
SUBSTITUTE SENATE BILL 5933

State of Washington

56th Legislature

1999 Regular Session

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

Read first time 03/03/99.

1 AN ACT Relating to disclosure of attributes of electricity
2 products; amending RCW 19.29A.010; adding new sections to chapter
3 19.29A RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** (1) Consumer disclosure ensures that retail
6 electric consumers purchasing electric energy receive basic information
7 about the characteristics associated with their electricity product in
8 a form that facilitates consumer understanding of retail electric
9 energy service and the development of new products responsive to
10 consumer preferences.

11 (2) The legislature finds and declares that there is a need for
12 reliable, accurate, and timely information regarding fuel source, that
13 is consistently collected, for all electricity products offered for
14 retail sale in Washington.

15 (3) The desirability and feasibility of such disclosure has been
16 clearly established in nutrition labeling, uniform food pricing, truth-
17 in-lending, and other consumer information programs.

18 (4) The legislature intends to establish a consumer disclosure
19 standard under which retail suppliers in Washington disclose

1 information on the fuel mix of the electricity products they sell.
2 Fundamental to disclosure is a label that promotes consistency in
3 content and format, that is accurate, reliable, and simple to
4 understand, and that allows verification of the accuracy of information
5 reported.

6 (5) To ensure that consumer information is verifiable and accurate,
7 certain characteristics of electricity generation must be tracked and
8 compared with information provided to consumers.

9 **Sec. 2.** RCW 19.29A.010 and 1998 c 300 s 2 are each amended to read
10 as follows:

11 The definitions in this section apply throughout this chapter
12 unless the context clearly requires otherwise.

13 (1) "Biomass generation" means electricity derived from burning
14 solid organic fuels from wood, forest, or field residue, or dedicated
15 energy crops that do not include wood pieces that have been treated
16 with chemical preservatives such as creosote, pentachlorophenol, or
17 copper-chroma-arsenic.

18 (2) "Coal generation" means the electricity produced by a
19 generating facility that burns coal as the primary fuel source.

20 (3) "Commission" means the utilities and transportation commission.

21 ~~((+2))~~ (4) "Conservation" means an increase in efficiency in the
22 use of energy use that yields a decrease in energy consumption while
23 providing the same or higher levels of service. Conservation includes
24 low-income weatherization programs.

25 ~~((+3))~~ (5) "Consumer-owned utility" means a municipal electric
26 utility formed under Title 35 RCW, a public utility district formed
27 under Title 54 RCW, an irrigation district formed under chapter 87.03
28 RCW, a cooperative formed under chapter 23.86 RCW, or a mutual
29 corporation or association formed under chapter 24.06 RCW, that is
30 engaged in the business of distributing electricity to more than one
31 retail electric customer in the state.

32 ~~((+4))~~ (6) "Declared resource" means an electricity source
33 specifically identified by a retail supplier to serve retail electric
34 customers. A declared resource includes a stated quantity of
35 electricity tied directly to a specified generation facility or set of
36 facilities either through ownership or contract purchase, or a
37 contractual right to a stated quantity of electricity from a specified
38 generation facility or set of facilities.

1 (7) "Department" means the department of community, trade, and
2 economic development.

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

11 (9) "Electric meters in service" means those meters that record in
12 at least nine of twelve calendar months in any calendar year not less
13 than two hundred fifty kilowatt hours per month.

14 (~~(6)~~) (10) "Electricity product" means the electrical energy
15 produced by a generating facility or facilities that a retail supplier
16 sells or offers to sell to retail electric customers in the state of
17 Washington. It does not include electrical energy generated on-site at
18 a retail electric customer's premises.

19 (11) "Electric utility" means a consumer-owned or investor-owned
20 utility as defined in this section.

21 (~~(7)~~) (12) "Electricity" means electric energy measured in
22 kilowatt hours, or electric capacity measured in kilowatts, or both.

23 (~~(8)~~) (13) "Fuel mix" means the actual or imputed sources of
24 electricity sold to retail electric customers, expressed in terms of
25 percentage contribution by resource category. The total fuel mix
26 included in each disclosure shall total one hundred percent.

27 (14) "Geothermal generation" means electricity derived from thermal
28 energy naturally produced within the earth.

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

34 (~~(9)~~) (16) "High efficiency cogeneration" means electricity
35 produced by equipment, such as heat or steam used for industrial,
36 commercial, heating, or cooling purposes, that meets the federal energy
37 regulatory commission standards for qualifying facilities under the
38 public utility regulatory policies act of 1978.

1 (17) "Hydroelectric generation" means a power source created when
2 water flows from a higher elevation to a lower elevation and the flow
3 is converted to electricity in one or more generators at a single
4 facility.

5 (18) "Investor-owned utility" means a company owned by investors
6 that meets the definition of RCW 80.04.010 and is engaged in
7 distributing electricity to more than one retail electric customer in
8 the state.

9 ~~((10))~~ (19) "Landfill gas generation" means electricity produced
10 by a generating facility that uses waste gasses produced by the
11 decomposition of organic materials in landfills.

12 (20) "Natural gas generation" means electricity produced by a
13 generating facility that burns natural gas as the primary fuel source.

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

17 (22) "Net system power mix" means the fuel mix in the Northwest
18 power pool, net of: (a) Any declared resources in the Northwest power
19 pool identified by in-state retail suppliers or out-of-state entities
20 that offer electricity for sale to retail electric customers; and (b)
21 any electricity sold by the Bonneville power administration to direct
22 service industrial customers.

