
Environment & Energy Committee

HB 1642

Brief Description: Allowing the energy savings associated with on-bill repayment programs to count toward a qualifying utility's energy conservation targets under the energy independence act.

Sponsors: Representatives Doglio, Fey, Peterson, Fitzgibbon, Lekanoff, Ortiz-Self and Tarleton.

Brief Summary of Bill

- Requires each electric utility, except for a small utility, retail electric cooperative, or utility that offers a utility-administered repayment program, to offer an on-bill repayment program option to its retail electric customers beginning January 1, 2020.

Hearing Date: 2/18/19

Staff: Nikkole Hughes (786-7156).

Background:

The Energy Independence Act.

The Energy Independence Act (EIA) was approved by voters in 2006. The EIA requires an electric utility with more than 25,000 customers to meet targets for energy conservation and to meet a certain percent of its annual load with eligible renewable resources. Utilities that must comply with the EIA are called "qualifying utilities."

Energy Conservations Targets.

A qualifying utility must pursue all available conservation that is cost-effective, reliable, and feasible. "Conservation" means any reduction in electric power consumption resulting from increases in the efficiency of energy use, production, or distribution.

Every two years, the qualifying utility must review and update an assessment of its achievable cost-effective conservation potential for the subsequent 10-year period. The qualifying utility must establish and make publicly available a biennial acquisition target for cost-effective

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

conservation consistent with its 10-year assessment. At a minimum, each biennial target must be no lower than the qualifying utility's pro rata share for that two-year period of its cost-effective conservation potential for the subsequent 10-year period.

Summary of Bill:

On-Bill Repayment Program.

Each electric utility, other than a small utility, retail electric cooperative, or utility that offers a utility-administered repayment program, must offer an on-bill repayment program option to its retail electric customers beginning January 1, 2020.

An electric utility must provide a participant in an on-bill repayment program with any conservation incentives for which the participant is eligible. An electric utility must prepare a marketing and outreach program to promote its on-bill repayment program as part of its biennial conservation plan under the Energy Independence Act (EIA). The utility may recover reasonable and prudent costs associated with upgrading its billing systems to implement an on-bill repayment program and costs associated with marketing and outreach through its conservation tariff rider.

An electric utility may contract with one or more third-party capital providers for the purposes of implementing an on-bill repayment program. An electric utility is not liable or responsible for remitting or collecting unpaid amounts due toward the balance of projected finance through on-bill repayment. Partial payments of an electric bill must be first applied to the amount owed to the electric utility for utility services.

If the governing body of a small utility or a retail electric cooperative determines that the utility should offer an on-bill repayment program option, the utility or cooperative must:

- provide a participant in the on-bill repayment program with any conservation incentives for which the participant is eligible; and
- prepare a marketing and outreach program to promote its on-bill repayment program as part of its biennial conservation plan under the EIA, if applicable.

Utility-Administered Repayment Program.

An electric utility does not have to offer an on-bill repayment program if it offers a utility-administered repayment program that includes the following:

- an on-bill or off-bill repayment program with conservation incentives for which participating customers are eligible; and
- a marketing and outreach program to promote the utility-administered repayment program as part of its biennial conservation plan developed under the EIA.

Energy Conservation under the Energy Independence Act.

A qualifying utility may count the conservation savings associated with an on-bill repayment program toward its conservation targets under the EIA, provided that the savings otherwise qualify as cost-effective conservation.

Definitions.

"On-bill repayment program" means a program in which an electric utility facilitates repayment of an energy conservation or renewable energy loan between a customer and a third-party capital provider by providing for the repayment of the loan on the customer's electric utility bill.

"Retail electric cooperative" means a cooperative formed under chapter 23.86 RCW or a mutual corporation or association formed under chapter 24.06 RCW that is engaged in the business of distributing electricity to more than one retail electric customer in the state.

"Third-party capital provider" means a nonprofit lender, community bank, or credit union that provides capital for the purpose of making energy conservation or renewable energy loans under an on-bill repayment program.

"Off-bill repayment program" means a program in which an electric utility facilitates repayment of an energy conservation loan between a customer and a qualifying utility, as defined in RCW 19.285.030, or a third-party capital provider, but does not include an on-bill repayment program.

"Utility-administered repayment program" means a program in which an electric utility facilitates repayment, either on-bill or off-bill, of an energy conservation loan between a customer and a qualifying utility,

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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