
HOUSE BILL 1514

State of Washington

69th Legislature

2025 Regular Session

By Representatives Ramel, Berry, Doglio, Hunt, Reed, and Parshley

Read first time 01/22/25. Referred to Committee on Environment & Energy.

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 transmitting, distributing,
11 delivering, furnishing, or selling to or for the public thermal
12 energy for any beneficial use other than electricity generation, and
13 may additionally engage in developing and producing thermal energy.

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

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

20 (d) A thermal energy company does not include a company that
21 develops, produces, or provides thermal energy for a thermal energy
22 network independently from the company involved in the thermal energy
23 network distribution system.

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

30 (~~(31)~~) (32)(a) "Wastewater company" means a corporation,
31 company, association, joint stock association, partnership and
32 person, their lessees, trustees, or receivers that owns or proposes
33 to develop and own a system of sewerage that is designed for a peak
34 flow of 27,000 to 100,000 gallons per day if treatment is by a large
35 on-site sewerage system, or to serve one hundred or more customers.

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

1 (~~(32)~~) (33) (a) "Water company" includes every corporation,
2 company, association, joint stock association, partnership and
3 person, their lessees, trustees or receivers appointed by any court
4 whatsoever, and every city or town owning, controlling, operating, or
5 managing any water system for hire within this state.

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

16 (c) "Control" is defined by the commission by rule and does not
17 include management by a satellite agency as defined in chapter
18 70A.100 RCW if the satellite agency is not an owner of the water
19 company.

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

24 (e) Water companies exempt from commission regulation are subject
25 to the provisions of chapter 19.86 RCW. A water company cannot be
26 removed from regulation except with the approval of the commission.
27 Water companies subject to regulation may petition the commission for
28 removal from regulation if the number of customers falls below 100 or
29 the average annual revenue per customer falls below \$300. The
30 commission is authorized to maintain continued regulation if it finds
31 that the public interest so requires.

32 (~~(33)~~) (34) "Water system" includes all real estate, easements,
33 fixtures, personal property, dams, dikes, head gates, weirs, canals,
34 reservoirs, flumes or other structures or appliances operated, owned,
35 used or to be used for or in connection with or to facilitate the
36 supply, storage, distribution, sale, furnishing, diversion, carriage,
37 apportionment or measurement of water for power, irrigation,
38 reclamation, manufacturing, municipal, domestic or other beneficial
39 uses for hire.

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

3 (1) It is the intent of the legislature to exempt from commission
4 regulation (~~((thermal energy services provided by))~~) thermal energy
5 companies in operation or under development before July 1, 2025, and
6 combined heat and power facilities that are not otherwise regulated
7 under this title. Nothing in this section shall prevent the
8 commission from issuing or enforcing any order affecting combined
9 heat and power facilities owned or operated by an electrical company
10 that are subsidized by a regulated service.

11 (2) Nothing in this title shall authorize the commission to make
12 or enforce any order affecting rates, tolls, rentals, contracts or
13 charges for service rendered, or the adequacy or sufficiency of the
14 facilities, equipment, instrumentalities, or buildings, or the
15 reasonableness of rules or regulations made, furnished, used,
16 supplied, or in force affecting any (~~((thermal energy system owned and
17 operated by any thermal energy company or by a combined heat and
18 power facility engaged in thermal energy services.~~

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

20 ~~(a) "Thermal energy company" means any private person, company,
21 association, partnership, joint venture, or corporation engaged in or
22 proposing to engage in developing, producing, transmitting,
23 distributing, delivering, furnishing, or selling to or for the public
24 thermal energy services for any beneficial use other than electricity
25 generation;~~

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

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

34 ~~(d) "Thermal energy services" means the provision of thermal
35 energy from a thermal energy system and includes such ancillary
36 services as energy audits, metering, billing, maintenance, and
37 repairs related to thermal energy):~~

38 (a) Thermal energy company operating a thermal energy network
39 that has less than five independent customers and less than 250
40 residential end users.

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

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

9 (iii) If a thermal energy company's exempted thermal energy
10 network grows to have five or more independent customers and 250 or
11 more residential end users, the thermal energy company must submit
12 the thermal energy system to the commission in a general rate case
13 filing no later than 12 months after surpassing the exemption
14 threshold so the commission can set the rates and charges of the
15 thermal energy company;

16 (b) Thermal energy company owning and operating any thermal
17 energy network in operation before July 1, 2025, unless the thermal
18 energy company chooses to opt-in to commission regulation by
19 providing the commission with a request to opt-in to regulation in
20 writing;

21 (c) A combined heat and power facility engaged in thermal energy
22 services, unless such a facility chooses to opt-in to commission
23 regulation by providing the commission with a request to opt-in to
24 regulation in writing.

25 (3) A thermal energy company that chooses to opt-in to commission
26 regulation as described in subsection (2)(b) of this section must
27 remain under commission regulation and cannot subsequently opt-out of
28 commission regulation.

29 (4) A thermal energy company that owns a thermal energy network
30 that is under development but has not commenced operation as of July
31 1, 2025, is not subject to commission regulation if the thermal
32 energy company notifies the commission in writing of the company's
33 plans to operate the thermal energy network.

