



NW Energy Coalition



Renewable Northwest



SIERRA CLUB
FOUNDED 1892



WASHINGTON ENVIRONMENTAL COUNCIL

HB 2402: THE WASHINGTON CLEAN UTILITIES ACT

2018 Legislative Session

PROVEN...

If you believe Washington must continue making progress on reducing greenhouse gas emissions after 2020.

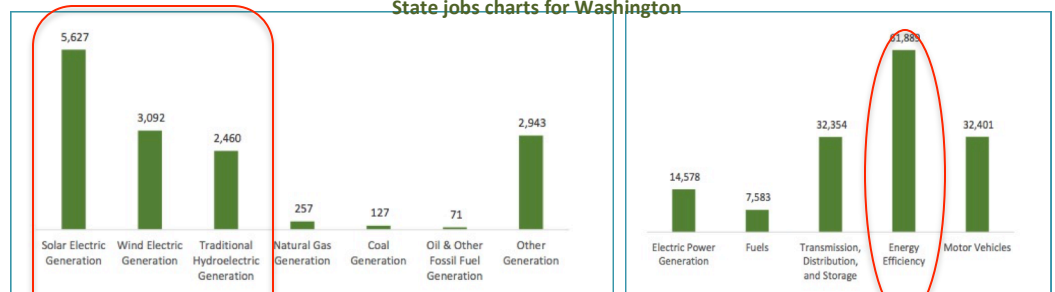
HB 2402 continues advancing the renewable portfolio standard and energy efficiency requirements begun under I-937, a law with which utilities have successfully complied since 2010. But, the renewable standard tops out in 2020. Amid climate change-induced heat waves, forest fires, salmon die-offs, and other catastrophes, now is not the time to stop making progress.

The last decade has proven the renewable portfolio standard works. The 2013 Leidos study, commissioned by the state, found I-937 to be **the single most effective state or federally required policy in cutting greenhouse gas emissions**. I-937 alone is responsible for 45% of all the emissions reductions achieved in the last 10 years.

These results are being achieved while keeping Washington's electricity costs among the lowest in the nation. In fact, since I-937 was enacted, **the average retail price for electricity in Washington has actually declined** relative to the rest of the nation.

Also since I-937's passage, **renewable energy and energy efficiency have become two of the fastest growing sectors of Washington's economy** and now provide more than 70,000 jobs. Washington employers credit the renewable portfolio standard and energy efficiency requirements with creating a marketplace in which there is a steady and growing demand.

2017 US Energy & Jobs Report, State jobs charts for Washington



HB 2402 doesn't only build on the success of I-937, it improves upon it by:

- **Embracing our renewable hydropower foundation** by establishing distinct and tailored regulatory paths for our IOU's and customer-owned utilities.
- Requiring that **all customer segments, including low-income communities, must be served** by electric and natural gas utility conservation programs.

...SENSIBLE

...EFFECTIVE

...LOW COST

...JOB CREATING

...FAIR & PRAGMATIC



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WHAT IT DOES

How HB 2402 builds on and refines I-937 to be fairer and more effective

Investor owned utilities (IOU's) will meet the following shares of their electricity load with eligible renewables under an increasing renewable portfolio standard (RPS):

- 15% by 2020
- 20% by 2025
- 30% by 2030
- 40% by 2035
- 50% by 2040

ADVANCES THE RPS, EXPANDS COVERAGE AND ELIGIBLE RESOURCES

All customer-owned utilities (COU's), not just those with more than 25,000 customers, will be covered by the law and will have an RPS of 15%. Also:

- Eligible renewable power may now be sourced from all of Montana.
- Incremental federal hydropower upgrades are added as an eligible renewable.
- The expenditure cap of 1 percent for no load growth is removed.

DISTINCT REGULATORY PATHS FOR IOU'S AND PUBLICS

Because most COU's rely heavily on power from the Bonneville Power Administration (BPA), their fuel mix profiles differ greatly from those of the investor-owned utilities. HB 2402 creates distinct regulatory paths so that both kinds of utilities are motivated to use resources wisely and to develop clean renewable resources when appropriate.

- All COUs must use clean renewable energy for any new resource needs.
- COUs and market customers can use BPA tier 1, spot market, renewed or extended contracts, from owned generation facilities, incremental improvements at owned facilities, transition coal until 2025, and existing natural gas not to exceed 5% for future resource needs.
- Allows limited new hydro and pumped storage for COU and market customers.
- Nuclear is not an allowable resource. Coal (except transition coal), oil, diesel, and waste incineration are not allowed for COUs.

APPLIES CLEAN ENERGY STANDARD TO COU'S AND MARKET CUSTOMERS

- All electric utilities must acquire at least 2% of energy from conservation.
- Natural gas utilities must acquire conservation equal to at least 1.5% of sales.
- Requires market customers to pay into utility conservation funds.

STRENGTHENS ENERGY EFFICIENCY REQUIREMENT

- Allows large and small utilities flexibility to operate reliably and safely.

RELIABILITY ASSURED

- Incentivizes renewable energy apprenticeships for low-income people.
- Directs UTC and Department of Commerce to develop rules requiring utility conservation programs to serve all communities, including low-income.

ADVANCES ENERGY EQUITY