
Environment & Energy Committee

SSB 5165

Brief Description: Concerning electric power system transmission planning.

Sponsors: Senate Committee on Environment, Energy & Technology (originally sponsored by Senators Nguyen, Mullet, Boehnke, Frame, Hasegawa, Keiser, Nobles and Stanford; by request of Office of the Governor).

Brief Summary of Substitute Bill

- Requires electric utility Integrated Resource Plans (IRPs) to include a 20-year, rather than 10-year, forecast of the availability and requirements for regional generation and transmission capacity, and adds to IRP transmission assessment requirements.
- Requires electric utilities to consider conditional firm transmission services when selecting and acquiring renewable resources.
- Requires electric utilities to seek support from federal, interstate, and industry entities to plan and develop transmission capacity, and encourages utilities to engage in statewide, multiutility, and interstate transmission planning processes.
- Directs the Energy Facility Site Evaluation Council (EFSEC) to oversee the siting of transmission facilities that are at least 500,000 volts alternating current or at least 300,000 volts direct current, and are located in more than one county and one electric utility service territory.
- Directs the EFSEC to coordinate state agency environmental review for federally-proposed or sited transmission projects.

Hearing Date: 3/13/23

Staff: Megan McPhaden (786-7114).

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.

Background:

Integrated Resource Plans and Clean Energy Action Plans.

Investor-owned electric utilities and consumer-owned electric utilities with 25,000 or more customers that are not fully served by the Bonneville Power Administration (BPA) must develop Integrated Resource Plans (IRPs). Utilities with fewer than 25,000 customers, or that are fully served BPA customers, must either file an IRP or complete a less-detailed resource plan. An IRP must be updated at least every four years by statute and the Utilities and Transportation Commission requires updated IRPs every odd-numbered year.

Of the multiple requirements for IRPs, a utility must include an assessment and 10-year forecast of the availability of regional generation and transmission capacity on which the utility may rely on to provide and deliver electricity to its customers.

Clean Energy Action Plans.

The Clean Energy Transformation Act (CETA) of 2019 required utilities to include within their IRPs a 10-year Clean Energy Action Plan with specific actions to be taken by the utility to implement the following CETA standards: (1) eliminate coal-fired resources from their allocation of electricity by the end of 2025; (2) ensure that all retail sales of electricity to Washington customers are greenhouse gas neutral by the beginning of 2030; and (3) supply 100 percent of retail electricity to Washington customers with nonemitting and renewable resources by the beginning of 2045.

One of a utility's requirements for Clean Energy Action Plans is that they must identify any need to develop new, or expand or upgrade existing, bulk transmission and distribution facilities.

The Energy Facility Site Evaluation Council.

The Energy Facility Site Evaluation Council (EFSEC) provides a single siting process for the construction, reconstruction, and enlargement of certain energy facilities located in the state. The EFSEC coordinates all evaluation and licensing steps for siting certain energy facilities, as well as specifies the conditions of construction and operation. After evaluating an application, the EFSEC submits a recommendation either approving or rejecting an application to the Governor, who makes the final decision on site certification. If approved by the Governor, a site certification agreement is issued in lieu of any other individual state or local agency permits.

Energy Facilities Covered Under EFSEC Laws.

Certain facilities are required to participate in the EFSEC process, while others may opt-in. Facilities that must seek certification through the EFSEC process include energy plants such as nuclear power facilities, facilities that receive and store natural gas, facilities that process petroleum, biorefineries, and electrical transmission facilities, with many size and other specifications. The facilities that may opt-in to EFSEC's processes include clean energy product manufacturing facilities, storage facilities, all types of renewable natural gas facilities, and renewable and green electrolytic hydrogen energy facilities.

The EFSEC is the state authority for purposes of siting electrical transmission facilities, which are electrical power lines and related equipment. The preapplication requirements for electrical transmission facilities involve a process that includes public hearings and consideration of any corridors designated for transmission by local jurisdictions. Where there are no corridor designations by local jurisdictions, the applicant must attempt to reach agreement with local jurisdictions on a corridor plan. If no corridor plan is agreed upon, the applicant must propose a recommended corridor for the electrical transmission facilities and the EFSEC must consider the applicant's proposed corridor when making a recommendation.

The EFSEC's authority is limited to approving the siting of the construction, reconstruction, or modification resulting in a significant change of electrical transmission facilities that are located in a national interest electric transmission corridor as designated by the Secretary of the United States Department of Energy.

Applicants for an electrical transmission facility may opt in to participating in the EFSECs processes if that electrical transmission facility is:

- at least 115,000 volts; and
- located in more than one jurisdiction that has promulgated land use plans or zoning ordinances.

Summary of Bill:

Extended Forecast and Transmission Assessment Requirements for Integrated Resource Plans.

The length of time for an electric utility's required forecast of its generation and transmission capacity is increased from 10 to 20 years in the Integrated Resource Plan (IRP) requirements.

A utility's transmission assessment requirements are expanded so that it must take into account:

- the state's greenhouse gas emissions reduction limits;
- opportunities to make more effective use of existing transmission capacity through improved transmission system operating practices, energy efficiency, demand response, grid modernization, nonwires solutions, and other programs; and
- the electrification of transportation and other end uses historically met using fossil fuels.

The transmission assessment must also identify the utility's expected needs to develop new, or expand and upgrade existing, bulk transmission facilities.

Utilities are encouraged to engage in statewide or multiutility planning activities and interstate transmission planning processes to meet IRP transmission planning requirements.

Documentation of Transmission Efforts in Clean Energy Action Plans.

An electric utility's Clean Energy Action Plan must document existing and planned efforts by the utility to make more effective use of existing transmission capacity and secure additional transmission capacity consistent with the requirements of its transmission assessment and 20-year forecast in its IRP.

A requirement is removed that the Department of Commerce and the Utilities and Transportation Commission adopt rules to establish the requirements for incorporating a cumulative impact analysis for developing Clean Energy Action Plans by 2021.

Energy Facility Site Evaluation Council.

The Energy Facility Site Evaluation Council (EFSEC) must now oversee the siting of additional transmission facilities, specifically the construction, reconstruction, or enlargement of new or existing electrical transmission facilities that are:

- of a nominal voltage of at least 500,000 volts alternating current or at least 300,000 volts direct current;
- located in more than one county; and
- located in the Washington service area of more than one retail electric utility.

For projects proposed or sited by a federal agency, the Director of the EFSEC must coordinate state agency participation in environmental review under the National Environmental Protection Act.

New Requirement for Electric Utilities to Consider Conditional Firm Transmission Services.

Electric utilities must reasonably consider conditional firm transmission services when selecting and acquiring renewable resources.

Conditional firm service is defined in the bill as any form of long-term firm point-to-point transmission service in which transmission customers can reserve service, subject to certain conditions under which the transmission provider may curtail the transmission customer's reservation before curtailing other firm service.

New Requirement for Electric Utilities to Seek Transmission Planning and Development Support

To improve the planning and development of transmission capacity, electric utilities must seek support from at least the following federal, interstate, and voluntary industry organizations with a role in the bulk power transmission system: (1) the Bonneville Power Administration; (2) the Pacific Northwest Electric Power and Conservation Planning Council; (3) NorthernGrid; (4) the Western Power Pool; and (5) public interest organizations.

Appropriation: None.

Fiscal Note: Available.

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