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

36 Unless the context clearly requires otherwise, the definitions in
37 this section apply throughout this chapter.

38 (1) "Bondable conservation investment" means all expenditures
39 made by electrical, gas, or water companies with respect to energy or

1 water conservation measures and services intended to improve the
2 efficiency of electricity, gas, or water end use, including related
3 carrying costs if:

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

7 (b) The commission has determined that the expenditures were
8 incurred in conformance with the terms and conditions of a
9 conservation service tariff in effect with the commission at the time
10 the costs were incurred, and at the time of such determination the
11 commission finds that the company has proven that the costs were
12 prudent, that the terms and conditions of the financing are
13 reasonable, and that financing under this chapter is more favorable
14 to the customer than other reasonably available alternatives;

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

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

21 (2) "Conservation bonds" means bonds, notes, certificates of
22 beneficial interests in trusts, or other evidences of indebtedness or
23 ownership that:

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

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

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

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

33 (b) To receive through rates revenues sufficient to recover the
34 bondable conservation investment and the costs of equity and debt
35 capital associated with it, including, without limitation, the
36 payment of principal, premium, if any, and interest on conservation
37 bonds.

38 (4) "Finance subsidiary" means any corporation, company,
39 association, joint stock association, or trust that is beneficially
40 owned, directly or indirectly, by an electrical, gas, or water

1 company, or in the case of a trust issuing conservation bonds
2 consisting of beneficial interests, for which an electrical, gas, or
3 water company or a subsidiary thereof is the grantor, or an
4 unaffiliated entity formed for the purpose of financing or
5 refinancing approved conservation investment, and that acquires
6 conservation investment assets directly or indirectly from such
7 company in a transaction approved by the commission.

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

9 (6) "Thermal energy company" has the same definition as in RCW
10 80.04.010.

11 (7) "Thermal energy network" has the same definition as in RCW
12 80.04.010.

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

15 (1) All charges made, demanded or received by any gas company,
16 electrical company, wastewater company, ~~((or))~~ water company, or
17 thermal energy company for gas, electricity ~~((or))~~, water, or thermal
18 energy, or for any service rendered or to be rendered in connection
19 therewith, shall be just, fair, reasonable and sufficient. Reasonable
20 charges necessary to cover the cost of administering the collection
21 of voluntary donations for the purposes of supporting the development
22 and implementation of evergreen community management plans and
23 ordinances under RCW 80.28.300 must be deemed as prudent and
24 necessary for the operation of a utility.

25 (2) Every gas company, electrical company, wastewater company,
26 ~~((and))~~ water company, and thermal energy company shall furnish and
27 supply such service, instrumentalities and facilities as shall be
28 safe, adequate and efficient, and in all respects just and
29 reasonable.

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

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

36 (a) Notifies the utility of the inability to pay the bill. This
37 notice should be provided within five business days of receiving a
38 payment overdue notice unless there are extenuating circumstances. If
39 the customer fails to notify the utility within five business days

1 and service is terminated, the customer can, by fulfilling the
2 requirements of this section, receive the protections of this
3 chapter;

4 (b) Provides self-certification of household income for the prior
5 twelve months to a grantee of the department of commerce, which
6 administers federally funded energy assistance programs. The grantee
7 shall determine that the household income does not exceed the maximum
8 allowed for eligibility under the state's plan for low-income energy
9 assistance under 42 U.S.C. 8624 and shall provide a dollar figure
10 that is seven percent of household income. The grantee may verify
11 information provided in the self-certification;

12 (c) Has applied for home heating assistance from applicable
13 government and private sector organizations and certifies that any
14 assistance received will be applied to the current bill and future
15 utility bills;

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

19 (e) Agrees to a payment plan and agrees to maintain the payment
20 plan. The plan will be designed both to pay the past due bill by the
21 following October 15th and to pay for continued utility service. If
22 the past due bill is not paid by the following October 15, the
23 customer is not eligible for protections under this chapter until the
24 past due bill is paid. The plan may not require monthly payments in
25 excess of seven percent of the customer's monthly income plus one-
26 twelfth of any arrearage accrued from the date application is made
27 and thereafter during November 15 through March 15. A customer may
28 agree to pay a higher percentage during this period, but shall not be
29 in default unless payment during this period is less than seven
30 percent of monthly income plus one-twelfth of any arrearage accrued
31 from the date application is made and thereafter. If assistance
32 payments are received by the customer subsequent to implementation of
33 the plan, the customer shall contact the utility to reformulate the
34 plan; and

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

36 (5) The utility shall:

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

1 (b) Assist the customer in fulfilling the requirements under this
2 section;

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

6 (d) Be permitted to disconnect service if the customer fails to
7 honor the payment program except on the days indicated in subsection
8 (8) of this section. Utilities may continue to disconnect service for
9 those practices authorized by law other than for nonpayment as
10 provided for in this subsection. Customers who qualify for payment
11 plans under this section who default on their payment plans and are
12 disconnected can be reconnected and maintain the protections afforded
13 under this chapter by paying all amounts that would have been due and
14 owing under the terms of the applicable payment plan, absent default,
15 on the date on which service is reconnected; and

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

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

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

30 (8)(a) Every electrical company (~~and~~), water company, and
31 thermal energy company must have and must abide by the terms of a
32 tariff approved by the commission that prohibits the electrical
33 company (~~or~~), water company, or thermal energy company from
34 effecting, due to lack of payment, an involuntary termination of
35 electric (~~or~~), water, or thermal energy utility service to any
36 residential user, including tenants of metered apartment buildings
37 and residents of mobile homes, on any day for which the national
38 weather service has issued or has announced that it intends to issue
39 a heat-related alert, such as an excessive heat warning, a heat

1 advisory, an excessive heat watch, or a similar alert, for the area
2 in which the residential user's address is located.

