

FINAL BILL REPORT

SHB 1623

FULL VETO

Synopsis as Enacted

Brief Description: Addressing the extent to which Washington residents are at risk of rolling blackouts and power supply inadequacy events.

Sponsors: House Committee on Environment & Energy (originally sponsored by Representatives Mosbrucker, Fitzgibbon, Leavitt, Ryu, Duerr, Graham, Wicks, Callan, Fey, Paul, Ramos, Wylie, Slatter, Kloba and Harris-Talley).

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

Background:

Washington Clean Energy Transformation Act.

Under the Washington Clean Energy Transformation Act (CETA), electric utilities must:

- eliminate coal-fired resources from their allocation of electricity by December 31, 2025 (Coal Elimination Standard);
- ensure that all retail sales of electricity to Washington customers are greenhouse gas neutral by January 1, 2030 (Greenhouse Gas Neutral Standard); and
- supply 100 percent of all retail sales to Washington customers with nonemitting and renewable resources by January 1, 2045 (Clean Energy Standard).

By January 1, 2024, and at least every four years thereafter, the Department of Commerce must submit a report to the Legislature that includes the following:

- a review of all three standards established under the CETA focused on technologies, forecasts, and existing transmission; and an evaluation of safety, environmental protection, affordability, and system reliability;
- an evaluation identifying the potential benefits and impacts on system reliability associated with achieving the Greenhouse Gas Neutral Standard and Clean Energy Standard; and
- an evaluation identifying the nature of any anticipated financial costs and benefits to electric utilities, including customer rate impacts and benefits.

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

If the report indicates adverse system reliability impacts from implementation of the Greenhouse Gas Neutral Standard or Clean Energy Standard, then the Governor may suspend or delay implementation of the Greenhouse Gas Neutral Standard or Clean Energy Standard until system reliability impacts can be addressed.

Energy Resource Plans.

Each electric utility is required to develop a resource plan that includes at least 10-year estimates of electricity loads and resources to meet those loads, among numerous other requirements that are specific to the type of utility. Investor-owned utilities and consumer-owned utilities with 25,000 or more customers that are not fully served by the Bonneville Power Administration (BPA) must develop Integrated Resource Plans. Utilities with fewer than 25,000 customers, or that are fully served BPA customers, must either file an Integrated Resource Plan or complete a less-detailed resource plan. All resource plans must be updated at least every two years.

Resource Adequacy Stakeholder Meetings.

The Department of Commerce and the Utilities and Transportation Commission are required to jointly convene a stakeholder meeting, at least annually through 2024, to discuss the adequacy of the state's energy resources for meeting electric needs and to address steps utilities can take to coordinate planning in light of changes to the northwest power system. The meeting must include representatives of the investor-owned utilities, consumer-owned utilities, regional planning organizations, transmission operators, and other stakeholders. The first resource adequacy meeting was held on May 11, 2021.

Widespread Power Outage Events.

When demand for electricity exceeds available supply, a widespread electrical power outage event may occur, which is often referred to as a blackout. During an event of this nature, utilities may temporarily shut off power to parts of the electric grid on a rolling basis, which is often referred to as a rolling blackout.

Summary:

Resource Adequacy Stakeholder Meetings.

In 2022, the resource adequacy stakeholder meeting must specifically:

- address the extent to which Washington residents are at risk of rolling blackouts and inadequacy events;
- include a survey of stakeholders for policy recommendations to prevent severe blackouts;
- discuss how proposed building and transportation system electrification laws and regulations may require new state policy for resource adequacy; and
- seek to identify regulatory and statutory incentives to enhance and ensure energy resource adequacy and reliability.

The requirement that the Department of Commerce and the Utilities and Transportation Commission jointly convene annual resource adequacy stakeholder meetings is extended through 2029, instead of through 2024.

Votes on Final Passage:

House	93	0
Senate	49	0