
SUBSTITUTE HOUSE BILL 1192

State of Washington

68th Legislature

2023 Regular Session

By House Environment & Energy (originally sponsored by Representatives Duerr, Doglio, Berry, Ramel, Fitzgibbon, Lekanoff, and Pollet; by request of Office of the Governor)

READ FIRST TIME 02/15/23.

1 AN ACT Relating to electric power system transmission planning;
2 amending RCW 19.280.030, 80.50.060, and 80.50.045; adding a new
3 section to chapter 19.280 RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that the
6 electric power system serving Washington will require additional high
7 voltage transmission capacity to achieve the state's objectives and
8 legal requirements. Washington must reduce its greenhouse gas
9 emissions under state law, and the 2021 state energy strategy finds
10 that this will require a significant increase in the use of renewable
11 or nonemitting electricity in place of fossil fuels now used in the
12 transportation, industry, and building sectors.

13 (2) The legislature anticipated the crucial role of additional
14 transmission capacity in 2019 in the enactment of the clean energy
15 transformation act and directed the energy facilities site evaluation
16 council to convene a transmission corridors work group. The
17 transmission corridors work group issued its final report on October
18 31, 2022, in which it confirmed the central role of transmission and
19 recommended actions to achieve the expansion of transmission capacity
20 to address this need.

1 (3) Expanded transmission capacity and the more effective use of
2 existing transmission capacity will provide benefits to electricity
3 consumers in the state by enhancing the reliability of the electric
4 power system and increasing access to more affordable sources of
5 electricity within the state and across the western United States and
6 Canada.

7 (4) Existing constraints on transmission capacity within the
8 state already present challenges in ensuring adequate and affordable
9 supplies of clean electricity. Of particular concern is the
10 capability of the transmission system to deliver clean electricity
11 into and within the central Puget Sound area.

12 (5) There are multiple issues that contribute to the challenge of
13 making timely and cost-effective expansions of the high voltage
14 transmission system. Among those challenges is the need for a more
15 proactive transmission planning process using a longer planning
16 period than current law requires. Transmission planning must reflect
17 not just the requirements to connect individual generating resources
18 to the grid but also the need to transfer electricity across the
19 state and the west. Transmission planning must incorporate state
20 policies and laws in planning objectives.

21 (6) Certain transmission projects are of significant state
22 interest due to their impact on the access of multiple utilities and
23 communities to gain access to clean, affordable electricity supplies
24 and obtain electricity that is necessary to comply with state laws.

25 (7) The legislature intends and affirms that the option to use
26 local government permitting processes remains available for
27 transmission projects not subject to mandatory jurisdiction under RCW
28 80.50.060(2).

29 (8) Transmission projects typically take at least a decade to
30 develop and permit. This timing presents particular challenges for
31 achieving the state's greenhouse gas emissions reduction mandates,
32 which include ambitious benchmarks as early as 2030. There is a need
33 to accelerate the timeline for transmission development while still
34 protecting other Washington values.

35 **Sec. 2.** RCW 19.280.030 and 2021 c 300 s 3 are each amended to
36 read as follows:

37 Each electric utility must develop a plan consistent with this
38 section.

1 (1) Utilities with more than (~~twenty-five thousand~~) 25,000
2 customers that are not full requirements customers must develop or
3 update an integrated resource plan by September 1, 2008. At a
4 minimum, progress reports reflecting changing conditions and the
5 progress of the integrated resource plan must be produced every two
6 years thereafter. An updated integrated resource plan must be
7 developed at least every four years subsequent to the 2008 integrated
8 resource plan. The integrated resource plan, at a minimum, must
9 include:

10 (a) A range of forecasts, for at least the next (~~ten~~) 10 years
11 or longer, of projected customer demand which takes into account
12 econometric data and customer usage;

13 (b) An assessment of commercially available conservation and
14 efficiency resources, as informed, as applicable, by the assessment
15 for conservation potential under RCW 19.285.040 for the planning
16 horizon consistent with (a) of this subsection. Such assessment may
17 include, as appropriate, opportunities for development of combined
18 heat and power as an energy and capacity resource, demand response
19 and load management programs, and currently employed and new policies
20 and programs needed to obtain the conservation and efficiency
21 resources;

