
SUBSTITUTE HOUSE BILL 1514

State of Washington

69th Legislature

2025 Regular Session

By House Environment & Energy (originally sponsored by Representatives Ramel, Berry, Doglio, Hunt, Reed, and Parshley)

READ FIRST TIME 02/10/25.

1 AN ACT Relating to encouraging the deployment of low carbon
2 thermal energy networks; amending RCW 80.04.010, 80.04.550,
3 80.28.005, 80.28.010, 80.28.020, 80.28.030, 80.28.040, 80.28.050,
4 80.28.060, 80.28.065, 80.28.068, 80.28.070, 80.28.075, 80.28.080,
5 80.28.090, 80.28.100, 80.28.120, 80.28.130, 80.28.160, 80.28.170,
6 80.28.240, 80.28.430, and 19.280.030; adding new sections to chapter
7 80.28 RCW; adding a new section to chapter 80.04 RCW; and adding a
8 new section to chapter 43.31 RCW.

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

10 **Sec. 1.** RCW 80.04.010 and 2024 c 348 s 1 are each amended to
11 read as follows:

12 The definitions in this section apply throughout this title
13 unless the context clearly requires otherwise.

14 (1) "Automatic location identification" means a system by which
15 information about a caller's location, including the seven-digit
16 number or ten-digit number used to place a 911 call or a different
17 seven-digit number or ten-digit number to which a return call can be
18 made from the public switched network, is forwarded to a public
19 safety answering point for display.

1 (2) "Automatic number identification" means a system that allows
2 for the automatic display of the seven-digit or ten-digit number used
3 to place a 911 call.

4 (3) "Battery charging facility" includes a "battery charging
5 station" and a "rapid charging station" as defined in RCW 82.08.816.

6 (4) "Cogeneration facility" means any machinery, equipment,
7 structure, process, or property, or any part thereof, installed or
8 acquired for the primary purpose of the sequential generation of
9 electrical or mechanical power and useful heat from the same primary
10 energy source or fuel.

11 (5) "Commission" means the utilities and transportation
12 commission.

13 (6) "Commissioner" means one of the members of such commission.

14 (7) "Competitive telecommunications company" means a
15 telecommunications company which has been classified as such by the
16 commission pursuant to RCW 80.36.320.

17 (8) "Competitive telecommunications service" means a service
18 which has been classified as such by the commission pursuant to RCW
19 80.36.330.

20 (9) "Corporation" includes a corporation, company, association or
21 joint stock association.

22 (10) "Department" means the department of health.

23 (11) "Electric plant" includes all real estate, fixtures and
24 personal property operated, owned, used or to be used for or in
25 connection with or to facilitate the generation, transmission,
26 distribution, sale or furnishing of electricity for light, heat, or
27 power for hire; and any conduits, ducts or other devices, materials,
28 apparatus or property for containing, holding or carrying conductors
29 used or to be used for the transmission of electricity for light,
30 heat or power.

31 (12)(a) "Electrical company" includes any corporation, company,
32 association, joint stock association, partnership and person, their
33 lessees, trustees or receivers appointed by any court whatsoever
34 (other than a railroad or street railroad company generating
35 electricity solely for railroad or street railroad purposes or for
36 the use of its tenants and not for sale to others), and every city or
37 town owning, operating or managing any electric plant for hire within
38 this state. An electrical company may own, operate, or manage any
39 thermal energy network within this state.

1 (b) "Electrical company" does not include a company or person
2 employing a cogeneration facility solely for the generation of
3 electricity for its own use or the use of its tenants or for sale to
4 an electrical company, state or local public agency, municipal
5 corporation, or quasi municipal corporation engaged in the sale or
6 distribution of electrical energy, but not for sale to others, unless
7 such company or person is otherwise an electrical company.

8 (13) "Facilities" means lines, conduits, ducts, poles, wires,
9 cables, cross-arms, receivers, transmitters, instruments, machines,
10 appliances, instrumentalities and all devices, real estate,
11 easements, apparatus, property and routes used, operated, owned or
12 controlled by any telecommunications company to facilitate the
13 provision of telecommunications service.

14 (14) "Gas company" includes every corporation, company,
15 association, joint stock association, partnership and person, their
16 lessees, trustees or receiver appointed by any court whatsoever, and
17 every city or town, owning, controlling, operating or managing any
18 gas plant within this state. A gas company may own, control, operate,
19 or manage any thermal energy network within this state.

20 (15) "Gas plant" includes all real estate, fixtures and personal
21 property, owned, leased, controlled, used or to be used for or in
22 connection with the transmission, distribution, sale or furnishing of
23 natural gas, or the manufacture, transmission, distribution, sale or
24 furnishing of other type gas, for light, heat or power.

25 (16) "LATA" means a local access transport area as defined by the
26 commission in conformance with applicable federal law.

27 (17) "Local exchange company" means a telecommunications company
28 providing local exchange telecommunications service.

29 (18) "Noncompetitive telecommunications service" means any
30 service which has not been classified as competitive by the
31 commission.

32 (19) "Person" includes an individual, a firm or partnership.

33 (20) "Private shared telecommunications services" includes the
34 provision of telecommunications and information management services
35 and equipment within a user group located in discrete private
36 premises in building complexes, campuses, or high-rise buildings, by
37 a commercial shared services provider or by a user association,
38 through privately owned customer premises equipment and associated
39 data processing and information management services and includes the

1 provision of connections to the facilities of a local exchange and to
2 interexchange telecommunications companies.

3 (21) "Private switch automatic location identification service"
4 means a service that enables automatic location identification to be
5 provided to a public safety answering point for 911 calls originating
6 from station lines served by a private switch system.

7 (22) (a) "Private telecommunications system" means a
8 telecommunications system controlled by a person or entity for the
9 sole and exclusive use of such person, entity, or affiliate thereof,
10 including the provision of private shared telecommunications services
11 by such person or entity.

12 (b) "Private telecommunications system" does not include a system
13 offered for hire, sale, or resale to the general public.

14 (23) "Public service company" includes every gas company,
15 electrical company, telecommunications company, wastewater company,
16 and water company. Ownership or operation of a cogeneration facility
17 does not, by itself, make a company or person a public service
18 company.

19 (24) "Radio communications service company" includes every
20 corporation, company, association, joint stock association,
21 partnership, and person, their lessees, trustees, or receivers
22 appointed by any court, and every city or town making available
23 facilities to provide radio communications service, radio paging, or
24 cellular communications service for hire, sale, or resale.

25 (25) "Service" is used in this title in its broadest and most
26 inclusive sense.

27 (26) "System of sewerage" means collection, treatment, and
28 disposal facilities and services for sewerage, or storm or surface
29 water runoff.

30 (27) "Telecommunications" is the transmission of information by
31 wire, radio, optical cable, electromagnetic, or other similar means.
32 As used in this definition, "information" means knowledge or
33 intelligence represented by any form of writing, signs, signals,
34 pictures, sounds, or any other symbols.

35 (28) "Telecommunications company" includes every corporation,
36 company, association, joint stock association, partnership and
37 person, their lessees, trustees or receivers appointed by any court
38 whatsoever, and every city or town owning, operating or managing any
39 facilities used to provide telecommunications for hire, sale, or
40 resale to the general public within this state.

1 (29) "Thermal energy" means piped noncombustible fluids used for
2 transferring heat into and out of buildings for the purpose of
3 either: (a) Eliminating any resultant on-site greenhouse gas
4 emissions of all types of heating and cooling processes including,
5 but not limited to, comfort heating and cooling, domestic hot water,
6 and refrigeration; (b) improving energy efficiency; or (c) both (a)
7 and (b) of this subsection.

8 (30) (a) "Thermal energy company" means any private person,
9 company, association, partnership, joint venture, or corporation
10 engaged in or proposing to engage in thermal energy services, and may
11 additionally engage in developing and producing thermal energy.

12 (b) A thermal energy company does not include any gas company,
13 electrical company, or public utility district that owns, controls,
14 operates, or manages a thermal energy network.