3 (b) Nothing in this subsection (8) limits the authority of the
4 commission to prohibit an electrical company ((~~☒~~)), water company,
5 or thermal energy company from terminating electric ((~~☒~~)), water, or
6 thermal energy utility service in accordance with an approved tariff,
7 rule, or order, in circumstances independent of the weather.

8 (9)(a) A residential user at whose dwelling electric ((~~☒~~)),
9 water, or thermal energy utility service has been disconnected for
10 lack of payment may request that the utility reconnect service on any
11 day for which the national weather service has issued or has
12 announced that it intends to issue a heat-related alert, such as an
13 excessive heat warning, a heat advisory, an excessive heat watch, or
14 a similar alert, for the area in which the residential user's address
15 is located. The utility shall, through a process approved by the
16 commission, inform all customers in the notice of disconnection of
17 the ability to seek reconnection and provide clear and specific
18 information on how to make that request, including how to contact the
19 utility.

20 (b) Upon receipt of a request made pursuant to (a) of this
21 subsection, the utility shall promptly make a reasonable attempt to
22 reconnect service to the dwelling. The utility, in connection with a
23 request made pursuant to (a) of this subsection, may require the
24 residential user to enter into a payment plan prior to reconnecting
25 service to the dwelling. If the utility requires the residential user
26 to enter into a repayment plan, the repayment plan must comply with
27 subsection (10) of this section.

28 (10) A repayment plan required by a utility pursuant to
29 subsection (9)(b) of this section will be designed both to pay the
30 past due bill by the following May 15th, or as soon as possible after
31 May 15th if needed to maintain monthly payments that are no greater
32 than six percent of the customer's monthly income, and to pay for
33 continued utility service. The plan may not require monthly payments
34 in excess of six percent of the customer's monthly income. A customer
35 may agree to pay a higher percentage during this period, but will not
36 be in default unless payment during this period is less than six
37 percent of the customer's monthly income. If assistance payments are
38 received by the customer subsequent to implementation of the plan,
39 the customer shall contact the utility to reformulate the plan.

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

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

9 (13) In establishing rates or charges for water service, water
10 companies as defined in RCW 80.04.010 may consider the achievement of
11 water conservation goals and the discouragement of wasteful water use
12 practices.

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

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

20 Whenever the commission shall find, after a hearing had upon its
21 own motion, or upon complaint, that the rates or charges demanded,
22 exacted, charged or collected by any gas company, electrical company,
23 wastewater company, (~~or~~) water company, or thermal energy company,
24 for gas, electricity, wastewater company services, (~~or~~) water, or
25 thermal energy, or in connection therewith, or that the rules,
26 regulations, practices or contracts affecting such rates or charges
27 are unjust, unreasonable, unjustly discriminatory or unduly
28 preferential, or in any wise in violation of the provisions of the
29 law, or that such rates or charges are insufficient to yield a
30 reasonable compensation for the service rendered, the commission
31 shall determine the just, reasonable, or sufficient rates, charges,
32 regulations, practices or contracts to be thereafter observed and in
33 force, and shall fix the same by order.

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

36 (1) Whenever the commission finds, after such hearing, that the
37 illuminating or heating power, purity or pressure of gas, the
38 efficiency of electric lamp supply, the voltage of the current

1 supplied for light, heat or power, the quality of wastewater company
2 services, ((~~or~~)) the purity, quality, volume, and pressure of water,
3 or the quality or quantity of thermal energy, supplied by any gas
4 company, electrical company, wastewater company, ((~~or~~)) water
5 company, or thermal energy company, as the case may be, is
6 insufficient, impure, inadequate or inefficient, it shall order such
7 improvement in the manufacture, distribution or supply of gas, in the
8 manufacture, transmission or supply of electricity, in the operation
9 of the services and facilities of wastewater companies, or in the
10 storage, distribution or supply of water, or in the quality or
11 quantity of thermal energy, or in the methods employed by such gas
12 company, electrical company, wastewater company, ((~~or~~)) water
13 company, or thermal energy company, as will in its judgment be
14 efficient, adequate, just and reasonable. Failure of a water company
15 to comply with state board of health standards adopted under RCW
16 43.20.050(2)(a) or department standards adopted under chapter 70A.100
17 RCW for purity, volume, and pressure is prima facie evidence that the
18 water supplied is insufficient, impure, inadequate, or inefficient.
19 Failure of a wastewater company to comply with standards and permit
20 conditions adopted and implemented under chapter 70A.115 or 90.48 RCW
21 for treatment and disposal of sewerage, is prima facie evidence that
22 the system of sewerage is insufficient, inadequate, or inefficient.

23 (2) In ordering improvements in the storage, distribution, or
24 supply of water, the commission shall consult and coordinate with the
25 department of health. In the event that a water company fails to
26 comply with an order of the commission within the deadline specified
27 in the order, the commission may request that the department petition
28 the superior court of Thurston county to place the company in
29 receivership pursuant to chapter 7.60 RCW.

30 (3) In ordering improvements to the system of sewerage, the
31 commission shall consult and coordinate with the department of health
32 or the department of ecology, as appropriate to the agencies'
33 jurisdiction. In the event that a wastewater company fails to comply
34 with an order of the commission within the deadline specified in the
35 order, the commission may petition the superior court of Thurston
36 county to place the company in receivership pursuant to chapter 7.60
37 RCW.