22 (c) An assessment of commercially available, utility scale
23 renewable and nonrenewable generating technologies including a
24 comparison of the benefits and risks of purchasing power or building
25 new resources;

26 (d) A comparative evaluation of renewable and nonrenewable
27 generating resources, including transmission and distribution
28 delivery costs, and conservation and efficiency resources using
29 "lowest reasonable cost" as a criterion;

30 (e) An assessment of methods, commercially available
31 technologies, or facilities for integrating renewable resources,
32 including but not limited to battery storage and pumped storage, and
33 addressing overgeneration events, if applicable to the utility's
34 resource portfolio;

35 (f) An assessment and (~~ten~~) 20-year forecast of the
36 availability of and requirements for regional generation and
37 transmission capacity (~~on which the utility may rely~~) to provide
38 and deliver electricity to (~~its customers~~)the utility's customers
39 and to meet the requirements of the clean energy transformation act.
40 The transmission assessment must take into account the state's

1 emissions reduction limits; opportunities to make more effective use
2 of existing transmission capacity through improved transmission
3 system operating practices, energy efficiency, demand response, grid
4 modernization, nonwires solutions, and other programs; and the
5 electrification of transportation and other end uses historically met
6 using fossil fuels. The transmission assessment must identify the
7 utility's expected needs to develop new, or expand or upgrade
8 existing, bulk transmission facilities consistent with the
9 requirements of this section;

10 (g) A determination of resource adequacy metrics for the resource
11 plan consistent with the forecasts;

12 (h) A forecast of distributed energy resources that may be
13 installed by the utility's customers and an assessment of their
14 effect on the utility's load and operations;

15 (i) An identification of an appropriate resource adequacy
16 requirement and measurement metric consistent with prudent utility
17 practice in implementing RCW 19.405.030 through 19.405.050;

18 (j) The integration of the demand forecasts, resource
19 evaluations, and resource adequacy requirement into a long-range
20 assessment describing the mix of supply side generating resources and
21 conservation and efficiency resources that will meet current and
22 projected needs, including mitigating overgeneration events and
23 implementing RCW 19.405.030 through 19.405.050, at the lowest
24 reasonable cost and risk to the utility and its customers, while
25 maintaining and protecting the safety, reliable operation, and
26 balancing of its electric system;

27 (k) An assessment, informed by the cumulative impact analysis
28 conducted under RCW 19.405.140, of: Energy and nonenergy benefits and
29 reductions of burdens to vulnerable populations and highly impacted
30 communities; long-term and short-term public health and environmental
31 benefits, costs, and risks; and energy security and risk;

32 (l) A ~~((ten))~~ 10-year clean energy action plan for implementing
33 RCW 19.405.030 through 19.405.050 at the lowest reasonable cost, and
34 at an acceptable resource adequacy standard, that identifies the
35 specific actions to be taken by the utility consistent with the
36 long-range integrated resource plan; and

37 (m) An analysis of how the plan accounts for:

38 (i) Modeled load forecast scenarios that consider the anticipated
39 levels of zero emissions vehicle use in a utility's service area,

1 including anticipated levels of zero emissions vehicle use in the
2 utility's service area provided in RCW 47.01.520, if feasible;

3 (ii) Analysis, research, findings, recommendations, actions, and
4 any other relevant information found in the electrification of
5 transportation plans submitted under RCW 35.92.450, 54.16.430, and
6 80.28.365; and

7 (iii) Assumed use case forecasts and the associated energy
8 impacts. Electric utilities may, but are not required to, use the
9 forecasts generated by the mapping and forecasting tool created in
10 RCW 47.01.520. This subsection (1)(m)(iii) applies only to plans due
11 to be filed after September 1, 2023.