15 (c) A thermal energy company does not include a homeowners'
16 association providing service to units solely within its own
17 buildings.

18 (d) A thermal energy company does not include a company that
19 develops, produces, or provides thermal energy independently from the
20 company involved in the thermal energy distribution system.

21 (31) "Thermal energy network" means all real estate, fixtures,
22 and personal property operated, owned, used, or to be used for or in
23 connection with or to facilitate a utility-scale distribution
24 infrastructure project that supplies thermal energy. A thermal energy
25 network may not rely on combustion to create thermal energy, except
26 for emergency backup purposes.

27 ~~((31))~~ (32) "Thermal energy services" means transmitting,
28 distributing, delivering, furnishing, or selling to or for the public
29 thermal energy from a thermal energy system for any beneficial use
30 other than electricity generation and includes such ancillary
31 services as energy audits, metering, billing, maintenance, and
32 repairs related to thermal energy.

33 (33) "Thermal energy system" means any system that provides
34 thermal energy for space heating, space cooling, or process uses from
35 a central plant, distributed plant, or combined heat and power
36 facility, and that distributes the thermal energy to two or more
37 buildings through a network of pipes. A thermal energy system
38 includes, but is not limited to, a thermal energy network.

39 (34) (a) "Wastewater company" means a corporation, company,
40 association, joint stock association, partnership and person, their

1 lessees, trustees, or receivers that owns or proposes to develop and
2 own a system of sewerage that is designed for a peak flow of 27,000
3 to 100,000 gallons per day if treatment is by a large on-site
4 sewerage system, or to serve one hundred or more customers.

5 (b) For purposes of commission jurisdiction, wastewater company
6 does not include: (i) Municipal, county, or other publicly owned
7 systems of sewerage; or (ii) wastewater company service to customers
8 outside of an urban growth area as defined in RCW 36.70A.030.

9 ~~((32))~~ (35) (a) "Water company" includes every corporation,
10 company, association, joint stock association, partnership and
11 person, their lessees, trustees or receivers appointed by any court
12 whatsoever, and every city or town owning, controlling, operating, or
13 managing any water system for hire within this state.

14 (b) For purposes of commission jurisdiction, "water company" does
15 not include any water system serving less than 100 customers where
16 the average annual gross revenue per customer does not exceed \$300
17 per year, which revenue figure may be increased annually by the
18 commission by rule adopted pursuant to chapter 34.05 RCW to reflect
19 the rate of inflation as determined by the implicit price deflator of
20 the United States department of commerce. The measurement of
21 customers or revenues must include all portions of water companies
22 having common ownership or control, regardless of location or
23 corporate designation.

24 (c) "Control" is defined by the commission by rule and does not
25 include management by a satellite agency as defined in chapter
26 70A.100 RCW if the satellite agency is not an owner of the water
27 company.

28 (d) "Water company" also includes, for auditing purposes only,
29 nonmunicipal water systems which are referred to the commission
30 pursuant to an administrative order from the department, or the city
31 or county as provided in RCW 80.04.110.

32 (e) Water companies exempt from commission regulation are subject
33 to the provisions of chapter 19.86 RCW. A water company cannot be
34 removed from regulation except with the approval of the commission.
35 Water companies subject to regulation may petition the commission for
36 removal from regulation if the number of customers falls below 100 or
37 the average annual revenue per customer falls below \$300. The
38 commission is authorized to maintain continued regulation if it finds
39 that the public interest so requires.

1 (~~(33)~~) (36) "Water system" includes all real estate, easements,
2 fixtures, personal property, dams, dikes, head gates, weirs, canals,
3 reservoirs, flumes or other structures or appliances operated, owned,
4 used or to be used for or in connection with or to facilitate the
5 supply, storage, distribution, sale, furnishing, diversion, carriage,
6 apportionment or measurement of water for power, irrigation,
7 reclamation, manufacturing, municipal, domestic or other beneficial
8 uses for hire.

9 **Sec. 2.** RCW 80.04.550 and 2015 3rd sp.s. c 19 s 12 are each
10 amended to read as follows:

11 (1) It is the intent of the legislature to exempt from commission
12 regulation (~~(thermal energy services provided by)~~) thermal energy
13 companies in operation or under development before July 1, 2025, and
14 combined heat and power facilities that are not otherwise regulated
15 under this title. Nothing in this section shall prevent the
16 commission from issuing or enforcing any order affecting combined
17 heat and power facilities owned or operated by an electrical company
18 that are subsidized by a regulated service.

19 (2) Nothing in this title shall authorize the commission to make
20 or enforce any order affecting rates, tolls, rentals, contracts or
21 charges for service rendered, or the adequacy or sufficiency of the
22 facilities, equipment, instrumentalities, or buildings, or the
23 reasonableness of rules or regulations made, furnished, used,
24 supplied, or in force affecting any (~~thermal energy system owned and~~
25 ~~operated by any thermal energy company or by a combined heat and~~
26 ~~power facility engaged in thermal energy services.~~

27 ~~(3) For the purposes of this section:~~

28 ~~(a) "Thermal energy company" means any private person, company,~~
29 ~~association, partnership, joint venture, or corporation engaged in or~~
30 ~~proposing to engage in developing, producing, transmitting,~~
31 ~~distributing, delivering, furnishing, or selling to or for the public~~
32 ~~thermal energy services for any beneficial use other than electricity~~
33 ~~generation;~~

34 ~~(b) "Thermal energy system" means any system that provides~~
35 ~~thermal energy for space heating, space cooling, or process uses from~~
36 ~~a central plant or combined heat and power facility, and that~~
37 ~~distributes the thermal energy to two or more buildings through a~~
38 ~~network of pipes;~~

1 ~~(c) "Thermal energy" means heat or cold in the form of steam,~~
2 ~~heated or chilled water, or any other heated or chilled fluid or~~
3 ~~gaseous medium; and~~

4 ~~(d) "Thermal energy services" means the provision of thermal~~
5 ~~energy from a thermal energy system and includes such ancillary~~
6 ~~services as energy audits, metering, billing, maintenance, and~~
7 ~~repairs related to thermal energy):~~

8 (a) Thermal energy company operating a thermal energy system that
9 has less than five independent customers and less than 250
10 residential end users, unless the thermal energy company chooses to
11 opt-in to commission regulation by providing the commission with a
12 request to opt-in to regulation in writing.

13 (i) For the purposes of this section, "independent customer"
14 means a unique direct customer receiving thermal energy for one or
15 more buildings through one or more metered services.

16 (ii) For the purposes of this section, "residential end user"
17 means a household in a dwelling unit that is not a direct customer of
18 a thermal energy company but is located within a residential
19 multifamily building or residential portion of a mixed-use building
20 served by a thermal energy company.

21 (iii) If a thermal energy company's exempted thermal energy
22 system grows to have five or more independent customers and 250 or
23 more residential end users, the thermal energy company must submit
24 the thermal energy system to the commission in a general rate case
25 filing no later than 12 months after surpassing the exemption
26 threshold so the commission can set the rates and charges of the
27 thermal energy company;

28 (b) Thermal energy company owning and operating any thermal
29 energy system in operation before July 1, 2025, unless the thermal
30 energy company chooses to opt-in to commission regulation by
31 providing the commission with a request to opt-in to regulation in
32 writing;

33 (c) A combined heat and power facility engaged in thermal energy
34 services, unless such a facility chooses to opt-in to commission
35 regulation by providing the commission with a request to opt-in to
36 regulation in writing.

37 (3) A thermal energy company that chooses to opt-in to commission
38 regulation must remain under commission regulation and cannot
39 subsequently opt-out of commission regulation.

1 (4) A thermal energy company that owns a thermal energy system
2 that is under development but has not commenced operation as of July
3 1, 2025, is not subject to commission regulation if the thermal
4 energy company notifies the commission in writing of the company's
5 plans to operate the thermal energy system.

6 (5) The legislature finds that gas companies maintain their
7 priority for developing thermal energy network pilot projects as
8 provided in RCW 80.28.460.