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

1 (1) Whenever the commission finds, after hearing, that any rules,
2 regulations, measurements or the standard thereof, practices, acts or
3 services of any such gas company, electrical company, wastewater
4 company, ~~((and))~~ water company, or thermal energy company are unjust,
5 unreasonable, improper, insufficient, inefficient or inadequate, or
6 that any service which may be reasonably demanded is not furnished,
7 the commission shall fix the reasonable rules, regulations,
8 measurements or the standard thereof, practices, acts or service to
9 be thereafter furnished, imposed, observed and followed, and shall
10 fix the same by order or rule.

11 (2) In ordering improvements to the service of any water company,
12 the commission shall consult and coordinate with the department of
13 health. In the event that a water company fails to comply with an
14 order of the commission within the deadline specified in the order,
15 the commission may request that the department petition the superior
16 court of Thurston county to place the company in receivership
17 pursuant to chapter 7.60 RCW.

18 (3) In ordering improvements to the service of any system of
19 sewerage, the commission shall consult and coordinate with the
20 department of health or the department of ecology, as appropriate to
21 the agencies' jurisdiction. In the event that a wastewater company
22 fails to comply with an order of the commission within the deadline
23 specified in the order, the commission may petition the superior
24 court of Thurston county to place the company in receivership
25 pursuant to chapter 7.60 RCW.

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

28 Every gas company, electrical company, wastewater company,
29 ~~((and))~~ water company, and thermal energy company shall file with the
30 commission and shall print and keep open to public inspection
31 schedules in such form as the commission may prescribe, showing all
32 rates and charges made, established or enforced, or to be charged or
33 enforced, all forms of contract or agreement, all rules and
34 regulations relating to rates, charges or service, used or to be
35 used, and all general privileges and facilities granted or allowed by
36 such gas company, electrical company, wastewater company, ~~((and))~~
37 water company, or thermal energy company.

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

3 (1) Unless the commission otherwise orders, no change may be made
4 in any rate or charge or in any form of contract or agreement or in
5 any rule or regulation relating to any rate, charge or service, or in
6 any general privilege or facility which shall have been filed and
7 published by a gas company, electrical company, wastewater company,
8 (~~(or)~~) water company, or thermal energy company in compliance with
9 the requirements of RCW 80.28.050 except after thirty days' notice to
10 the commission and publication for thirty days, which notice must
11 plainly state the changes proposed to be made in the schedule then in
12 force and the time when the change will go into effect and all
13 proposed changes must be shown by printing, filing and publishing new
14 schedules, or shall be plainly indicated upon the schedules in force
15 at the time and kept open to public inspection. Proposed changes may
16 be suspended by the commission within thirty days or before the
17 stated effective date of the proposed change, whichever is later. The
18 commission, for good cause shown, may allow changes without requiring
19 the thirty days' notice by duly filing, in such manner as it may
20 direct, an order specifying the changes so to be made and the time
21 when it takes effect. All such changes must be immediately indicated
22 upon its schedules by the company affected. When any change is made
23 in any rate or charge, form of contract or agreement, or any rule or
24 regulation relating to any rate or charge or service, or in any
25 general privilege or facility, the effect of which is to increase any
26 rate or charge, then in existence, attention must be directed on the
27 copy filed with the commission to such increase by some character
28 immediately preceding or following the item in such schedule, such
29 character to be in form as designated by the commission.

30 (2) During a state of emergency declared under RCW 43.06.010(12),
31 the governor may waive or suspend the operation or enforcement of
32 this section or any portion of this section or under any
33 administrative rule, and issue any orders to facilitate the operation
34 of state or local government or to promote and secure the safety and
35 protection of the civilian population.

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

38 (1) Upon request by an electrical (~~(or)~~), gas, or thermal energy
39 company, the commission may approve a tariff schedule that contains

1 rates or charges for energy conservation measures, services, or
2 payments provided to individual property owners or customers. The
3 tariff schedule shall require the electrical ((~~or~~)), gas, or thermal
4 energy company to enter into an agreement with the property owner or
5 customer receiving services at the time the conservation measures,
6 services, or payments are initially provided. The tariff schedule may
7 allow for the payment of the rates or charges over a period of time
8 and for the application of the payment obligation to successive
9 property owners or customers at the premises where the conservation
10 measures or services were installed or performed or with respect to
11 which the conservation payments were made.

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

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

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

21 (1) Upon its own motion, or upon request by an electrical ((~~or~~)),
22 gas, or thermal energy company, or other party to a general rate case
23 hearing, or other proceeding to set rates, the commission may approve
24 rates, charges, services, and/or physical facilities at a discount,
25 or through grants, for low-income senior customers and low-income
26 customers. Expenses and lost revenues as a result of these discounts,
27 grants, or other low-income assistance programs shall be included in
28 the company's cost of service and recovered in rates to other
29 customers. Each gas ((~~or~~)), electrical, or thermal energy company
30 must propose a low-income assistance program comprised of a discount
31 rate for low-income senior customers and low-income customers as well
32 as grants and other low-income assistance programs. The commission
33 shall approve, disapprove, or approve with modifications each gas
34 ((~~or~~)), electrical, or thermal energy company's low-income assistance
35 discount rate and grant program. The gas ((~~or~~)), electrical, or
36 thermal energy company must use reasonable and good faith efforts to
37 seek approval for low-income program design, eligibility, operation,
38 outreach, and funding proposals from its low-income and equity
39 advisory groups in advance of filing such proposals with the

1 commission. In order to remove barriers and to expedite assistance,
2 low-income discounts or grants approved under this section must be
3 provided in coordination with community-based organizations in the
4 gas ~~((~~☞~~))~~, electrical, or thermal energy company's service territory
5 including, but not limited to, grantees of the department of
6 commerce, community action agencies, and community-based nonprofit
7 organizations. Nothing in this section may be construed as limiting
8 the commission's authority to approve or modify tariffs authorizing
9 low-income discounts or grants.