12 (2) (~~(For an investor-owned utility, the)~~) The clean energy
13 action plan must:

14 (a) Identify and be informed by the utility's (~~ten~~) 10-year
15 cost-effective conservation potential assessment as determined under
16 RCW 19.285.040, if applicable;

17 (b) (~~establish~~) Establish a resource adequacy requirement;

18 (c) (~~identify~~) Identify the potential cost-effective demand
19 response and load management programs that may be acquired;

20 (d) (~~identify~~) Identify renewable resources, nonemitting
21 electric generation, and distributed energy resources that may be
22 acquired and evaluate how each identified resource may be expected to
23 contribute to meeting the utility's resource adequacy requirement;

24 (e) (~~identify~~) Identify any need to develop new, or expand or
25 upgrade existing, bulk transmission and distribution facilities and
26 document existing and planned efforts by the utility to make more
27 effective use of existing transmission capacity and secure additional
28 transmission capacity consistent with the requirements of subsection
29 (1)(f) of this section; and

30 (f) (~~identify~~) Identify the nature and possible extent to which
31 the utility may need to rely on alternative compliance options under
32 RCW 19.405.040(1)(b), if appropriate.

33 (3)(a) An electric utility shall consider the social cost of
34 greenhouse gas emissions, as determined by the commission for
35 investor-owned utilities pursuant to RCW 80.28.405 and the department
36 for consumer-owned utilities, when developing integrated resource
37 plans and clean energy action plans. An electric utility must
38 incorporate the social cost of greenhouse gas emissions as a cost
39 adder when:

1 (i) Evaluating and selecting conservation policies, programs, and
2 targets;

3 (ii) Developing integrated resource plans and clean energy action
4 plans; and

5 (iii) Evaluating and selecting intermediate term and long-term
6 resource options.

7 (b) For the purposes of this subsection (3): (i) Gas consisting
8 largely of methane and other hydrocarbons derived from the
9 decomposition of organic material in landfills, wastewater treatment
10 facilities, and anaerobic digesters must be considered a nonemitting
11 resource; and (ii) qualified biomass energy must be considered a
12 nonemitting resource.

13 (4) To facilitate broad, equitable, and efficient implementation
14 of chapter 288, Laws of 2019, a consumer-owned energy utility may
15 enter into an agreement with a joint operating agency organized under
16 chapter 43.52 RCW or other nonprofit organization to develop and
17 implement a joint clean energy action plan in collaboration with
18 other utilities.

19 (5) All other utilities may elect to develop a full integrated
20 resource plan as set forth in subsection (1) of this section or, at a
21 minimum, shall develop a resource plan that:

22 (a) Estimates loads for the next five and (~~ten~~) 10 years;

23 (b) Enumerates the resources that will be maintained and/or
24 acquired to serve those loads;

25 (c) Explains why the resources in (b) of this subsection were
26 chosen and, if the resources chosen are not: (i) Renewable resources;
27 (ii) methods, commercially available technologies, or facilities for
28 integrating renewable resources, including addressing any
29 overgeneration event; or (iii) conservation and efficiency resources,
30 why such a decision was made;

31 (d) By December 31, 2020, and in every resource plan thereafter,
32 identifies how the utility plans over a (~~ten~~) 10-year period to
33 implement RCW 19.405.040 and 19.405.050; and

34 (e) Accounts for:

35 (i) Modeled load forecast scenarios that consider the anticipated
36 levels of zero emissions vehicle use in a utility's service area,
37 including anticipated levels of zero emissions vehicle use in the
38 utility's service area provided in RCW 47.01.520, if feasible;

39 (ii) Analysis, research, findings, recommendations, actions, and
40 any other relevant information found in the electrification of

1 transportation plans submitted under RCW 35.92.450, 54.16.430, and
2 80.28.365; and

3 (iii) Assumed use case forecasts and the associated energy
4 impacts. Electric utilities may, but are not required to, use the
5 forecasts generated by the mapping and forecasting tool created in
6 RCW 47.01.520. This subsection (5)(e)(iii) applies only to plans due
7 to be filed after September 1, 2023.

8 (6) Assessments for demand-side resources included in an
9 integrated resource plan may include combined heat and power systems
10 as one of the measures in a conservation supply curve. The value of
11 recoverable waste heat resulting from combined heat and power must be
12 reflected in analyses of cost-effectiveness under this subsection.

13 (7) An electric utility that is required to develop a resource
14 plan under this section must complete its initial plan by September
15 1, 2008.

16 (8) Plans developed under this section must be updated on a
17 regular basis, on intervals approved by the commission or the
18 department, or at a minimum on intervals of two years.

19 (9) Plans shall not be a basis to bring legal action against
20 electric utilities.