9 **Sec. 3.** RCW 80.28.005 and 1994 c 268 s 1 are each amended to
10 read as follows:

11 Unless the context clearly requires otherwise, the definitions in
12 this section apply throughout this chapter.

13 (1) "Bondable conservation investment" means all expenditures
14 made by electrical, gas, or water companies with respect to energy or
15 water conservation measures and services intended to improve the
16 efficiency of electricity, gas, or water end use, including related
17 carrying costs if:

18 (a) The conservation measures and services do not produce assets
19 that would be bondable utility property under the general utility
20 mortgage of the electrical, gas, or water company;

21 (b) The commission has determined that the expenditures were
22 incurred in conformance with the terms and conditions of a
23 conservation service tariff in effect with the commission at the time
24 the costs were incurred, and at the time of such determination the
25 commission finds that the company has proven that the costs were
26 prudent, that the terms and conditions of the financing are
27 reasonable, and that financing under this chapter is more favorable
28 to the customer than other reasonably available alternatives;

29 (c) The commission has approved inclusion of the expenditures in
30 rate base and has not ordered that they be currently expensed; and

31 (d) The commission has not required that the measures demonstrate
32 that energy savings have persisted at a certain level for a certain
33 period before approving the cost of these investments as bondable
34 conservation investment.

35 (2) "Conservation bonds" means bonds, notes, certificates of
36 beneficial interests in trusts, or other evidences of indebtedness or
37 ownership that:

1 (a) The commission determines at or before the time of issuance
2 are issued to finance or refinance bondable conservation investment
3 by an electrical, gas or water company; and

4 (b) Rely partly or wholly for repayment on conservation
5 investment assets and revenues arising with respect thereto.

6 (3) "Conservation investment assets" means the statutory right of
7 an electrical, gas, or water company:

8 (a) To have included in rate base all of its bondable
9 conservation investment and related carrying costs; and

10 (b) To receive through rates revenues sufficient to recover the
11 bondable conservation investment and the costs of equity and debt
12 capital associated with it, including, without limitation, the
13 payment of principal, premium, if any, and interest on conservation
14 bonds.

15 (4) "Finance subsidiary" means any corporation, company,
16 association, joint stock association, or trust that is beneficially
17 owned, directly or indirectly, by an electrical, gas, or water
18 company, or in the case of a trust issuing conservation bonds
19 consisting of beneficial interests, for which an electrical, gas, or
20 water company or a subsidiary thereof is the grantor, or an
21 unaffiliated entity formed for the purpose of financing or
22 refinancing approved conservation investment, and that acquires
23 conservation investment assets directly or indirectly from such
24 company in a transaction approved by the commission.

25 (5) "Thermal energy" has the same definition as in RCW 80.04.010.

26 (6) "Thermal energy company" has the same definition as in RCW
27 80.04.010.

28 (7) "Thermal energy network" has the same definition as in RCW
29 80.04.010.

30 (8) "Thermal energy services" has the same definition as in RCW
31 80.04.010.

32 (9) "Thermal energy system" has the same definition as in RCW
33 80.04.010.

34 **Sec. 4.** RCW 80.28.010 and 2023 c 105 s 6 are each amended to
35 read as follows:

36 (1) All charges made, demanded or received by any gas company,
37 electrical company, wastewater company, ~~((~~o~~))~~ water company, or
38 thermal energy company for gas, electricity ~~((~~o~~))~~, water, or thermal
39 energy, or for any service rendered or to be rendered in connection

1 therewith, shall be just, fair, reasonable and sufficient. Reasonable
2 charges necessary to cover the cost of administering the collection
3 of voluntary donations for the purposes of supporting the development
4 and implementation of evergreen community management plans and
5 ordinances under RCW 80.28.300 must be deemed as prudent and
6 necessary for the operation of a utility.

7 (2) Every gas company, electrical company, wastewater company,
8 (~~and~~) water company, and thermal energy company shall furnish and
9 supply such service, instrumentalities and facilities as shall be
10 safe, adequate and efficient, and in all respects just and
11 reasonable.

12 (3) All rules and regulations issued by any gas company,
13 electrical company, wastewater company, (~~or~~) water company, or
14 thermal energy company, affecting or pertaining to the sale or
15 distribution of its product or service, must be just and reasonable.

16 (4) Utility service for residential space heating shall not be
17 terminated between November 15 through March 15 if the customer:

18 (a) Notifies the utility of the inability to pay the bill. This
19 notice should be provided within five business days of receiving a
20 payment overdue notice unless there are extenuating circumstances. If
21 the customer fails to notify the utility within five business days
22 and service is terminated, the customer can, by fulfilling the
23 requirements of this section, receive the protections of this
24 chapter;

25 (b) Provides self-certification of household income for the prior
26 twelve months to a grantee of the department of commerce, which
27 administers federally funded energy assistance programs. The grantee
28 shall determine that the household income does not exceed the maximum
29 allowed for eligibility under the state's plan for low-income energy
30 assistance under 42 U.S.C. 8624 and shall provide a dollar figure
31 that is seven percent of household income. The grantee may verify
32 information provided in the self-certification;

33 (c) Has applied for home heating assistance from applicable
34 government and private sector organizations and certifies that any
35 assistance received will be applied to the current bill and future
36 utility bills;

37 (d) Has applied for low-income weatherization assistance to the
38 utility or other appropriate agency if such assistance is available
39 for the dwelling;

1 (e) Agrees to a payment plan and agrees to maintain the payment
2 plan. The plan will be designed both to pay the past due bill by the
3 following October 15th and to pay for continued utility service. If
4 the past due bill is not paid by the following October 15, the
5 customer is not eligible for protections under this chapter until the
6 past due bill is paid. The plan may not require monthly payments in
7 excess of seven percent of the customer's monthly income plus one-
8 twelfth of any arrearage accrued from the date application is made
9 and thereafter during November 15 through March 15. A customer may
10 agree to pay a higher percentage during this period, but shall not be
11 in default unless payment during this period is less than seven
12 percent of monthly income plus one-twelfth of any arrearage accrued
13 from the date application is made and thereafter. If assistance
14 payments are received by the customer subsequent to implementation of
15 the plan, the customer shall contact the utility to reformulate the
16 plan; and

17 (f) Agrees to pay the moneys owed even if the customer moves.

18 (5) The utility shall:

19 (a) Include in any notice that an account is delinquent and that
20 service may be subject to termination, a description of the
21 customer's duties in this section;

22 (b) Assist the customer in fulfilling the requirements under this
23 section;

24 (c) Be authorized to transfer an account to a new residence when
25 a customer who has established a plan under this section moves from
26 one residence to another within the same utility service area;

27 (d) Be permitted to disconnect service if the customer fails to
28 honor the payment program except on the days indicated in subsection
29 (8) of this section. Utilities may continue to disconnect service for
30 those practices authorized by law other than for nonpayment as
31 provided for in this subsection. Customers who qualify for payment
32 plans under this section who default on their payment plans and are
33 disconnected can be reconnected and maintain the protections afforded
34 under this chapter by paying all amounts that would have been due and
35 owing under the terms of the applicable payment plan, absent default,
36 on the date on which service is reconnected; and

37 (e) Advise the customer in writing at the time it disconnects
38 service that it will restore service if the customer contacts the
39 utility and fulfills the other requirements of this section.

1 (6) A payment plan implemented under this section is consistent
2 with RCW 80.28.080.

3 (7) Every gas company (~~and~~), electrical company, and thermal
4 energy company shall offer residential customers the option of a
5 budget billing or equal payment plan. The budget billing or equal
6 payment plan shall be offered low-income customers eligible under the
7 state's plan for low-income energy assistance prepared in accordance
8 with 42 U.S.C. 8624(C)(1) without limiting availability to certain
9 months of the year, without regard to the length of time the customer
10 has occupied the premises, and without regard to whether the customer
11 is the tenant or owner of the premises occupied.

