

HOUSE BILL REPORT

SSB 5933

As Reported By House Committee On:
Technology, Telecommunications & Energy

Title: An act relating to disclosure of attributes of electricity products.

Brief Description: Providing for disclosure to consumers regarding the characteristics associated with their electric energy product.

Sponsors: Senate Committee on Energy, Technology & Telecommunications (originally sponsored by Senators Brown and Fraser).

Brief History:

Committee Activity:

Technology, Telecommunications & Energy: 3/31/99 [DPA].

Brief Summary of Substitute Bill
(As Amended by House Committee)

- Ensures consistency of the disclosure to consumers of electricity fuel mix used to generate the electricity.
- In 2000, every retail supplier of electricity will disclose a fuel mix to its customers.
- The electricity information coordinator will compile information regarding fuel mix disclosures.

HOUSE COMMITTEE ON TECHNOLOGY, TELECOMMUNICATIONS & ENERGY

Majority Report: Do pass as amended. Signed by 10 members: Representatives Crouse, Republican Co-Chair; Poulsen, Democratic Co-Chair; Ruderman, Democratic Vice Chair; Bush; Cooper; McDonald; Morris; Reardon; Thomas and Wolfe.

Minority Report: Do not pass. Signed by 3 members: Representatives DeBolt, Republican Vice Chair; Delvin and Mielke.

Staff: Julia Harmatz (786-7135).

Background:

The primary goal of electricity labeling or disclosure is to provide consumers information about price, environmental characteristics, and other attributes of their power, as per the Washington Electric Utility Service Quality, Reliability, Disclosure and Cost Report submitted to the Legislature by the Washington Utilities and Transportation Commission (WUTC) and the State Auditor last December 1998. Labels are essential to consumers faced with electricity choices, as they allow those consumers the ability to compare available products and to make informed choices. With the choices they make, those consumers can influence the price of their electricity as well as the type of generation used to produce it. Even in states not engaged in electricity competition, labels can inform and educate retail customers about the characteristics of their power. Labels can prepare those customers for possible choices they may be faced with in the future.

Many utilities now offer customers a choice of products, such as hydroelectric and wind products, known as "green" products. In light of increasing choice of power products and suppliers, regional efforts have been underway over the past two years to examine various issues relating to disclosure and environmental claims. As a result, Washington and Oregon have pilot programs in place that experiment with different formats and content for electricity disclosure and labeling.

Summary of Amended Bill:

Legislative Findings

The Legislature finds that there is a need for reliable, accurate and timely information to promote consumer understanding regarding fuel source for all electricity products sold in Washington.

Disclosures

In the year 2000, every retail supplier of electricity will disclose an annual fuel mix to their customers.

The disclosures of fuel mix will be presented in a table format that indicates by category and percentage the fuel mix used to produce a consumer's electricity. A supplier may report either the declared resource which is the actual source of power such as hydro power from the Snake River Dam or the net system power mix which is the total fuel mix and respective percentage break out for the region.

Electricity Information Coordinator

The Department of Community, Trade and Economic Development (CTED) and an advisory committee will determine the regional entity that will serve as the electricity

information coordinator. The coordinator will compile information about fuel mix as provided by retail suppliers of electricity. Absent agreement on the selection of a coordinator, CTED will be the default coordinator.

Amended Bill Compared to Substitute Bill: The amendment removes the obligation of CTED to make reports to the Legislature on: (1) price or environmental characteristics of electricity products; (2) improvements to consumer comprehension of fuel mix; and (3) suggestions for modification of the duties of the electricity information coordinator.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Electricity consumers should understand the electricity mix they use. Disclosure of fuel mix is crucial. Consumers have a right to know regardless of whether electricity industry is deregulated. This situation is analogous to nutrition labeling on foods. Similarly, labeling will provide information about electricity that is not easily available elsewhere. Fuel mix should be reported as often as possible without being burdensome. Would like to have disclosure of emissions as well as damage to health and environment, but this is an important first step in consumers right to know. Consumers do care and they currently do not have an accessible way to know. We already keep track of fuel mix and costs of compliance with this bill would be modest. This is a collaborative effort, this is the outgrowth of a regional tracking method. This bill would put into context of real live market conditions and will benefit the entire process. This information allows consumers to influence providers decisions. It is appropriate to start with just the fuel mix. There will be more details that need to be worked out. Electricity is going to become a separate product from its delivery. Information has been available but not in a consistent way. There is no credible way to validate claims of fuel mix. In the future, when offering such products, can validate a fluctuation in prices.

(Neutral) The legislative study is not necessary, we can meet together without a legislative mandate.

Testimony Against: None.

Testified: (In Support) Senator Lisa Brown, prime sponsor; Tom Starrs, Renewable NW Project; Bob Rhule, AARP; Jon Stier, WashPIRG; Danielle Dixon, NW Energy Coalition; Sheryl Carter, NRDC; Toni Potter, League of Women Voters; Jim Todd,

Seattle City Light; Steve McLellan, Washington Utility and Transportation Commission; Tony Usibelli, Department of Community, Trade and Economic Development; Kathleen Collins, PacifiCorp; Mike Tracy, Puget Sound Energy; and Collins Sprague and Tom Dukich, AVISTA Corporation.

(Neutral) Lew McMurrin, Washington PUD Association.