21 (10)(a) To maximize transparency, the commission, for investor-
22 owned utilities, or the governing body, for consumer-owned utilities,
23 may require an electric utility to make the utility's data input
24 files available in a native format. Each electric utility shall
25 publish its final plan either as part of an annual report or as a
26 separate document available to the public. The report may be in an
27 electronic form.

28 (b) Nothing in this subsection limits the protection of records
29 containing commercial information under RCW 80.04.095.

30 ~~((11) By December 31, 2021, the department and the commission
31 must adopt rules establishing the requirements for incorporating the
32 cumulative impact analysis developed under RCW 19.405.140 into the
33 criteria for developing clean energy action plans under this
34 section.))~~

35 NEW SECTION. **Sec. 3.** A new section is added to chapter 19.280
36 RCW to read as follows:

37 (1) Electric utilities must, in the selection and acquisition of
38 renewable resources, give reasonable consideration to, and may not
39 unreasonably exclude from consideration, resources that would use

1 transmission services considered to be conditional firm under the
2 tariff of the relevant transmission provider. For the purposes of
3 this section, conditional firm service means any form of long-term
4 firm point-to-point transmission service in which transmission
5 customers are able to reserve service subject to specific and limited
6 conditions under which the transmission provider may curtail the
7 transmission customer's reservation of service prior to curtailment
8 of other firm service.

9 (2) Electric utilities are encouraged to satisfy the transmission
10 planning requirements of RCW 19.280.030 through statewide or
11 multiutility planning activities and through interstate transmission
12 planning processes.

13 (3) Electric utilities must seek the support of federal,
14 interstate, and voluntary industry organizations with a role in the
15 bulk power transmission system, including but not limited to the
16 Bonneville power administration, the Pacific Northwest electric power
17 and conservation planning council, NorthernGrid, the Western Power
18 Pool, and public interest organizations in improving the planning and
19 development of transmission capacity consistent with this act.

20 **Sec. 4.** RCW 80.50.060 and 2022 c 183 s 6 are each amended to
21 read as follows:

22 (1)(a) The provisions of this chapter apply to the construction
23 of energy facilities which includes the new construction of energy
24 facilities and the reconstruction or enlargement of existing energy
25 facilities where the net increase in physical capacity or dimensions
26 resulting from such reconstruction or enlargement meets or exceeds
27 those capacities or dimensions set forth in RCW 80.50.020 (14) and
28 (29). No construction or reconstruction of such energy facilities may
29 be undertaken, except as otherwise provided in this chapter, without
30 first obtaining certification in the manner provided in this chapter.

31 (b) If applicants proposing the following types of facilities
32 choose to receive certification under this chapter, the provisions of
33 this chapter apply to the construction, reconstruction, or
34 enlargement of these new or existing facilities:

35 (i) Facilities that produce refined biofuel, but which are not
36 capable of producing 25,000 barrels or more per day;

37 (ii) Alternative energy resource facilities;

38 (iii) Electrical transmission facilities: (A) Of a nominal
39 voltage of at least 115,000 volts; and (B) located in more than one

1 jurisdiction that has promulgated land use plans or zoning
2 ordinances;

3 (iv) Clean energy product manufacturing facilities; and

4 (v) Storage facilities.

5 (c) All of the council's powers with regard to energy facilities
6 apply to all of the facilities in (b) of this subsection and these
7 facilities are subject to all provisions of this chapter that apply
8 to an energy facility.

9 (2) (a) The provisions of this chapter must apply to ~~((the))~~;

10 (i) The construction, reconstruction, or enlargement of new or
11 existing electrical transmission facilities: (A) Of a nominal voltage
12 of at least 500,000 volts alternating current or at least 300,000
13 volts direct current; (B) located in more than one county; and (C)
14 located in the Washington service area of more than one retail
15 electric utility; and

16 (ii) The construction, reconstruction, or modification of
17 electrical transmission facilities when the facilities are located in
18 a national interest electric transmission corridor as specified in
19 RCW 80.50.045.