12 (8)(a) Every electrical company (~~and~~), water company, and
13 thermal energy company must have and must abide by the terms of a
14 tariff approved by the commission that prohibits the electrical
15 company (~~or~~), water company, or thermal energy company from
16 effecting, due to lack of payment, an involuntary termination of
17 electric (~~or~~), water, or thermal energy utility service to any
18 residential user, including tenants of metered apartment buildings
19 and residents of mobile homes, on any day for which the national
20 weather service has issued or has announced that it intends to issue
21 a heat-related alert, such as an excessive heat warning, a heat
22 advisory, an excessive heat watch, or a similar alert, for the area
23 in which the residential user's address is located.

24 (b) Nothing in this subsection (8) limits the authority of the
25 commission to prohibit an electrical company (~~or~~), water company,
26 or thermal energy company from terminating electric (~~or~~), water, or
27 thermal energy utility service in accordance with an approved tariff,
28 rule, or order, in circumstances independent of the weather.

29 (9)(a) A residential user at whose dwelling electric (~~or~~),
30 water, or thermal energy utility service has been disconnected for
31 lack of payment may request that the utility reconnect service on any
32 day for which the national weather service has issued or has
33 announced that it intends to issue a heat-related alert, such as an
34 excessive heat warning, a heat advisory, an excessive heat watch, or
35 a similar alert, for the area in which the residential user's address
36 is located. The utility shall, through a process approved by the
37 commission, inform all customers in the notice of disconnection of
38 the ability to seek reconnection and provide clear and specific
39 information on how to make that request, including how to contact the
40 utility.

1 (b) Upon receipt of a request made pursuant to (a) of this
2 subsection, the utility shall promptly make a reasonable attempt to
3 reconnect service to the dwelling. The utility, in connection with a
4 request made pursuant to (a) of this subsection, may require the
5 residential user to enter into a payment plan prior to reconnecting
6 service to the dwelling. If the utility requires the residential user
7 to enter into a repayment plan, the repayment plan must comply with
8 subsection (10) of this section.

9 (10) A repayment plan required by a utility pursuant to
10 subsection (9)(b) of this section will be designed both to pay the
11 past due bill by the following May 15th, or as soon as possible after
12 May 15th if needed to maintain monthly payments that are no greater
13 than six percent of the customer's monthly income, and to pay for
14 continued utility service. The plan may not require monthly payments
15 in excess of six percent of the customer's monthly income. A customer
16 may agree to pay a higher percentage during this period, but will not
17 be in default unless payment during this period is less than six
18 percent of the customer's monthly income. If assistance payments are
19 received by the customer subsequent to implementation of the plan,
20 the customer shall contact the utility to reformulate the plan.

21 (11) Every gas company, electrical company, wastewater company,
22 (~~and~~) water company, and thermal energy company shall construct and
23 maintain such facilities in connection with the manufacture and
24 distribution of its product, or provision of its services, as will be
25 efficient and safe to its employees and the public.

26 (12) An agreement between the customer and the utility, whether
27 oral or written, does not waive the protections afforded under this
28 chapter.

29 (13) In establishing rates or charges for water service, water
30 companies as defined in RCW 80.04.010 may consider the achievement of
31 water conservation goals and the discouragement of wasteful water use
32 practices.

33 (14) On an annual basis, each utility must submit a report to the
34 commission that includes the total number of electric (~~or~~) water
35 or thermal energy disconnections that occurred on each day for which
36 the national weather service issued, or announced that it intended to
37 issue, a heat-related alert.

38 **Sec. 5.** RCW 80.28.020 and 2011 c 214 s 12 are each amended to
39 read as follows:

1 Whenever the commission shall find, after a hearing had upon its
2 own motion, or upon complaint, that the rates or charges demanded,
3 exacted, charged or collected by any gas company, electrical company,
4 wastewater company, (~~(or)~~) water company, or thermal energy company,
5 for gas, electricity, wastewater company services, (~~(or)~~) water, or
6 thermal energy, or in connection therewith, or that the rules,
7 regulations, practices or contracts affecting such rates or charges
8 are unjust, unreasonable, unjustly discriminatory or unduly
9 preferential, or in any wise in violation of the provisions of the
10 law, or that such rates or charges are insufficient to yield a
11 reasonable compensation for the service rendered, the commission
12 shall determine the just, reasonable, or sufficient rates, charges,
13 regulations, practices or contracts to be thereafter observed and in
14 force, and shall fix the same by order.

15 **Sec. 6.** RCW 80.28.030 and 2021 c 65 s 96 are each amended to
16 read as follows:

17 (1) Whenever the commission finds, after such hearing, that the
18 illuminating or heating power, purity or pressure of gas, the
19 efficiency of electric lamp supply, the voltage of the current
20 supplied for light, heat or power, the quality of wastewater company
21 services, (~~(or)~~) the purity, quality, volume, and pressure of water,
22 or the quality or quantity of thermal energy, supplied by any gas
23 company, electrical company, wastewater company, (~~(or)~~) water
24 company, or thermal energy company, as the case may be, is
25 insufficient, impure, inadequate or inefficient, it shall order such
26 improvement in the manufacture, distribution or supply of gas, in the
27 manufacture, transmission or supply of electricity, in the operation
28 of the services and facilities of wastewater companies, or in the
29 storage, distribution or supply of water, or in the quality or
30 quantity of thermal energy, or in the methods employed by such gas
31 company, electrical company, wastewater company, (~~(or)~~) water
32 company, or thermal energy company, as will in its judgment be
33 efficient, adequate, just and reasonable. Failure of a water company
34 to comply with state board of health standards adopted under RCW
35 43.20.050(2)(a) or department standards adopted under chapter 70A.100
36 RCW for purity, volume, and pressure is prima facie evidence that the
37 water supplied is insufficient, impure, inadequate, or inefficient.
38 Failure of a wastewater company to comply with standards and permit
39 conditions adopted and implemented under chapter 70A.115 or 90.48 RCW

1 for treatment and disposal of sewerage, is prima facie evidence that
2 the system of sewerage is insufficient, inadequate, or inefficient.

3 (2) In ordering improvements in the storage, distribution, or
4 supply of water, the commission shall consult and coordinate with the
5 department of health. In the event that a water company fails to
6 comply with an order of the commission within the deadline specified
7 in the order, the commission may request that the department petition
8 the superior court of Thurston county to place the company in
9 receivership pursuant to chapter 7.60 RCW.

10 (3) In ordering improvements to the system of sewerage, the
11 commission shall consult and coordinate with the department of health
12 or the department of ecology, as appropriate to the agencies'
13 jurisdiction. In the event that a wastewater company fails to comply
14 with an order of the commission within the deadline specified in the
15 order, the commission may petition the superior court of Thurston
16 county to place the company in receivership pursuant to chapter 7.60
17 RCW.

18 **Sec. 7.** RCW 80.28.040 and 2011 c 214 s 14 are each amended to
19 read as follows:

20 (1) Whenever the commission finds, after hearing, that any rules,
21 regulations, measurements or the standard thereof, practices, acts or
22 services of any such gas company, electrical company, wastewater
23 company, (~~(or)~~) water company, or thermal energy company are unjust,
24 unreasonable, improper, insufficient, inefficient or inadequate, or
25 that any service which may be reasonably demanded is not furnished,
26 the commission shall fix the reasonable rules, regulations,
27 measurements or the standard thereof, practices, acts or service to
28 be thereafter furnished, imposed, observed and followed, and shall
29 fix the same by order or rule.

30 (2) In ordering improvements to the service of any water company,
31 the commission shall consult and coordinate with the department of
32 health. In the event that a water company fails to comply with an
33 order of the commission within the deadline specified in the order,
34 the commission may request that the department petition the superior
35 court of Thurston county to place the company in receivership
36 pursuant to chapter 7.60 RCW.

