HOUSE BILL 2827

State	of	Washington	64th Legislature	2016	Regular	Session

By Representative DeBolt

AN ACT Relating to repealing fuel mix disclosure requirements; amending RCW 19.29A.050; reenacting and amending RCW 19.29A.010; creating a new section; and repealing RCW 19.29A.060, 19.29A.070, and 19.29A.080.

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

6 <u>NEW S</u>ECTION. Sec. 1. The legislature finds that in the over 7 fifteen years since the fuel mix disclosure statute was adopted it 8 has become standard industry practice to disclose fuel mix information to retail electric customers. The legislature finds that 9 10 it is unnecessary to retain a mandate in statute requiring fuel mix 11 disclosure reports to the department of commerce, and for taxpayers 12 to pay for a state agency to aggregate and collect the disclosure 13 reports. Therefore, the legislature intends to repeal these outdated 14 sections of the Revised Code of Washington while retaining the basic 15 requirement that electric utilities provide fuel mix information to 16 their customers at least once per year.

17 Sec. 2. RCW 19.29A.010 and 2015 c 285 s 1 are each reenacted and 18 amended to read as follows:

19 The definitions in this section apply throughout this chapter 20 unless the context clearly requires otherwise. 1 (1) "Biomass generation" means electricity derived from burning 2 solid organic fuels from wood, forest, or field residue, or dedicated 3 energy crops that do not include wood pieces that have been treated 4 with chemical preservatives such as creosote, pentachlorophenol, or 5 copper-chrome-arsenic.

6 (2) (("Bonneville power administration system mix" means a 7 generation mix sold by the Bonneville power administration that is 8 net of any resource specific sales and that is net of any electricity 9 sold to direct service industrial customers, as defined in section 10 3(8) of the Pacific Northwest electric power planning and 11 conservation act (16 U.S.C. Sec. 839(a)(8)).

12 (3)) "Coal generation" means the electricity produced by a 13 generating facility that burns coal as the primary fuel source.

14 (((4))) (3) "Commission" means the utilities and transportation 15 commission.

16 (((5))) (4) "Conservation" means an increase in efficiency in the 17 use of energy use that yields a decrease in energy consumption while 18 providing the same or higher levels of service. Conservation includes 19 low-income weatherization programs.

20 (((6))) (5) "Consumer-owned utility" means a municipal electric 21 utility formed under Title 35 RCW, a public utility district formed 22 under Title 54 RCW, an irrigation district formed under chapter 87.03 23 RCW, a cooperative formed under chapter 23.86 RCW, or a mutual 24 corporation or association formed under chapter 24.06 RCW, that is 25 engaged in the business of distributing electricity to more than one 26 retail electric customer in the state.

27 (((7) "Declared resource" means an electricity source 28 specifically identified by a retail supplier to serve retail electric 29 customers. A declared resource includes a stated quantity of 30 electricity tied directly to a specified generation facility or set 31 of facilities either through ownership or contract purchase, or a 32 contractual right to a stated quantity of electricity from a 33 specified generation facility or set of facilities.

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(8))) (6) "Department" means the department of commerce.

35 (((9))) <u>(7)</u> "Electric meters in service" means those meters that 36 record in at least nine of twelve calendar months in any calendar 37 year not less than two hundred fifty kilowatt-hours per month.

38 (((10))) (8) "Electric utility" means a consumer-owned or 39 investor-owned utility as defined in this section.

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1 (((11))) (9) "Electricity" means electric energy measured in 2 kilowatt-hours, or electric capacity measured in kilowatts, or both.

3 (((12) "Electricity information coordinator" means the organization selected by the department under RCW 19.29A.080 to: (a) 4 Compile generation data in the Northwest power pool by generating 5 6 project and by resource category; (b) compare the quantity of electricity from declared resources reported by retail suppliers with 7 available generation from such resources; (c) calculate the net 8 system power mix; and (d) coordinate with other comparable 9 10 organizations in the western interconnection.

11 (13) "Electricity product" means the electrical energy produced 12 by a generating facility or facilities that a retail supplier sells 13 or offers to sell to retail electric customers in the state of 14 Washington, provided that nothing in this title shall be construed to 15 mean that electricity is a good or product for the purposes of Title 16 62A RCW, or any other purpose. It does not include electrical energy 17 generated on-site at a retail electric customer's premises.

18 (14))) (10) "Fuel mix" means the actual or imputed sources of 19 electricity sold to retail electric customers, expressed in terms of 20 percentage contribution by resource category. The total fuel mix 21 included in each disclosure shall total one hundred percent.

22 (((15))) <u>(11)</u> "Geothermal generation" means electricity derived 23 from thermal energy naturally produced within the earth.

(((16))) (12) "Governing body" means the council of a city or town, the commissioners of an irrigation district, municipal electric utility, or public utility district, or the board of directors of an electric cooperative or mutual association that has the authority to set and approve rates.

29 (((17))) (13) "High efficiency cogeneration" means electricity 30 produced by equipment, such as heat or steam used for industrial, 31 commercial, heating, or cooling purposes, that meets the federal 32 energy regulatory commission standards for qualifying facilities 33 under the public utility regulatory policies act of 1978.

34 (((18))) (14) "Hydroelectric generation" means a power source 35 created when water flows from a higher elevation to a lower elevation 36 and the flow is converted to electricity in one or more generators at 37 a single facility.

