

SENATE BILL REPORT

SB 5401

As of February 3, 2025

Title: An act relating to wholesale power purchases by electric utilities under the Washington clean energy transformation act.

Brief Description: Concerning wholesale power purchases by electric utilities under the Washington clean energy transformation act.

Sponsors: Senators Slatter, Boehnke and Nobles.

Brief History:

Committee Activity: Environment, Energy & Technology: 2/04/25.

Brief Summary of Bill

- Extends the exemption for unspecified wholesale power purchases in specific circumstances under the Clean Energy Transformation Act.
- Exempts electricity purchased from Bonneville Power Administration(BPA) under a long-term power purchase agreement or exchange agreement from the definition of coal-fired resource, except for any portion of electricity that BPA knows to be from coal at the time of the transaction.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Staff: Kimberly Cushing (786-7421)

Background: Clean Energy Transformation Act. In 2019, the Legislature passed the Clean Energy Transformation Act (CETA), which requires Washington's electric utilities to meet 100 percent of their retail electric load using non-emitting and renewable resources by January 1, 2045. CETA requires electric utilities to eliminate coal-fired resources from their allocation of electricity by December 31, 2025, and make all retail sales of electricity

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.

greenhouse gas neutral by January 1, 2030.

Coal-Fired Resource. Under CETA, a coal-fired resource is a facility that uses coal-fired generating units, or that uses units fired in whole or in part by coal as a feedstock, to generate electricity. For the purposes of the coal-fired resource standard, coal-fired resource does not include:

- an electric generating facility that is subject to an obligation to meet the state's Greenhouse Gas Emissions Performance Standard; or
- an electric generation facility that is included as part of a limited duration wholesale power purchase, which is for less than one month; made by an electric utility for delivery to retail customers located in Washington; and for which the source of power is not known when procuring the electricity.

Summary of Bill: The definition of coal-fired resource under CETA is amended to extend the exemption for unspecified wholesale power purchases from one month to either:

- a contract duration not to exceed three months; or
- a purchase of system sales for a contract duration not to exceed six months, provided that the purchase is necessary to meet the electric utility's seasonal resource adequacy requirements under a regional resource adequacy program.

Coal-fired resource does not include electricity purchased from Bonneville Power Administration (BPA) under a long-term power purchase agreement or exchange agreement, except for any portion of electricity that BPA knows is generated by a coal-fired power plant when entering into a transaction.

The requirement that each electric utility eliminate coal-fired resources from their allocation of electricity does not prohibit an electric utility from purchasing or exchanging power from BPA.

Appropriation: None.

Fiscal Note: Available.

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

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