.405.020.

21 (5) For the purposes of this section, "beneficial
22 electrification" means electrification of an energy end-use in a way
23 that provides a net benefit to the utility consistent with
24 subsection (3) of this section.

25 (6) Nothing in this section limits the existing authority of an
26 electric utility formed under this chapter to offer incentives and
27 other programs to accelerate the electrification of homes and
28 buildings for its customers if such electrification is in the direct
29 economic interest of the electric utility.

30
31 NEW SECTION. **Sec. 3.** If any provision of this act or its
32 application to any person or circumstance is held invalid, the
33 remainder of the act or the application of the provision to other
34 persons or circumstances is not affected."

1 Correct the title.

EFFECT: Limits the authority to adopt a beneficial electrification plan and offer incentives to a municipal electric utility that is located in a county with a population of two million or more.

--- END ---