

FINAL BILL REPORT

ESHB 1428

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Synopsis as Enacted

Brief Description: Concerning the disclosure of attributes of electricity products.

Sponsors: House Committee on Environment & Energy (originally sponsored by Representatives Shewmake, Tarleton, Lekanoff and Fitzgibbon; by request of Department of Commerce).

House Committee on Environment & Energy
Senate Committee on Environment, Energy & Technology

Background:

Each electric utility must disclose its actual or imputed annual fuel mix used to generate electricity. The disclosure must provide the percentage attributable to each of the following generation sources: coal, hydroelectricity, natural gas, nuclear, and other. Utilities may separately report a subcategory of natural gas generation to identify high efficiency cogeneration. If a source categorized as other is more than 2 percent of a utility's total mix, then it must identify the component sources, such as biomass, geothermal, solar, and wind.

Any specifically identified source of electricity is considered a declared resource. Utilities that do not declare their resources must report the fuel mix of the Northwest power pool, called the "net system power mix." A renewable resource where the renewable attributes are separated and transferred to another entity must also be reported as the net system power mix. Utilities that purchase electricity from the Bonneville Power Administration (BPA) may disclose the source as the BPA system mix.

Retail electric utilities must make the following information available upon request:

- documentation of ownership of declared resources; or
- documentation of contractual rights to a stated quantity of electricity from a specific generating facility.

The Department of Commerce compiles fuel mix data from all retail electric utilities in the state, calculates the net system power mix, and publishes an annual fuel mix report.

Summary:

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.

Fuel Mix Disclosure.

Each electric utility must provide its fuel mix disclosure annually through an electricity product content label presented in a uniform format.

The fuel characteristics disclosures must identify, for each electricity product, the percentage of the total electricity product sold by an electric utility during the previous year from each of the following categories:

- coal, hydroelectric, natural gas, nuclear, petroleum, solar, and wind;
- unspecified sources; and
- other generation.

If the percentage amount of unspecified sources exceeds 2 percent for an electricity product, the electric utility must include on the label a general description of unspecified sources and an explanation of why some power sources are unknown to the utility.

An electric utility may include with the electricity product content label additional information concerning the quantity of Renewable Energy Certificates (RECs), if not otherwise included in the utility's declared resources, that are retired for compliance with the Energy Independence Act in the reporting year.

Source and Disposition Report.

Each electric utility must report to the Department of Commerce (Department) each year, based on actual and verified activity in the prior year, the following information on its sources and uses of electricity in Washington:

- electricity delivered to retail electric customers;
- purchases or receipts of electricity from declared resources used to serve retail electric customers, by generating facility and fuel types; and
- purchases or receipts of electricity from unspecified sources used to serve retail electric customers.

An electric utility must report an electricity purchase or receipt as a declared resource if the utility was the direct or indirect owner of the generating facility or acquired the electricity in a transaction, supported by an auditable contract trail, in which the buyer and seller specified the source or set of sources of the electricity. An electric utility may assign declared resources and unspecified sources to its retail service using reasonable methods consistent with its business practices. An electric utility must identify any change in method from the prior year in its report to the Department.

An electric utility may not report a declared resource as a renewable resource if the utility does not own the REC or other instrument representing nonpower attributes associated with the resource. Any REC included in the source and disposition report must be created and retired within a certificate tracking system approved by the Department and must represent renewable generation of a generating facility located in the region of the tracking system. An electric utility must retire any REC included in its source and disposition report within one year after submitting its report.

A REC retired for any of the following purposes may not be included in the source and disposition report:

- voluntary renewable energy programs, except where the electricity product is an optional product;
- compliance obligations not related to the provision of electricity service to retail customers in Washington; and
- any other purpose established by rule by the Department.

Individual retail customer rate schedules do not constitute separate electricity products unless electricity sources are different.

Unspecified Fuel Mix Report.

The Department must develop and publish an estimate of the fuel characteristics of the generation sources reasonably available to serve Washington customers and not included as a declared resource of any electric utility. The Department may include or exclude any electricity source as it deems reasonable to accurately represent the characteristics of residual electricity supplies used by electric utilities in Washington. The Department must make available documentation of the inputs and calculations used in making the estimate.

Rulemaking Authority.

The Department may adopt administrative rules to implement the fuel mix disclosure requirements.

Definitions.

"Electricity product content label" means information presented in a uniform format by an electric utility to its retail customers and disclosing information about the characteristics of an electricity product.

"Fuel attribute" means the characteristic of electricity determined by the fuel used in the generation of that electricity. For a renewable resource, the fuel attribute is included in its nonpower attributes.

"Unspecified source" means an electricity source for which the fuel attribute is unknown or has been separated from the energy.

Votes on Final Passage:

House	96	0	
Senate	46	0	(Senate amended)
House	94	0	(House concurred)

Effective: July 28, 2019