37 (3) In ordering improvements to the service of any system of
38 sewerage, the commission shall consult and coordinate with the
39 department of health or the department of ecology, as appropriate to

1 the agencies' jurisdiction. In the event that a wastewater company
2 fails to comply with an order of the commission within the deadline
3 specified in the order, the commission may petition the superior
4 court of Thurston county to place the company in receivership
5 pursuant to chapter 7.60 RCW.

6 **Sec. 8.** RCW 80.28.050 and 2011 c 214 s 15 are each amended to
7 read as follows:

8 Every gas company, electrical company, wastewater company,
9 ~~((and))~~ water company, and thermal energy company shall file with the
10 commission and shall print and keep open to public inspection
11 schedules in such form as the commission may prescribe, showing all
12 rates and charges made, established or enforced, or to be charged or
13 enforced, all forms of contract or agreement, all rules and
14 regulations relating to rates, charges or service, used or to be
15 used, and all general privileges and facilities granted or allowed by
16 such gas company, electrical company, wastewater company, ~~((or))~~
17 water company, or thermal energy company.

18 **Sec. 9.** RCW 80.28.060 and 2011 c 214 s 16 are each amended to
19 read as follows:

20 (1) Unless the commission otherwise orders, no change may be made
21 in any rate or charge or in any form of contract or agreement or in
22 any rule or regulation relating to any rate, charge or service, or in
23 any general privilege or facility which shall have been filed and
24 published by a gas company, electrical company, wastewater company,
25 ~~((or))~~ water company, or thermal energy company in compliance with
26 the requirements of RCW 80.28.050 except after thirty days' notice to
27 the commission and publication for thirty days, which notice must
28 plainly state the changes proposed to be made in the schedule then in
29 force and the time when the change will go into effect and all
30 proposed changes must be shown by printing, filing and publishing new
31 schedules, or shall be plainly indicated upon the schedules in force
32 at the time and kept open to public inspection. Proposed changes may
33 be suspended by the commission within thirty days or before the
34 stated effective date of the proposed change, whichever is later. The
35 commission, for good cause shown, may allow changes without requiring
36 the thirty days' notice by duly filing, in such manner as it may
37 direct, an order specifying the changes so to be made and the time
38 when it takes effect. All such changes must be immediately indicated

1 upon its schedules by the company affected. When any change is made
2 in any rate or charge, form of contract or agreement, or any rule or
3 regulation relating to any rate or charge or service, or in any
4 general privilege or facility, the effect of which is to increase any
5 rate or charge, then in existence, attention must be directed on the
6 copy filed with the commission to such increase by some character
7 immediately preceding or following the item in such schedule, such
8 character to be in form as designated by the commission.

9 (2) During a state of emergency declared under RCW 43.06.010(12),
10 the governor may waive or suspend the operation or enforcement of
11 this section or any portion of this section or under any
12 administrative rule, and issue any orders to facilitate the operation
13 of state or local government or to promote and secure the safety and
14 protection of the civilian population.

15 **Sec. 10.** RCW 80.28.065 and 1993 c 245 s 2 are each amended to
16 read as follows:

17 (1) Upon request by an electrical ((~~or~~)), gas, or thermal energy
18 company, the commission may approve a tariff schedule that contains
19 rates or charges for energy conservation measures, services, or
20 payments provided to individual property owners or customers. The
21 tariff schedule shall require the electrical ((~~or~~)), gas, or thermal
22 energy company to enter into an agreement with the property owner or
23 customer receiving services at the time the conservation measures,
24 services, or payments are initially provided. The tariff schedule may
25 allow for the payment of the rates or charges over a period of time
26 and for the application of the payment obligation to successive
27 property owners or customers at the premises where the conservation
28 measures or services were installed or performed or with respect to
29 which the conservation payments were made.

30 (2) The electrical ((~~or~~)), gas, or thermal energy company shall
31 record a notice of a payment obligation, containing a legal
32 description, resulting from an agreement under this section with the
33 county auditor or recording officer as provided in RCW 65.04.030.

34 (3) The commission may prescribe by rule other methods by which
35 an electrical ((~~or~~)), gas, or thermal energy company shall notify
36 property owners or customers of any such payment obligation.

37 **Sec. 11.** RCW 80.28.068 and 2021 c 188 s 3 are each amended to
38 read as follows:

1 (1) Upon its own motion, or upon request by an electrical ((~~☒~~)),
2 gas, or thermal energy company, or other party to a general rate case
3 hearing, or other proceeding to set rates, the commission may approve
4 rates, charges, services, and/or physical facilities at a discount,
5 or through grants, for low-income senior customers and low-income
6 customers. Expenses and lost revenues as a result of these discounts,
7 grants, or other low-income assistance programs shall be included in
8 the company's cost of service and recovered in rates to other
9 customers. Each gas ((~~☒~~)), electrical, or thermal energy company
10 must propose a low-income assistance program comprised of a discount
11 rate for low-income senior customers and low-income customers as well
12 as grants and other low-income assistance programs. The commission
13 shall approve, disapprove, or approve with modifications each gas
14 ((~~☒~~)), electrical, or thermal energy company's low-income assistance
15 discount rate and grant program. The gas ((~~☒~~)), electrical, or
16 thermal energy company must use reasonable and good faith efforts to
17 seek approval for low-income program design, eligibility, operation,
18 outreach, and funding proposals from its low-income and equity
19 advisory groups in advance of filing such proposals with the
20 commission. In order to remove barriers and to expedite assistance,
21 low-income discounts or grants approved under this section must be
22 provided in coordination with community-based organizations in the
23 gas ((~~☒~~)), electrical, or thermal energy company's service territory
24 including, but not limited to, grantees of the department of
25 commerce, community action agencies, and community-based nonprofit
26 organizations. Nothing in this section may be construed as limiting
27 the commission's authority to approve or modify tariffs authorizing
28 low-income discounts or grants.

29 (2) Eligibility for a low-income discount rate or grant
30 established in this section may be established upon verification of a
31 low-income customer's receipt of any means-tested public benefit, or
32 verification of eligibility for the low-income home energy assistance
33 program, or its successor program, for which eligibility does not
34 exceed the low-income definition set by the commission pursuant to
35 RCW 19.405.020. The public benefits may include, but are not limited
36 to, assistance that provides cash, housing, food, or medical care
37 including, but not limited to, temporary assistance for needy
38 families, supplemental security income, emergency assistance to
39 elders, disabled, and children, supplemental nutrition assistance
40 program benefits, public housing, federally subsidized or state-

1 subsidized housing, the low-income home energy assistance program,
2 veterans' benefits, and similar benefits.

3 (3) Each gas (~~(☞)~~), electrical, or thermal energy company shall
4 conduct substantial outreach efforts to make the low-income discounts
5 or grants available to eligible customers and must provide annual
6 reports to the commission as to the gas (~~(☞)~~), electrical, or
7 thermal energy company's outreach activities and results. Such
8 outreach: (a) Shall be made at least semiannually to inform customers
9 of available rebates, discounts, credits, and other cost-saving
10 mechanisms that can help them lower their monthly bills for gas
11 (~~(☞)~~), electrical, or thermal energy service; and (b) may be in the
12 form of any customary and usual methods of communication or
13 distribution including, without limitation, widely broadcast
14 communications with customers, direct mailing, telephone calls,
15 electronic communications, social media postings, in-person contacts,
16 websites of the gas (~~(☞)~~), electrical, or thermal energy company,
17 press releases, and print and electronic media, that are designed to
18 increase access to and participation in bill assistance programs.

19 (4) Outreach may include establishing an automated program of
20 matching customer accounts with lists of recipients of the means-
21 tested public benefit programs and, based on the results of the
22 matching program, to presumptively offer a low-income discount rate
23 or grant to eligible customers so identified. However, the gas
24 (~~(☞)~~), electrical, or thermal energy company must within 60 days of
25 the presumptive enrollment inform such a low-income customer of the
26 presumptive enrollment and all rights and obligations of a customer
27 under the program, including the right to withdraw from the program
28 without penalty.

29 (5) A residential customer eligible for a low-income discount
30 rate must receive the service on demand.

