
SUBSTITUTE HOUSE BILL 1853

AS AMENDED BY THE SENATE

Passed Legislature - 2015 Regular Session

State of Washington 64th Legislature 2015 Regular Session

By House Technology & Economic Development (originally sponsored by Representatives Magendanz, Bergquist, Morris, Muri, Tarleton, Fitzgibbon, and Tharinger)

READ FIRST TIME 02/19/15.

1 AN ACT Relating to utility leadership in electric vehicle
2 charging infrastructure build-out; adding a new section to chapter
3 80.28 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that the
6 transportation sector is Washington's largest contributor to
7 greenhouse emissions and hazardous air pollutants as defined by
8 federal national ambient air quality standards and mobile source air
9 toxics rules. The sector's portion is considerably higher than the
10 national average because our state relies heavily on hydropower for
11 electricity generation, unlike other states that rely on fossil fuels
12 such as coal, petroleum, and natural gas to generate electricity.

13 (2) The legislature also finds that federal clean air act
14 regulations and complementary Washington policies supporting
15 renewable energy generation, energy efficiency, and energy
16 conservation are likely to result in further reduction of emissions
17 in the electricity and in the combined residential, commercial, and
18 industrial sectors. The legislature finds that state policy can
19 achieve the greatest return on investment in reducing greenhouse gas
20 emissions and improving air quality by expediting the transition to
21 alternative fuel vehicles, including electric vehicles.

1 (3) The legislature finds that utilities, who are traditionally
2 responsible for understanding and engineering the electrical grid for
3 safety and reliability, must be fully empowered and incentivized to
4 be engaged in electrification of our transportation system. The
5 legislature further finds that it has given utilities other policy
6 directives to promote energy conservation which do not make the
7 benefits of building out electric vehicle infrastructure, as well as
8 any subsequent increase in energy consumption, readily apparent.
9 Therefore the legislature intends to provide a clear policy directive
10 and financial incentive to utilities for electric vehicle
11 infrastructure build-out.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 80.28
13 RCW to read as follows:

14 (1) In establishing rates for each electrical company regulated
15 under this title, the commission may allow an incentive rate of
16 return on investment on capital expenditures for electric vehicle
17 supply equipment that is deployed for the benefit of ratepayers,
18 provided that the capital expenditures do not increase costs to
19 ratepayers in excess of one-quarter of one percent. The commission
20 must consider and may adopt other policies to improve access to and
21 promote fair competition in the provision of electric vehicle supply
22 equipment.

23 (2) An incentive rate of return on investment under this section
24 may be allowed only if the company chooses to pursue capital
25 investment in electric vehicle supply equipment on a fully regulated
26 basis similar to other capital investments behind a customer's meter.
27 In the case of an incentive rate of return on investment allowed
28 under this section, an increment of up to two percent must be added
29 to the rate of return on common equity allowed on the company's other
30 investments.

31 (3) The incentive rate of return on investment authorized in
32 subsection (2) of this section applies only to projects which have
33 been installed after July 1, 2015, and which are reasonably expected,
34 at the time they are placed in the rate base, to result in real and
35 tangible benefits for rate payers by being installed and located
36 where electric vehicles are most likely to be parked for intervals
37 longer than two hours.

38 (4) The incentive rate of return on investment increment pursuant
39 to this section may be earned only for a period up to the depreciable

1 life of the electric vehicle supply equipment as defined in the
2 depreciation schedules developed by the company and submitted to the
3 commission for review. When the capital investment has fully
4 depreciated, an electrical company may gift the electric vehicle
5 supply equipment to the owner of the property on which it is located.

6 (5) By December 31, 2017, the commission must report to the
7 appropriate committees of the legislature with regard to the use of
8 any incentives allowed under this section, the quantifiable impacts
9 of the incentives on actual electric vehicle deployment, and any
10 recommendations to the legislature about utility participation in the
11 electric vehicle market.

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