

RCW 80.28.460 Thermal energy network pilot project program. A thermal energy network pilot project program is established.

(1) The department of commerce may award grants for the thermal energy network pilot project program in accordance with RCW 43.31.033.

(2) (a) A gas company has priority for developing thermal energy network pilot projects in the gas company's service territory, but the gas company must announce in writing to the commission its intention to deploy a pilot project in a specific location within 12 months of June 6, 2024, and then must deploy a pilot project within 30 months of June 6, 2024, to maintain this priority. The gas company may request an extension of these deadlines and the commission may approve the extension if the commission determines the gas company is making substantial progress towards deploying a thermal energy network.

(b) In a specific location where an existing thermal energy company has deployed or is developing a thermal energy network, the commission may opt to not provide priority to the gas company for that location.

(3) When reviewing a thermal energy network pilot project for approval, the commission must consider the following information related to the pilot project:

(a) The number and type of customers served, including the percent of low-income customers served;

(b) The use of the existing natural gas workforce and other labor considerations, such as efforts to transition the natural gas workforce to thermal energy work, training, recruiting, job creation and retention, payment of prevailing wages, and state-registered apprenticeship utilization;

(c) The ability to maintain infrastructure safety and reliability;

(d) The ability to meet 100 percent of the pilot project customers' demand for space heating;

(e) Whether the pilot project creates benefits to customers, communities, and society at large including, but not limited to, public health benefits such as improved air quality in areas with disproportionate environmental or public health burdens and disadvantaged communities as identified by the environmental health disparities map described in RCW 43.70.815, and increased affordability of thermal energy options;

(f) Coordination with any electric utility providing electrical service to areas served by the pilot project;

(g) Whether the pilot project furthers the climate justice mandates of chapter 70A.02 RCW and the emissions reduction mandates of chapter 70A.45 RCW;

(h) Whether the pilot project advances financial and technical approaches to equitable and affordable building electrification;

(i) Whether the pilot project will develop information useful for the commission's adoption of rules governing thermal energy networks;

(j) Enrollment in an electric utility demand response program;

(k) The potential to enable gas pipeline decommissioning and its potential to supplant the need for gas pipeline replacement and the need to spend on gas pipeline replacement programs; and

(l) Whether the thermal energy network is a distributed system that uses ambient temperature fluid and high-efficiency heat pump equipment in each building in the network.

(4) When reviewing a thermal energy network pilot project for approval, the commission may also consider the following information related to the pilot project:

- (a) Greenhouse gas emissions reductions;
 - (b) The use of waste heat, ground-source heat, geothermal resources, or other nonfossil fuel and noncombustion sources, and the use of electric heat pumps;
 - (c) The ability to provide the pilot project customers' hot water demands;
 - (d) The ability to provide the pilot project customers' cooling demands; and
 - (e) The consideration of options to provide thermal energy storage.
- (5) Thermal energy network pilot projects under review by the commission are subject to a public comment period of no less than 30 days.
- (6) When submitting a thermal energy network pilot project to the commission for review, a gas or electrical company must include specific metrics that the company proposes to use to evaluate the pilot project. These metrics are intended to help inform the commission's rule making and rate making and specifically to help inform any future standardized metrics that the commission may adopt for thermal energy network pilot projects. [2024 c 348 s 3.]