31 (6) A residential customer may not be charged for initiating or
32 terminating low-income discount rates, grants, or any other form of
33 energy assistance.

34 (7) The definitions in this subsection apply throughout this
35 section unless the context clearly requires otherwise.

36 (a) "Energy burden" has the same meaning as defined in
37 RCW 19.405.020.

38 (b) "Low-income" has the same meaning as defined in RCW
39 19.405.020.

1 (c) "Physical facilities" includes, but may not be limited to, a
2 community solar project as defined in RCW 80.28.370.

3 **Sec. 12.** RCW 80.28.070 and 1961 c 14 s 80.28.070 are each
4 amended to read as follows:

5 Nothing in this chapter shall be taken to prohibit a gas company,
6 electrical company ((~~or~~)), water company, or thermal energy company
7 from establishing a sliding scale of charges, whereby a greater
8 charge is made per unit for a lesser than a greater quantity for gas,
9 electricity ((~~or~~)), water, or thermal energy, or any service rendered
10 or to be rendered.

11 **Sec. 13.** RCW 80.28.075 and 1988 c 166 s 2 are each amended to
12 read as follows:

13 Upon request by a natural gas company ((~~or~~)), an electrical
14 company, or a thermal energy company, the commission may approve a
15 tariff that includes banded rates for any nonresidential natural gas
16 ((~~or~~)), electric, or thermal energy service that is subject to
17 effective competition from energy suppliers not regulated by the
18 utilities and transportation commission. "Banded rate" means a rate
19 that has a minimum and maximum rate. Rates may be changed within the
20 rate band upon such notice as the commission may order.

21 **Sec. 14.** RCW 80.28.080 and 2011 c 214 s 17 are each amended to
22 read as follows:

23 (1)(a) Except as provided otherwise in this subsection, no gas
24 company, electrical company, wastewater company, ((~~or~~)) water
25 company, or thermal energy company may charge, demand, collect or
26 receive a greater or less or different compensation for any service
27 rendered or to be rendered than the rates and charges applicable to
28 such service as specified in its schedule filed and in effect at the
29 time, nor may any such company directly or indirectly refund or remit
30 in any manner or by any device any portion of the rates or charges so
31 specified, or furnish its product at free or reduced rates except to
32 its employees and their families, and its officers, attorneys, and
33 agents; to hospitals, charitable and eleemosynary institutions and
34 persons engaged in charitable and eleemosynary work; to indigent and
35 destitute persons; to national homes or state homes for disabled
36 volunteer soldiers and soldiers' and sailors' homes.

37 For the purposes of this subsection (1):

1 (i) "Employees" includes furloughed, pensioned and superannuated
2 employees, persons who have become disabled or infirm in the service
3 of any such company; and

4 (ii) "Families" includes the families of those persons named in
5 this proviso, the families of persons killed or dying in the service,
6 also the families of persons killed, and the surviving spouse prior
7 to remarriage, and the minor children during minority of persons who
8 died while in the service of any of the companies named in this
9 subsection (1).

10 (b) Water companies may furnish free or at reduced rates water
11 for the use of the state, or for any project in which the state is
12 interested.

13 (c) Gas companies, electrical companies, wastewater companies,
14 (~~and~~) water companies, and thermal energy companies may charge the
15 defendant for treble damages awarded in lawsuits successfully
16 litigated under RCW 80.28.240.

17 (2) No gas company, electrical company, wastewater company,
18 (~~or~~) water company, or thermal energy company may extend to any
19 person or corporation any form of contract or agreement or any rule
20 or regulation or any privilege or facility except such as are
21 regularly and uniformly extended to all persons and corporations
22 under like circumstances.

23 **Sec. 15.** RCW 80.28.090 and 2011 c 214 s 18 are each amended to
24 read as follows:

25 No gas company, electrical company, wastewater company, (~~or~~)
26 water company, or thermal energy company may make or grant any undue
27 or unreasonable preference or advantage to any person, corporation,
28 or locality, or to any particular description of service in any
29 respect whatsoever, or subject any particular person, corporation or
30 locality or any particular description of service to any undue or
31 unreasonable prejudice or disadvantage in any respect whatsoever.

32 **Sec. 16.** RCW 80.28.100 and 2011 c 214 s 19 are each amended to
33 read as follows:

34 No gas company, electrical company, wastewater company, (~~or~~)
35 water company, or thermal energy company may, directly or indirectly,
36 or by any special rate, rebate, drawback or other device or method,
37 charge, demand, collect or receive from any person or corporation a
38 greater or less compensation for gas, electricity, wastewater company

1 services, ~~((or))~~ water, or thermal energy, or for any service
2 rendered or to be rendered, or in connection therewith, except as
3 authorized in this chapter, than it charges, demands, collects or
4 receives from any other person or corporation for doing a like or
5 contemporaneous service with respect thereto under the same or
6 substantially similar circumstances or conditions. If the commission
7 finds any instance of a thermal energy resource provider injecting
8 thermal energy into a thermal energy system that exceeds system needs
9 and creates system imbalance, the commission may issue rules to
10 address such an issue to ensure ratepayers are not charged for energy
11 that does not provide a benefit.

12 **Sec. 17.** RCW 80.28.120 and 2011 c 214 s 21 are each amended to
13 read as follows:

14 Every gas, water, wastewater, ~~((or))~~ electrical, or thermal
15 energy company owning, operating or managing a plant or system for
16 the distribution and sale of gas, water ~~((or))~~, electricity, or
17 thermal energy, or the provision of wastewater company services to
18 the public for hire is, and is held to be, a public service company
19 as to such plant or system and as to all gas, water, wastewater
20 company services, ~~((or))~~ electricity, or thermal energy distributed
21 or furnished therefrom, whether such gas, water, wastewater company
22 services, ~~((or))~~ electricity, or thermal energy be sold wholesale or
23 retail or be distributed wholly to the general public or in part as
24 surplus gas, water, wastewater company services, ~~((or))~~ electricity,
25 or thermal energy to manufacturing or industrial concerns or to other
26 public service companies or municipalities for redistribution.
27 Nothing in this title may be construed to prevent any gas company,
28 electrical company ~~((or))~~, water company, or thermal energy company
29 from continuing to furnish its product or the use of its lines,
30 equipment or service under any contract or contracts in force on June
31 7, 1911, at the rates fixed in such contract or contracts. However,
32 the commission has power, in its discretion, to direct by order that
33 such contract or contracts be terminated by the company party thereto
34 and thereupon such contract or contracts must be terminated by such
35 company as and when directed by such order.

36 **Sec. 18.** RCW 80.28.130 and 2024 c 351 s 15 are each amended to
37 read as follows:

1 Whenever the commission finds, after hearing had upon its own
2 motion or upon complaint, that repairs or improvements, to, or
3 changes in, any gas plant, electrical plant, system of sewerage,
4 (~~(or)~~) water system, or thermal energy system ought to be made, or
5 that any additions or extensions should reasonably be made thereto,
6 in order to promote the security or convenience of the public or
7 employees, or in order to secure adequate service or facilities for
8 manufacturing, distributing or supplying gas, electricity, wastewater
9 company services, (~~(or)~~) water, or thermal energy, the commission may
10 enter an order directing that such reasonable repairs, improvements,
11 changes, additions or extensions of such gas plant, electrical plant,
12 system of sewerage, (~~(or)~~) water system, or thermal energy system be
13 made. The commission may require a large combination utility as
14 defined in RCW 80.86.010 to incorporate any existing pipeline safety
15 and replacement plans under this section into an integrated system
16 plan established under RCW 80.86.020.

17 NEW SECTION. **Sec. 19.** A new section is added to chapter 80.28
18 RCW to read as follows:

19 The commission may appoint inspectors of thermal energy meters
20 who shall, when required by the commission, inspect, examine, prove,
21 and ascertain the accuracy of any and all thermal energy meters used
22 or intended to be used for measuring and ascertaining the quantity of
23 thermal energy, and inspect, examine, and ascertain the accuracy of
24 all apparatus for testing and proving the accuracy of thermal energy
25 meters, and when found to be or made to be correct, stamp or mark all
26 such meters and apparatus with some suitable device to be prescribed
27 by the commission. No public service company may furnish, set, or put
28 in use any thermal energy meters which have not been approved by the
29 commission.