10 (2) Eligibility for a low-income discount rate or grant
11 established in this section may be established upon verification of a
12 low-income customer's receipt of any means-tested public benefit, or
13 verification of eligibility for the low-income home energy assistance
14 program, or its successor program, for which eligibility does not
15 exceed the low-income definition set by the commission pursuant to
16 RCW 19.405.020. The public benefits may include, but are not limited
17 to, assistance that provides cash, housing, food, or medical care
18 including, but not limited to, temporary assistance for needy
19 families, supplemental security income, emergency assistance to
20 elders, disabled, and children, supplemental nutrition assistance
21 program benefits, public housing, federally subsidized or state-
22 subsidized housing, the low-income home energy assistance program,
23 veterans' benefits, and similar benefits.

24 (3) Each gas ~~((~~☞~~))~~, electrical, or thermal energy company shall
25 conduct substantial outreach efforts to make the low-income discounts
26 or grants available to eligible customers and must provide annual
27 reports to the commission as to the gas ~~((~~☞~~))~~, electrical, or
28 thermal energy company's outreach activities and results. Such
29 outreach: (a) Shall be made at least semiannually to inform customers
30 of available rebates, discounts, credits, and other cost-saving
31 mechanisms that can help them lower their monthly bills for gas
32 ~~((~~☞~~))~~, electrical, or thermal energy service; and (b) may be in the
33 form of any customary and usual methods of communication or
34 distribution including, without limitation, widely broadcast
35 communications with customers, direct mailing, telephone calls,
36 electronic communications, social media postings, in-person contacts,
37 websites of the gas ~~((~~☞~~))~~, electrical, or thermal energy company,
38 press releases, and print and electronic media, that are designed to
39 increase access to and participation in bill assistance programs.

1 (4) Outreach may include establishing an automated program of
2 matching customer accounts with lists of recipients of the means-
3 tested public benefit programs and, based on the results of the
4 matching program, to presumptively offer a low-income discount rate
5 or grant to eligible customers so identified. However, the gas
6 (~~or~~), electrical, or thermal energy company must within 60 days of
7 the presumptive enrollment inform such a low-income customer of the
8 presumptive enrollment and all rights and obligations of a customer
9 under the program, including the right to withdraw from the program
10 without penalty.

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

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

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

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

20 (b) "Low-income" has the same meaning as defined in RCW
21 19.405.020.

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

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

26 Nothing in this chapter shall be taken to prohibit a gas company,
27 electrical company (~~or~~), water company, or thermal energy company
28 from establishing a sliding scale of charges, whereby a greater
29 charge is made per unit for a lesser than a greater quantity for gas,
30 electricity (~~or~~), water, or thermal energy, or any service rendered
31 or to be rendered.

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

34 Upon request by a natural gas company (~~or~~), an electrical
35 company, or a thermal energy company, the commission may approve a
36 tariff that includes banded rates for any nonresidential natural gas
37 (~~or~~), electric, or thermal energy service that is subject to
38 effective competition from energy suppliers not regulated by the

1 utilities and transportation commission. "Banded rate" means a rate
2 that has a minimum and maximum rate. Rates may be changed within the
3 rate band upon such notice as the commission may order.

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

6 (1)(a) Except as provided otherwise in this subsection, no gas
7 company, electrical company, wastewater company, ~~((and))~~ water
8 company, or thermal energy company may charge, demand, collect or
9 receive a greater or less or different compensation for any service
10 rendered or to be rendered than the rates and charges applicable to
11 such service as specified in its schedule filed and in effect at the
12 time, nor may any such company directly or indirectly refund or remit
13 in any manner or by any device any portion of the rates or charges so
14 specified, or furnish its product at free or reduced rates except to
15 its employees and their families, and its officers, attorneys, and
16 agents; to hospitals, charitable and eleemosynary institutions and
17 persons engaged in charitable and eleemosynary work; to indigent and
18 destitute persons; to national homes or state homes for disabled
19 volunteer soldiers and soldiers' and sailors' homes.

20 For the purposes of this subsection (1):

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

24 (ii) "Families" includes the families of those persons named in
25 this proviso, the families of persons killed or dying in the service,
26 also the families of persons killed, and the surviving spouse prior
27 to remarriage, and the minor children during minority of persons who
28 died while in the service of any of the companies named in this
29 subsection (1).

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

33 (c) Gas companies, electrical companies, wastewater companies,
34 ~~((and))~~ water companies, and thermal energy companies may charge the
35 defendant for treble damages awarded in lawsuits successfully
36 litigated under RCW 80.28.240.

37 (2) No gas company, electrical company, wastewater company,
38 ~~((and))~~ water company, or thermal energy company may extend to any
39 person or corporation any form of contract or agreement or any rule

1 or regulation or any privilege or facility except such as are
2 regularly and uniformly extended to all persons and corporations
3 under like circumstances.

