
Environment & Energy Committee

HB 1512

Brief Description: Concerning the electrification of transportation.

Sponsors: Representatives Fey, Steele, Valdez, Ortiz-Self, Fitzgibbon, Klippert, Tarleton, Mead, Pollet, Jinkins, Boehnke, Slatter, DeBolt, Dent, Chapman, Frame, Stanford, Tharinger and Macri.

Brief Summary of Bill

- Authorizes the governing body of a municipal electric utility or public utility district to adopt an electrification of transportation plan and to offer incentive programs in the electrification of transportation.
- Authorizes an investor-owned utility to submit to the Utilities and Transportation Commission an electrification of transportation plan that deploys electric vehicle supply equipment (EVSE) or provides other electric transportation programs, services, or incentives to support electrification of transportation.
- Amends provisions authorizing an incentive rate of return on investment for EVSE build-out by investor-owned utilities.

Hearing Date:

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

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.

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 incentive rate of return on investment only applies to projects installed after July 1, 2015, and which are reasonably expected at the time they are placed in the rate base, to result in real and tangible benefits for ratepayers by being installed and located where electric vehicles are most likely to be parked for intervals longer than two hours.

Summary of Bill:

Municipal Electric Utilities and Public Utility Districts.

The governing body of a municipal electric utility or public utility district may adopt an electrification of transportation plan that, at a minimum, establishes a finding that utility outreach and investment in the electrification of transportation infrastructure is cost-effective, using an industry-recognized cost test which may include ratepayer impact measure or total resource cost.

In adopting an electrification of transportation plan, the governing body may consider some or all of the following:

- the applicability of multiple options for transportation electrification across all customer classes;
- the impact of electrification on the utility's load, and whether demand response or other load management opportunities are operationally appropriate;
- system reliability and distribution system efficiencies;
- interoperability concerns, including the interoperability of hardware and software systems in electrification of transportation proposals; and
- overall customer experience.

Upon making a cost-effectiveness determination, a municipal electric utility or public utility district may offer incentive programs in transportation electrification for its customers, including advertising programs that promote the utility's services, incentives, or rebates.

Investor-owned Utility Investment in Electric Vehicle Supply Equipment.

An investor-owned utility may submit to the Utilities and Transportation Commission (UTC) an electrification of transportation plan that deploys electric vehicle supply equipment (EVSE) or provides other electric transportation programs, services, or incentives to support electrification of transportation, provided that such EVSE, programs, or services do not increase costs to customers in excess of 0.25 percent above the benefits of electric transportation to all customers

over a period consistent with the utility's planning horizon under its most recent integrated resource plan.

In reviewing an electrification of transportation plan by an investor-owned utility, the UTC must consider the following:

- the applicability of multiple options for electrification of transportation across all customer classes;
- the impact of electrification on the utility's load, and whether demand response or other load management opportunities are operationally appropriate;
- system reliability and distribution system efficiencies;
- interoperability concerns, including the interoperability of hardware and software systems in electrification of transportation proposals; and
- overall customer experiences.

The UTC must acknowledge submittal of an electrification of transportation plan within four months of submittal of the plan. The UTC may provide comment on the plan in its acknowledgement letter.

The UTC may allow an incentive rate of return on investment on capital expenditures for EVSE that is deployed consistent with an electrification of transportation plan submitted by a utility. The incentive rate of return on investment applies to any EVSE project that is installed after July 1, 2015.

Appropriation: None.

Fiscal Note: Requested on January 29, 2019.

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