

SENATE BILL REPORT

SHB 1446

As of March 16, 2021

Title: An act relating to prohibiting a utility from being assessed a penalty for not meeting its biennial acquisition target for cost-effective conservation in special circumstances outside the utility's control.

Brief Description: Prohibiting a utility from being assessed a penalty for not meeting its biennial acquisition target for cost-effective conservation in special circumstances outside the utility's control.

Sponsors: House Committee on Environment & Energy (originally sponsored by Representative Fey).

Brief History: Passed House: 3/3/21, 93-4.

Committee Activity: Environment, Energy & Technology: 3/17/21.

Brief Summary of Bill

- Provides that an electric utility is in compliance with its biennial energy conservation target under the Energy Independence Act if events beyond the reasonable control of the utility prevented it from meeting the target.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Staff: Kimberly Cushing (786-7421)

Background: Approved by voters in 2006, the Energy Independence Act (EIA), also known as I-937, requires qualifying electric utilities to meet targets for energy conservation and for using eligible renewable resources. Qualifying utilities are electric utilities with 25,000 or more customers in the state, and there are 18 utilities subject to the EIA.

Qualifying utilities must pursue all conservation that is cost-effective, reliable, and feasible. They need to identify the conservation potential over a 10-year period and set two-year

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.

targets.

For investor-owned utilities, the Utilities and Transportation Commission (UT) determines compliance with the EIA. For all other utilities, the auditor is responsible for auditing compliance with the EIA. Utilities that fail to comply with energy conservation or renewable energy targets owe an administrative penalty for each megawatt-hour of shortfall of \$50, adjusted annually for inflation. Utilities that do not meet an annual renewable energy target are exempt from administrative penalties under certain circumstances.

Summary of Bill: A qualifying utility is considered in compliance with its biennial acquisition target for cost-effective conservation if events beyond the reasonable control of the utility that could not have been reasonably anticipated or ameliorated prevented it from meeting the target. These events include:

- natural disasters resulting in extended emergency declarations;
- cancellation of significant conservation projects; and
- actions of a governmental authority that adversely affects the acquisition of cost-effective conservation by the utility.

A qualifying utility that did not meet a biennial conservation target is exempt from the administrative penalty if the UTC or the auditor determines the utility did not meet the target due to events beyond its reasonable control.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 11, 2021.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.