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

6 No gas company, electrical company, wastewater company, ~~((~~or~~))~~
7 water company, or thermal energy company may make or grant any undue
8 or unreasonable preference or advantage to any person, corporation,
9 or locality, or to any particular description of service in any
10 respect whatsoever, or subject any particular person, corporation or
11 locality or any particular description of service to any undue or
12 unreasonable prejudice or disadvantage in any respect whatsoever.

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

15 No gas company, electrical company, wastewater company, ~~((~~or~~))~~
16 water company, or thermal energy company may, directly or indirectly,
17 or by any special rate, rebate, drawback or other device or method,
18 charge, demand, collect or receive from any person or corporation a
19 greater or less compensation for gas, electricity, wastewater company
20 services, ~~((~~or~~))~~ water, or thermal energy, or for any service
21 rendered or to be rendered, or in connection therewith, except as
22 authorized in this chapter, than it charges, demands, collects or
23 receives from any other person or corporation for doing a like or
24 contemporaneous service with respect thereto under the same or
25 substantially similar circumstances or conditions. If the commission
26 finds any instance of a thermal energy resource provider injecting
27 thermal energy into a thermal energy network that exceeds system
28 needs and creates system imbalance, the commission may issue rules to
29 address such an issue to ensure ratepayers are not charged for energy
30 that does not provide a benefit.

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

33 Every gas, water, wastewater, ~~((~~or~~))~~ electrical, or thermal
34 energy company owning, operating or managing a plant or system for
35 the distribution and sale of gas, water ~~((~~or~~))~~, electricity, or
36 thermal energy, or the provision of wastewater company services to
37 the public for hire is, and is held to be, a public service company

1 as to such plant or system and as to all gas, water, wastewater
2 company services, ~~((~~or~~))~~ electricity, or thermal energy distributed
3 or furnished therefrom, whether such gas, water, wastewater company
4 services, ~~((~~or~~))~~ electricity, or thermal energy be sold wholesale or
5 retail or be distributed wholly to the general public or in part as
6 surplus gas, water, wastewater company services, ~~((~~or~~))~~ electricity,
7 or thermal energy to manufacturing or industrial concerns or to other
8 public service companies or municipalities for redistribution.
9 Nothing in this title may be construed to prevent any gas company,
10 electrical company ~~((~~or~~))~~, water company, or thermal energy company
11 from continuing to furnish its product or the use of its lines,
12 equipment or service under any contract or contracts in force on June
13 7, 1911, at the rates fixed in such contract or contracts. However,
14 the commission has power, in its discretion, to direct by order that
15 such contract or contracts be terminated by the company party thereto
16 and thereupon such contract or contracts must be terminated by such
17 company as and when directed by such order.

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

20 Whenever the commission finds, after hearing had upon its own
21 motion or upon complaint, that repairs or improvements, to, or
22 changes in, any gas plant, electrical plant, system of sewerage,
23 ~~((~~or~~))~~ water system, or thermal energy network ought to be made, or
24 that any additions or extensions should reasonably be made thereto,
25 in order to promote the security or convenience of the public or
26 employees, or in order to secure adequate service or facilities for
27 manufacturing, distributing or supplying gas, electricity, wastewater
28 company services, ~~((~~or~~))~~ water, or thermal energy, the commission may
29 enter an order directing that such reasonable repairs, improvements,
30 changes, additions or extensions of such gas plant, electrical plant,
31 system of sewerage, ~~((~~or~~))~~ water system, or thermal energy network be
32 made. The commission may require a large combination utility as
33 defined in RCW 80.86.010 to incorporate any existing pipeline safety
34 and replacement plans under this section into an integrated system
35 plan established under RCW 80.86.020.

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

1 The commission may appoint inspectors of thermal energy meters
2 who shall, when required by the commission, inspect, examine, prove,
3 and ascertain the accuracy of any and all thermal energy meters used
4 or intended to be used for measuring and ascertaining the quantity of
5 thermal energy, and inspect, examine, and ascertain the accuracy of
6 all apparatus for testing and proving the accuracy of thermal energy
7 meters, and when found to be or made to be correct, stamp or mark all
8 such meters and apparatus with some suitable device to be prescribed
9 by the commission. No public service company may furnish, set, or put
10 in use any thermal energy meters which have not been approved by the
11 commission.

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

14 Every gas company, electrical company (~~and~~), water company, and
15 thermal energy company shall prepare and maintain such suitable
16 premises, apparatus and facilities as may be required and approved by
17 the commission for testing and proving the accuracy of gas, electric
18 (~~or~~), water, or thermal energy meters furnished for use by it by
19 which apparatus every meter may be tested.

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

22 If any consumer to whom a meter has been furnished shall request
23 the commission in writing to inspect such meter, the commission shall
24 have the same inspected and tested, and if the same, on being so
25 tested, shall be found to be more than four percent if an electric
26 meter, (~~or~~) more than two percent if a gas meter, (~~or~~) more than
27 two percent if a water meter, or more than two percent if a thermal
28 energy meter, defective or incorrect to the prejudice of the
29 consumer, the expense of such inspection and test shall be borne by
30 the gas company, electrical company (~~or~~), water company, or thermal
31 energy company, and if the same, on being so tested shall be found to
32 be correct within the limits of error prescribed by the provisions of
33 this section, the expense of such inspection and test shall be borne
34 by the consumer.

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

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

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

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

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

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

14 (e) Use or receive the direct benefit of all or a portion of the
15 utility service with knowledge of, or reason to believe that, the
16 diversion, tampering, or unauthorized connection existed at the time
17 of the use or that the use or receipt was without the authorization
18 or consent of the utility.