30 **Sec. 20.** RCW 80.28.160 and 1961 c 14 s 80.28.160 are each
31 amended to read as follows:

32 Every gas company, electrical company (~~(and)~~), water company, and
33 thermal energy company shall prepare and maintain such suitable
34 premises, apparatus and facilities as may be required and approved by
35 the commission for testing and proving the accuracy of gas, electric
36 (~~(or)~~), water, or thermal energy meters furnished for use by it by
37 which apparatus every meter may be tested.

1 **Sec. 21.** RCW 80.28.170 and 1961 c 14 s 80.28.170 are each
2 amended to read as follows:

3 If any consumer to whom a meter has been furnished shall request
4 the commission in writing to inspect such meter, the commission shall
5 have the same inspected and tested, and if the same, on being so
6 tested, shall be found to be more than four percent if an electric
7 meter, (~~(or)~~) more than two percent if a gas meter, (~~(or)~~) more than
8 two percent if a water meter, or more than two percent if a thermal
9 energy meter, defective or incorrect to the prejudice of the
10 consumer, the expense of such inspection and test shall be borne by
11 the gas company, electrical company (~~(or)~~), water company, or thermal
12 energy company, and if the same, on being so tested shall be found to
13 be correct within the limits of error prescribed by the provisions of
14 this section, the expense of such inspection and test shall be borne
15 by the consumer.

16 **Sec. 22.** RCW 80.28.240 and 2011 c 214 s 24 are each amended to
17 read as follows:

18 (1) A utility may bring a civil action for damages against any
19 person who commits, authorizes, solicits, aids, abets, or attempts
20 to:

21 (a) Divert, or cause to be diverted, utility services by any
22 means whatsoever;

23 (b) Make, or cause to be made, any connection or reconnection
24 with property owned or used by the utility to provide utility service
25 without the authorization or consent of the utility;

26 (c) Prevent any utility meter or other device used in determining
27 the charge for utility services from accurately performing its
28 measuring function by tampering or by any other means;

29 (d) Tamper with any property owned or used by the utility to
30 provide utility services; or

31 (e) Use or receive the direct benefit of all or a portion of the
32 utility service with knowledge of, or reason to believe that, the
33 diversion, tampering, or unauthorized connection existed at the time
34 of the use or that the use or receipt was without the authorization
35 or consent of the utility.

36 (2) In any civil action brought under this section, the utility
37 may recover from the defendant as damages three times the amount of
38 actual damages, if any, plus the cost of the suit and reasonable
39 attorney's fees, plus the costs incurred on account of the bypassing,

1 tampering, or unauthorized reconnection, including but not limited to
2 costs and expenses for investigation, disconnection, reconnection,
3 service calls, and expert witnesses.

4 (3) Any damages recovered under this section in excess of the
5 actual damages sustained by the utility may be taken into account by
6 the utilities and transportation commission or other applicable rate-
7 making agency in establishing utility rates.

8 (4) As used in this section:

9 (a) "Customer" means the person in whose name a utility service
10 is provided;

11 (b) "Divert" means to change the intended course or path of
12 electricity, gas, ~~((or))~~ water, or thermal energy without the
13 authorization or consent of the utility;

14 (c) "Person" means any individual, partnership, firm,
15 association, or corporation or government agency;

16 (d) "Reconnection" means the commencement of utility service to a
17 customer or other person after service has been lawfully disconnected
18 by the utility;

19 (e) "Tamper" means to rearrange, injure, alter, interfere with,
20 or otherwise prevent from performing the normal or customary
21 function;

22 (f) "Utility" means any electrical company, gas company,
23 wastewater company, ~~((or))~~ water company, or thermal energy company,
24 as those terms are defined in RCW 80.04.010, and includes any
25 electrical, gas, system of sewerage, or water system operated by any
26 public agency; and

27 (g) "Utility service" means the provision of electricity, gas,
28 water, wastewater company services, thermal energy, or any other
29 service or commodity furnished by the utility for compensation.

30 **Sec. 23.** RCW 80.28.430 and 2021 c 188 s 4 are each amended to
31 read as follows:

32 (1) A gas company ~~((or))~~, electrical company, or thermal energy
33 company shall, upon request, enter into one or more written
34 agreements with organizations that represent broad customer interests
35 in regulatory proceedings conducted by the commission, subject to
36 commission approval in accordance with subsection (2) of this
37 section, including but not limited to organizations representing low-
38 income, commercial, and industrial customers, vulnerable populations,
39 or highly impacted communities. The agreement must govern the manner

1 in which financial assistance may be provided to the organization.
2 More than one gas company, electrical company, thermal energy
3 company, or organization representing customer interests may join in
4 a single agreement. Any agreement entered into under this section
5 must be approved, approved with modifications, or rejected by the
6 commission. The commission must consider whether the agreement is
7 consistent with a reasonable allocation of financial assistance
8 provided to organizations pursuant to this section among classes of
9 customers of the gas or electrical company.

10 (2) Before administering an agreement entered into under
11 subsection (1) of this section, the commission shall, by rule or
12 order, determine:

13 (a) The amount of financial assistance, if any, that may be
14 provided to any organization;

15 (b) The manner in which the financial assistance is distributed;

16 (c) The manner in which the financial assistance is recovered in
17 the rates of the gas company ((~~or~~)) electrical company, or thermal
18 energy company under subsection (3) of this section; and

19 (d) Other matters necessary to administer the agreement.

20 (3) The commission shall allow a gas company ((~~or~~)) electrical
21 company, or thermal energy company that provides financial assistance
22 under this section to recover the amounts provided in rates. The
23 commission shall allow a gas company ((~~or~~)) electrical company, or
24 thermal energy company to defer inclusion of those amounts in rates
25 if the gas company ((~~or~~)) electrical company, or thermal energy
26 company so elects. An agreement under this section may not provide
27 for payment of any amounts to the commission.

28 (4) Organizations representing vulnerable populations or highly
29 impacted communities must be prioritized for funding under this
30 section.

31 NEW SECTION. **Sec. 24.** A new section is added to chapter 80.28
32 RCW to read as follows:

33 (1) Upon its own motion, or upon request by an electrical company
34 or a thermal energy company, or other party to a general rate case
35 hearing, or other proceeding to set rates, the commission may
36 authorize an electrical company to provide discounted rates to a
37 company operating a thermal energy network in the electrical
38 company's service area.

1 (2) The commission may authorize an electrical company to provide
2 such discounted rates if the thermal energy network operates in a way
3 that allows the electrical company to deliver electricity more
4 efficiently than an electrical company's standard electric service,
5 including if the thermal energy network shifts load off of peak
6 demand.

7 (3) If the commission approves discounted rates as described in
8 this section, the commission must consider the benefits of reduced
9 input costs to operate thermal energy networks in future proceedings
10 to set rates for thermal energy networks.