20 (b) For the purposes of this subsection, "modification" means a
21 significant change to an electrical transmission facility and does
22 not include the following: (i) Minor improvements such as the
23 replacement of existing transmission line facilities or supporting
24 structures with equivalent facilities or structures; (ii) the
25 relocation of existing electrical transmission line facilities; (iii)
26 the conversion of existing overhead lines to underground; or (iv) the
27 placing of new or additional conductors, supporting structures,
28 insulators, or their accessories on or replacement of supporting
29 structures already built.

30 (3) The provisions of this chapter shall not apply to normal
31 maintenance and repairs which do not increase the capacity or
32 dimensions beyond those set forth in RCW 80.50.020 (14) and (29).

33 (4) Applications for certification of energy facilities made
34 prior to July 15, 1977, shall continue to be governed by the
35 applicable provisions of law in effect on the day immediately
36 preceding July 15, 1977, with the exceptions of RCW 80.50.071 which
37 shall apply to such prior applications and to site certifications
38 prospectively from July 15, 1977.

1 (5) Applications for certification shall be upon forms prescribed
2 by the council and shall be supported by such information and
3 technical studies as the council may require.

4 (6) Upon receipt of an application for certification under this
5 chapter, the chair of the council shall notify:

6 (a) The appropriate county legislative authority or authorities
7 where the proposed facility is located;

8 (b) The appropriate city legislative authority or authorities
9 where the proposed facility is located;

10 (c) The department of archaeology and historic preservation; and

11 (d) The appropriate federally recognized tribal governments that
12 may be affected by the proposed facility.

13 (7) The council must work with local governments where a project
14 is proposed to be sited in order to provide for meaningful
15 participation and input during siting review and compliance
16 monitoring.

17 (8) The council must consult with all federally recognized tribes
18 that possess resources, rights, or interests reserved or protected by
19 federal treaty, statute, or executive order in the area where an
20 energy facility is proposed to be located to provide early and
21 meaningful participation and input during siting review and
22 compliance monitoring. The chair and designated staff must offer to
23 conduct government-to-government consultation to address issues of
24 concern raised by such a tribe. The goal of the consultation process
25 is to identify tribal resources or rights potentially affected by the
26 proposed energy facility and to seek ways to avoid, minimize, or
27 mitigate any adverse effects on tribal resources or rights. The chair
28 must provide regular updates on the consultation to the council
29 throughout the application review process. The report from the
30 council to the governor required in RCW 80.50.100 must include a
31 summary of the government-to-government consultation process that
32 complies with RCW 42.56.300, including the issues and proposed
33 resolutions.

34 (9) The department of archaeology and historic preservation shall
35 coordinate with the affected federally recognized tribes and the
36 applicant in order to assess potential effects to tribal cultural
37 resources, archaeological sites, and sacred sites.

38 **Sec. 5.** RCW 80.50.045 and 2006 c 196 s 3 are each amended to
39 read as follows:

1 (1) The council shall consult with other state agencies,
2 utilities, local municipal governments, public interest groups,
3 tribes, and other interested persons to convey their views to the
4 secretary and the federal energy regulatory commission regarding
5 appropriate limits on federal regulatory authority in the siting of
6 electrical transmission corridors in the state of Washington.

7 (2) The council is designated as the state authority for purposes
8 of siting transmission facilities under (~~the national energy policy~~
9 ~~act of 2005~~) Title 16 U.S.C. Sec. 824p and for purposes of other
10 such rules or regulations adopted by the secretary. The council's
11 authority regarding transmission facilities under this subsection is
12 limited to those transmission facilities that are the subject of
13 (~~section 1221 of the national energy policy act~~) Title 16 U.S.C.
14 Sec. 824p and this chapter.

15 (3) For the construction and modification of transmission
16 facilities that are the subject of (~~section 1221 of the national~~
17 ~~energy policy act~~) Title 16 U.S.C. Sec. 824p, the council may: (a)
18 Approve the siting of the facilities; and (b) consider the interstate
19 benefits expected to be achieved by the proposed construction or
20 modification of the facilities in the state.

21 (4) When developing recommendations as to the disposition of an
22 application for the construction or modification of transmission
23 facilities under this chapter, the fuel source of the electricity
24 carried by the transmission facilities shall not be considered.

25 (5) For electrical transmission projects proposed or sited by a
26 federal agency, the director must coordinate state agency
27 participation in environmental review under the national
28 environmental policy act.

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