19 (2) In any civil action brought under this section, the utility
20 may recover from the defendant as damages three times the amount of
21 actual damages, if any, plus the cost of the suit and reasonable
22 attorney's fees, plus the costs incurred on account of the bypassing,
23 tampering, or unauthorized reconnection, including but not limited to
24 costs and expenses for investigation, disconnection, reconnection,
25 service calls, and expert witnesses.

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

30 (4) As used in this section:

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

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

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

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

1 (e) "Tamper" means to rearrange, injure, alter, interfere with,
2 or otherwise prevent from performing the normal or customary
3 function;

4 (f) "Utility" means any electrical company, gas company,
5 wastewater company, ~~((\oplus))~~ water company, or thermal energy company,
6 as those terms are defined in RCW 80.04.010, and includes any
7 electrical, gas, system of sewerage, or water system operated by any
8 public agency; and

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

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

14 (1) A gas company ~~((\oplus))~~, electrical company, or thermal energy
15 company shall, upon request, enter into one or more written
16 agreements with organizations that represent broad customer interests
17 in regulatory proceedings conducted by the commission, subject to
18 commission approval in accordance with subsection (2) of this
19 section, including but not limited to organizations representing low-
20 income, commercial, and industrial customers, vulnerable populations,
21 or highly impacted communities. The agreement must govern the manner
22 in which financial assistance may be provided to the organization.
23 More than one gas company, electrical company, thermal energy
24 company, or organization representing customer interests may join in
25 a single agreement. Any agreement entered into under this section
26 must be approved, approved with modifications, or rejected by the
27 commission. The commission must consider whether the agreement is
28 consistent with a reasonable allocation of financial assistance
29 provided to organizations pursuant to this section among classes of
30 customers of the gas or electrical company.

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

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

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

37 (c) The manner in which the financial assistance is recovered in
38 the rates of the gas company ~~((\oplus))~~, electrical company, or thermal
39 energy company under subsection (3) of this section; and

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

2 (3) The commission shall allow a gas company ((~~or~~)) electrical
3 company, or thermal energy company that provides financial assistance
4 under this section to recover the amounts provided in rates. The
5 commission shall allow a gas company ((~~or~~)) electrical company, or
6 thermal energy company to defer inclusion of those amounts in rates
7 if the gas company ((~~or~~)) electrical company, or thermal energy
8 company so elects. An agreement under this section may not provide
9 for payment of any amounts to the commission.

10 (4) Organizations representing vulnerable populations or highly
11 impacted communities must be prioritized for funding under this
12 section.

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

15 Upon its own motion, or upon request by an electrical company or
16 a thermal energy company, or other party to a general rate case
17 hearing, or other proceeding to set rates, the commission may approve
18 discounted rates from the electric utility to the thermal energy
19 network if a thermal energy network operates in a way that allows the
20 electric utility to deliver electricity more efficiently than an
21 electrical company's standard electric service, including if the
22 thermal energy network shifts load off of peak demand to: (1) Thermal
23 energy network customers of a thermal energy network that an
24 electrical company owns; and (2) a thermal energy company operating a
25 thermal energy network within an electrical company's service area.

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

28 Each electric utility must develop a plan consistent with this
29 section.

30 (1) Utilities with more than 25,000 customers that are not full
31 requirements customers must develop or update an integrated resource
32 plan by September 1, 2008. At a minimum, progress reports reflecting
33 changing conditions and the progress of the integrated resource plan
34 must be produced every two years thereafter. An updated integrated
35 resource plan must be developed at least every four years subsequent
36 to the 2008 integrated resource plan. The integrated resource plan,
37 at a minimum, must include:

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

4 (b) An assessment of commercially available conservation and
5 efficiency resources, as informed, as applicable, by the assessment
6 for conservation potential under RCW 19.285.040 for the planning
7 horizon consistent with (a) of this subsection. Such assessment may
8 include, as appropriate, opportunities for development of combined
9 heat and power as an energy and capacity resource, demand response
10 and load management programs, and currently employed and new policies
11 and programs needed to obtain the conservation and efficiency
12 resources;

13 (c) An assessment of commercially available, utility scale
14 renewable and nonrenewable generating technologies including a
15 comparison of the benefits and risks of purchasing power or building
16 new resources;

17 (d) A comparative evaluation of renewable and nonrenewable
18 generating resources, including transmission and distribution
19 delivery costs, and conservation and efficiency resources using
20 "lowest reasonable cost" as a criterion;

21 (e) An assessment of methods, commercially available
22 technologies, or facilities for integrating renewable resources,
23 including but not limited to battery storage and pumped storage, and
24 addressing overgeneration events, if applicable to the utility's
25 resource portfolio;

26 (f) An assessment and 20-year forecast of the availability of and
27 requirements for regional generation and transmission capacity to
28 provide and deliver electricity to the utility's customers and to
29 meet the requirements of chapter 288, Laws of 2019 and the state's
30 greenhouse gas emissions reduction limits in RCW 70A.45.020. The
31 transmission assessment must identify the utility's expected needs to
32 acquire new long-term firm rights, develop new, or expand or upgrade
33 existing, bulk transmission facilities consistent with the
34 requirements of this section and reliability standards;

35 (i) If an electric utility operates transmission assets rated at
36 115,000 volts or greater, the transmission assessment must take into
37 account opportunities to make more effective use of existing
38 transmission capacity through improved transmission system operating
39 practices, energy efficiency, demand response, grid modernization,
40 nonwires solutions, and other programs if applicable;