11 **Sec. 25.** RCW 19.280.030 and 2024 c 351 s 9 are each amended to
12 read as follows:

13 Each electric utility must develop a plan consistent with this
14 section.

15 (1) Utilities with more than 25,000 customers that are not full
16 requirements customers must develop or update an integrated resource
17 plan by September 1, 2008. At a minimum, progress reports reflecting
18 changing conditions and the progress of the integrated resource plan
19 must be produced every two years thereafter. An updated integrated
20 resource plan must be developed at least every four years subsequent
21 to the 2008 integrated resource plan. The integrated resource plan,
22 at a minimum, must include:

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

26 (b) An assessment of commercially available conservation and
27 efficiency resources, as informed, as applicable, by the assessment
28 for conservation potential under RCW 19.285.040 for the planning
29 horizon consistent with (a) of this subsection. Such assessment may
30 include, as appropriate, opportunities for development of combined
31 heat and power as an energy and capacity resource, demand response
32 and load management programs, and currently employed and new policies
33 and programs needed to obtain the conservation and efficiency
34 resources;

35 (c) An assessment of commercially available, utility scale
36 renewable and nonrenewable generating technologies including a
37 comparison of the benefits and risks of purchasing power or building
38 new resources;

1 (d) A comparative evaluation of renewable and nonrenewable
2 generating resources, including transmission and distribution
3 delivery costs, and conservation and efficiency resources using
4 "lowest reasonable cost" as a criterion;

5 (e) An assessment of methods, commercially available
6 technologies, or facilities for integrating renewable resources,
7 including but not limited to battery storage and pumped storage, and
8 addressing overgeneration events, if applicable to the utility's
9 resource portfolio;

10 (f) An assessment and 20-year forecast of the availability of and
11 requirements for regional generation and transmission capacity to
12 provide and deliver electricity to the utility's customers and to
13 meet the requirements of chapter 288, Laws of 2019 and the state's
14 greenhouse gas emissions reduction limits in RCW 70A.45.020. The
15 transmission assessment must identify the utility's expected needs to
16 acquire new long-term firm rights, develop new, or expand or upgrade
17 existing, bulk transmission facilities consistent with the
18 requirements of this section and reliability standards;

19 (i) If an electric utility operates transmission assets rated at
20 115,000 volts or greater, the transmission assessment must take into
21 account opportunities to make more effective use of existing
22 transmission capacity through improved transmission system operating
23 practices, energy efficiency, demand response, grid modernization,
24 nonwires solutions, and other programs if applicable;

25 (ii) An electric utility that relies entirely or primarily on a
26 contract for transmission service to provide necessary transmission
27 services may comply with the transmission requirements of this
28 subsection by requesting that the counterparty to the transmission
29 service contract include the provisions of chapter 288, Laws of 2019
30 and chapter 70A.45 RCW as public policy mandates in the transmission
31 service provider's process for assessing transmission need, and
32 planning and acquiring necessary transmission capacity;

33 (iii) An electric utility may comply with the requirements of
34 this subsection (1)(f) by relying on and incorporating the results of
35 a separate transmission assessment process, conducted individually or
36 jointly with other utilities and transmission system users, if that
37 assessment process meets the requirements of this subsection;

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

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

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

7 (j) The integration of the demand forecasts, resource
8 evaluations, and resource adequacy requirement into a long-range
9 assessment describing the mix of supply side generating resources and
10 conservation and efficiency resources that will meet current and
11 projected needs, including mitigating overgeneration events and
12 implementing RCW 19.405.030 through 19.405.050, at the lowest
13 reasonable cost and risk to the utility and its customers, while
14 maintaining and protecting the safety, reliable operation, and
15 balancing of its electric system;

16 (k) An assessment, informed by the cumulative impact analysis
17 conducted under RCW 19.405.140, of: Energy and nonenergy benefits and
18 the avoidance and reductions of burdens to vulnerable populations and
19 highly impacted communities; long-term and short-term public health
20 and environmental benefits, costs, and risks; and energy security and
21 risk;

22 (l) A 10-year clean energy action plan for implementing RCW
23 19.405.030 through 19.405.050 at the lowest reasonable cost, and at
24 an acceptable resource adequacy standard, that identifies the
25 specific actions to be taken by the utility consistent with the
26 long-range integrated resource plan; ~~((and))~~

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

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

32 (ii) Analysis, research, findings, recommendations, actions, and
33 any other relevant information found in the electrification of
34 transportation plans submitted under RCW 35.92.450, 54.16.430, and
35 80.28.365; and

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

1 (n) An assessment of where and how to incorporate the
2 installation and operation of thermal energy networks into the
3 utility's service area. The assessment must include consulting with
4 any gas companies in the electric utility's service area on the
5 installation and operation of thermal energy networks, including the
6 location of thermal energy networks and how thermal energy networks
7 can be deployed. The utility must consider information from any
8 relevant maps of thermal energy resources developed through the grant
9 program in section 27 of this act or otherwise, to evaluate
10 opportunities to meet load growth with thermal energy networks; and

11 (o) A consideration of providing discounted rates to a company
12 operating a thermal energy network that is not owned by the utility
13 but is operating within the utility's service area if the thermal
14 energy network operates more efficiently than the utility's standard
15 electric service such that it offsets peak electric load demand.

16 (2) The clean energy action plan must:

17 (a) Identify and be informed by the utility's 10-year cost-
18 effective conservation potential assessment as determined under RCW
19 19.285.040, if applicable;

20 (b) Establish a resource adequacy requirement;

21 (c) Identify the potential cost-effective demand response and
22 load management programs that may be acquired;

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

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

33 (f) Identify the nature and possible extent to which the utility
34 may need to rely on alternative compliance options under RCW
35 19.405.040(1)(b), if appropriate.

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

1 utility must incorporate the social cost of greenhouse gas emissions
2 as a cost adder when:

3 (i) Evaluating and selecting conservation policies, programs, and
4 targets;

5 (ii) Developing integrated resource plans and clean energy action
6 plans; and

7 (iii) Evaluating and selecting intermediate term and long-term
8 resource options.

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

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

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

24 (a) Estimates loads for the next five and 10 years;

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

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

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

36 (e) Accounts for:

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

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

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

10 (f) Considers the value of thermal energy networks by including a
11 consideration of providing discounted rates to a company operating a
12 thermal energy network that is not owned by the utility but is
13 operating within the utility's service area if the thermal energy
14 network operates more efficiently than the utility's standard
15 electric service such that it offsets peak electric load demand.

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

21 (7) An electric utility that is required to develop a resource
22 plan under this section must complete its initial plan by September
23 1, 2008.

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

27 (9)(a) Plans shall not be a basis to bring legal action against
28 electric utilities. However, nothing in this subsection (9)(a) may be
29 construed as limiting the commission or any party from bringing any
30 action pursuant to Title 80 RCW, this chapter, or chapter 19.405 RCW
31 against any large combination utility related to an integrated system
32 plan submitted pursuant to RCW 80.86.020.

33 (b) The commission may approve, reject, or approve with
34 conditions, any integrated system plans submitted by a large
35 combination utility as defined in RCW 80.86.010.

36 (10)(a) To maximize transparency, the commission, for investor-
37 owned utilities, or the governing body, for consumer-owned utilities,
38 may require an electric utility to make the utility's data input
39 files available in a native format. Each electric utility shall
40 publish its final plan either as part of an annual report or as a

1 separate document available to the public. The report may be in an
2 electronic form.

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

5 (11) The commission may require a large combination utility as
6 defined in RCW 80.86.010 to incorporate the requirements of this
7 section into an integrated system plan established under RCW
8 80.86.020.

9 NEW SECTION. **Sec. 26.** A new section is added to chapter 80.04
10 RCW to read as follows:

11 The commission must follow the national and international
12 development of interoperability standards for thermal energy networks
13 and report to the appropriate committees of the legislature by
14 December 1, 2027, on the maturity and readiness for adoption of these
15 standards.

16 NEW SECTION. **Sec. 27.** A new section is added to chapter 43.31
17 RCW to read as follows:

18 (1) Subject to amounts appropriated for this specific purpose,
19 the department of commerce shall award grants to local governments
20 for the purpose of developing thermal energy networks as defined in
21 RCW 80.04.010.

22 (2) Specifically, grants may be awarded to local governments to:

23 (a) Map thermal energy resources; or

24 (b) Develop technical expertise to design, plan, or permit
25 thermal energy networks.

26 (3) Local governments may use these grants to pay for contracts
27 to assist with the purposes identified in this section.

28 NEW SECTION. **Sec. 28.** A new section is added to chapter 80.28
29 RCW to read as follows:

30 Consistent with RCW 80.04.160 and all relevant commission orders,
31 the commission must adopt rules to require each gas company to
32 incorporate a thermal energy network plan into the company's annual
33 filings with the commission.

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