38 (((19))) (15) "Investor-owned utility" means a company owned by 39 investors that meets the definition of RCW 80.04.010 and is engaged

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in distributing electricity to more than one retail electric customer
 in the state.

3 (((20))) <u>(16)</u> "Landfill gas generation" means electricity 4 produced by a generating facility that uses waste gases produced by 5 the decomposition of organic materials in landfills.

6 (((21))) <u>(17)</u> "Natural gas generation" means electricity produced 7 by a generating facility that burns natural gas as the primary fuel 8 source.

9 (((22) "Net system power mix" means the fuel mix in the Northwest 10 power pool, net of: (a) Any declared resources in the Northwest power 11 pool identified by in-state retail suppliers or out-of-state entities 12 that offer electricity for sale to retail electric customers; (b) any 13 electricity sold by the Bonneville power administration to direct 14 service industrial customers; and (c) any resource specific sales 15 made by the Bonneville power administration.

16 (23) "Northwest power pool" means the generating resources 17 included in the United States portion of the Northwest power pool 18 area as defined by the western systems coordinating council.

19 (24))) (18) "Oil generation" means electricity produced by a 20 generating facility that burns oil as the primary fuel source.

21 (((25))) <u>(19)</u> "Private customer information" includes a retail 22 electric customer's name, address, telephone number, and other 23 personally identifying information.

(((26))) (20) "Proprietary customer information" means: (a) Information that relates to the source, technical configuration, destination, and amount of electricity used by a retail electric customer, a retail electric customer's payment history, and household data that is made available by the customer solely by virtue of the utility-customer relationship; and (b) information contained in a retail electric customer's bill.

31 ((((27))) <u>(21)</u> "Renewable resources" means electricity generation facilities fueled by: (a) Water; (b) wind; (c) solar energy; (d) 32 geothermal energy; (e) landfill gas; or (f) biomass energy based on 33 solid organic fuels from wood, forest, or field residues, or 34 dedicated energy crops that do not include wood pieces that have been 35 36 treated with chemical preservatives such creosote, as pentachlorophenol, or copper-chrome-arsenic. 37

38 (((28))) (22) "Resale" means the purchase and subsequent sale of 39 electricity for profit, but does not include the purchase and the

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subsequent sale of electricity at the same rate at which the
 electricity was purchased.

3 (((29))) <u>(23)</u> "Retail electric customer" means a person or entity 4 that purchases electricity for ultimate consumption and not for 5 resale.

6 (((30))) <u>(24)</u> "Retail supplier" means an electric utility that 7 offers an electricity product for sale to retail electric customers 8 in the state.

9 (((31))) <u>(25)</u> "Small utility" means any consumer-owned utility 10 with twenty-five thousand or fewer electric meters in service, or 11 that has an average of seven or fewer customers per mile of 12 distribution line.

13 (((32))) <u>(26)</u> "Solar generation" means electricity derived from 14 radiation from the sun that is directly or indirectly converted to 15 electrical energy.

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(((33))) <u>(27)</u> "State" means the state of Washington.

17 (((34))) <u>(28)</u> "Waste incineration generation" means electricity 18 derived from burning solid or liquid wastes from businesses, 19 households, municipalities, or waste treatment operations.

20 (((35))) (29) "Wind generation" means electricity created by 21 movement of air that is converted to electrical energy.

22 **Sec. 3.** RCW 19.29A.050 and 2000 c 213 s 3 are each amended to 23 read as follows:

(((1) Beginning in 2001,)) Each retail supplier shall provide to its existing and new retail electric customers its annual fuel mix information by ((generation category as required in RCW 19.29A.060)) mail and via its internet web site.

28 ((2) Disclosures required under subsection (1) of this section 29 shall be provided through a disclosure label presented in a 30 standardized format as required in RCW 19.29A.060(7).

31 (3) Except as provided in subsection (5) of this section, each 32 retail supplier shall provide the disclosure label:

33 (a) To each of its new retail electric customers at the time 34 service is established;

35 (b) To all of its existing retail electric customers, as a bill 36 insert or other mailed publication, not less than semiannually; and

37 (c) As part of any marketing material, in paper, written, or 38 other media format, that is used primarily to promote the sale of any specific electricity product being advertised, contracted for, or
 offered for sale to current or prospective retail electric customers.

3 (4) In addition to the disclosure requirements under subsection 4 (3) of this section, each retail supplier shall provide to each 5 electric customer it serves, at least two additional times per year, 6 a publication that contains either:

7 (a) The disclosure label;

8 (b) A customer service phone number to request a disclosure
9 label; or

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(c) A reference to an electronic form of the disclosure label.

11 (5) Small utilities and mutual light and power companies shall provide the disclosure label not less than annually through a 12 publication that is distributed to all their retail electric 13 customers, and have disclosure label information available in their 14 15 main business office. If a small utility or mutual company engages in 16 marketing a specific electric product new to that utility it shall 17 provide the disclosure label described in subsection (3)(c) of this section.)) 18

19 <u>NEW SECTION.</u> Sec. 4. The following acts or parts of acts are 20 each repealed:

(1) RCW 19.29A.060 (Fuel mix disclosure—Electricity product
 categories—Disclosure format) and 2000 c 213 s 4;

(2) RCW 19.29A.070 (Actions required of department—Convene work
 group—Report to legislature) and 2000 c 213 s 5; and

(3) RCW 19.29A.080 (Electricity information coordinator—Selection
 —Regional entity serving as coordinator, requirements—Retail
 supplier's information) and 2000 c 213 s 6.

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