1 (ii) An electric utility that relies entirely or primarily on a
2 contract for transmission service to provide necessary transmission
3 services may comply with the transmission requirements of this
4 subsection by requesting that the counterparty to the transmission
5 service contract include the provisions of chapter 288, Laws of 2019
6 and chapter 70A.45 RCW as public policy mandates in the transmission
7 service provider's process for assessing transmission need, and
8 planning and acquiring necessary transmission capacity;

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

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

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

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

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

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

37 (l) A 10-year clean energy action plan for implementing RCW
38 19.405.030 through 19.405.050 at the lowest reasonable cost, and at
39 an acceptable resource adequacy standard, that identifies the

1 specific actions to be taken by the utility consistent with the
2 long-range integrated resource plan; (~~and~~)

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

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

8 (ii) Analysis, research, findings, recommendations, actions, and
9 any other relevant information found in the electrification of
10 transportation plans submitted under RCW 35.92.450, 54.16.430, and
11 80.28.365; and

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

17 (n) An assessment of where and how to incorporate the
18 installation and operation of thermal energy networks into the
19 utility's service area. The utility must consider information from
20 the mapping tool developed in section 27 of this act to evaluate
21 opportunities to meet load growth with thermal energy networks; and

22 (o) A consideration of providing discounted rates to thermal
23 energy networks by:

24 (i) Considering providing discounted rates to thermal energy
25 network customers of a thermal energy network that the utility owns
26 if the thermal energy network serving those customers operates more
27 efficiently than the utility's standard electric service such that it
28 offsets peak electric load demand; and

29 (ii) Considering providing discounted rates to a thermal energy
30 company operating a thermal energy network that is not owned by the
31 utility but is operating within the utility's service area if the
32 thermal energy network operates more efficiently than the utility's
33 standard electric service such that it offsets peak electric load
34 demand.

35 (2) The clean energy action plan must:

36 (a) Identify and be informed by the utility's 10-year cost-
37 effective conservation potential assessment as determined under RCW
38 19.285.040, if applicable;

39 (b) Establish a resource adequacy requirement;

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

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

7 (e) Identify any need to develop new, or expand or upgrade
8 existing, bulk transmission and distribution facilities and document
9 existing and planned efforts by the utility to make more effective
10 use of existing transmission capacity and secure additional
11 transmission capacity consistent with the requirements of subsection
12 (1)(f) of this section; and

13 (f) Identify the nature and possible extent to which the utility
14 may need to rely on alternative compliance options under RCW
15 19.405.040(1)(b), if appropriate.

16 (3)(a) An electric or large combination utility shall consider
17 the social cost of greenhouse gas emissions, as determined by the
18 commission for investor-owned utilities pursuant to RCW 80.28.405 and
19 the department for consumer-owned utilities, when developing
20 integrated resource plans and clean energy action plans. An electric
21 utility must incorporate the social cost of greenhouse gas emissions
22 as a cost adder when:

23 (i) Evaluating and selecting conservation policies, programs, and
24 targets;

25 (ii) Developing integrated resource plans and clean energy action
26 plans; and

27 (iii) Evaluating and selecting intermediate term and long-term
28 resource options.

29 (b) For the purposes of this subsection (3): (i) Gas consisting
30 largely of methane and other hydrocarbons derived from the
31 decomposition of organic material in landfills, wastewater treatment
32 facilities, and anaerobic digesters must be considered a nonemitting
33 resource; and (ii) qualified biomass energy must be considered a
34 nonemitting resource.

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

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

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

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

7 (c) Explains why the resources in (b) of this subsection were
8 chosen and, if the resources chosen are not: (i) Renewable resources;
9 (ii) methods, commercially available technologies, or facilities for
10 integrating renewable resources, including addressing any
11 overgeneration event; or (iii) conservation and efficiency resources,
12 why such a decision was made;

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

16 (e) Accounts for:

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

21 (ii) Analysis, research, findings, recommendations, actions, and
22 any other relevant information found in the electrification of
23 transportation plans submitted under RCW 35.92.450, 54.16.430, and
24 80.28.365; and

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

30 (f) Considers the value of thermal energy networks by:

31 (i) Considering providing discounted rates to thermal energy
32 network customers of a thermal energy network that the utility owns
33 if the thermal energy network serving those customers operates more
34 efficiently than the utility's standard electric service such that it
35 offsets peak electric load demand; and

36 (ii) Considering providing discounted rates to a thermal energy
37 company operating a thermal energy network that is not owned by the
38 utility but is operating within the utility's service area if the
39 thermal energy network operates more efficiently than the utility's

1 standard electric service such that it offsets peak electric load
2 demand.

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

8 (7) An electric utility that is required to develop a resource
9 plan under this section must complete its initial plan by September
10 1, 2008.

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

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

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

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

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

32 (11) The commission may require a large combination utility as
33 defined in RCW 80.86.010 to incorporate the requirements of this
34 section into an integrated system plan established under RCW
35 80.86.020.

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

38 The commission must follow the national and international
39 development of interoperability standards for thermal energy networks

1 and report to the appropriate committees of the legislature by
2 December 1, 2026, on the maturity and readiness for adoption of these
3 standards.

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

6 (1) The department of commerce shall award grants to local
7 governments for the purpose of developing thermal energy networks as
8 defined in RCW 80.04.010.

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

10 (a) Map thermal energy resources; or

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

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

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