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

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

31 ~~((11))~~ (25) "Renewable resources" means electricity generation
32 facilities fueled by: (a) Water; (b) wind; (c) solar energy; (d)
33 geothermal energy; (e) landfill gas; or (f) biomass energy based on
34 solid organic fuels from wood, forest, or field residues, or dedicated
35 energy crops that do not include wood pieces that have been treated
36 with chemical preservatives such as creosote, pentachlorophenol, or
37 copper-chrome-arsenic.

38 ~~((12))~~ (26) "Resale" means the purchase and subsequent sale of
39 electricity for profit, but does not include the purchase and the

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

3 ~~((13))~~ (27) "Retail electric customer" means a person or entity
4 that purchases electricity for ultimate consumption and not for resale.

5 ~~((14))~~ (28) "Retail supplier" means an electric utility that
6 offers an electricity product for sale to retail electric customers in
7 the state.

8 (29) "Small utility" means any consumer-owned utility with twenty-
9 five thousand or fewer electric meters in service, or that has an
10 average of seven or fewer customers per mile of distribution line.

11 ~~((15))~~ (30) "Solar generation" means electricity derived from
12 radiation from the sun that is directly or indirectly converted to
13 electrical energy.

14 (31) "State" means the state of Washington.

15 (32) "Waste incineration generation" means electricity derived from
16 burning solid or liquid wastes from businesses, households,
17 municipalities, or waste treatment operations.

18 (33) "Wind generation" means electricity created by movement of air
19 that is converted to electrical energy.

20 NEW SECTION. Sec. 3. (1) Beginning in the year 2000, every retail
21 supplier shall provide annual fuel mix by generation category as
22 required in section 4 of this act to their existing and new retail
23 electric customers.

24 (2) Disclosures required under subsection (1) of this section shall
25 be provided through a disclosure label presented in a standardized
26 format as required in section 4(6) of this act.

27 (3) Except as provided in subsection (4) of this section, retail
28 suppliers shall provide the disclosure label: (a) To all of their
29 retail electric customers, not less than semi-annually through a bill
30 insert, separate mailing, newsletter, or other publication; (b) as part
31 of any written marketing material pertaining to an electricity product
32 being advertised or offered for sale to current or prospective retail
33 electric customers; and (c) to all new retail electric customers at the
34 time service is established.

35 (4) Small utilities shall provide the disclosure label not less
36 than annually through a publication that is distributed to all their
37 retail electric customers, and as required in subsection (3)(b) and (c)
38 of this section.

1 NEW SECTION. **Sec. 4.** (1) Each retail supplier shall disclose the
2 fuel mix of each electricity product it offers to retail electric
3 customers as follows:

4 (a) For an electricity product comprised entirely of declared
5 resources, a retail supplier shall disclose the fuel mix for the
6 electricity product based on the quantity of electric generation from
7 those declared resources for the previous calendar year and any
8 adjustment, if taken, available under subsection (5) of this section.

9 (b) For an electricity product comprised of no declared resources,
10 a retail supplier shall report the fuel mix for the electricity product
11 as the fuel mix of net system power for the previous calendar year, as
12 determined by the electricity information coordinator under section 6
13 of this act.

14 (c) For an electricity product comprised of a combination of
15 declared resources and the net system power, a retail supplier shall
16 disclose the fuel mix for the electricity product as a weighted average
17 of the megawatt-hours from declared resources and the megawatt-hours
18 from the net system power mix for the previous calendar year according
19 to the proportion of declared resources and net system power contained
20 in the electricity product.

21 (2) The disclosures required by this section shall identify the
22 percentage of the total electricity product sold by a retail supplier
23 during the previous calendar year from each of the following
24 categories:

25 (a) Coal generation;

26 (b) Hydroelectric generation;

27 (c) Natural gas generation;

28 (d) Nuclear generation; and

29 (e) Other generation, except that when a component of the other
30 generation category meets or exceeds two percent of the total
31 electricity product sold by a retail supplier during the previous
32 calendar year, the retail supplier shall identify the component or
33 components and display the fuel mix percentages for these component
34 sources, which may include, but are not limited to: (i) Biomass
35 generation; (ii) geothermal generation; (iii) landfill gas generation;
36 (iv) oil generation; (v) solar generation; (vi) waste incineration; or
37 (vii) wind generation. A retail supplier may voluntarily identify any
38 component or components within the other generation category that
39 comprises less than two percent or less of annual sales.

1 (3) Retail suppliers may separately report a subcategory of natural
2 gas generation to identify high efficiency cogeneration.

3 (4) For the portion of an electricity product purchased from the
4 Bonneville power administration, retail suppliers may disclose the
5 annual generation mix provided by the Bonneville power administration
6 for its system for the type of energy purchased by the retail supplier.

7 (5) A retail supplier may adjust its reported fuel mix for known
8 changes in its declared resources for the current year based on new
9 sources of electricity supply from either new generation or new
10 contracts. If a retail supplier changes its fuel mix during a calendar
11 year, it shall report those changes to the electricity information
12 coordinator.

13 (6) Disclosure of the fuel mix information required in this section
14 shall be made in the following uniform format: A tabular format with
15 two columns, where the first column shall alphabetically list each
16 category and the second column shall display the corresponding
17 percentage of the total that each category represents. The percentage
18 shall be reported as a numeric value rounded to at least the nearest
19 one percent. The percentages listed for the categories identified must
20 sum to one hundred percent with the table displaying such a total.

21 NEW SECTION. **Sec. 5.** (1) The department shall make the following
22 reports to the legislature:

23 (a) By December 1, 1999, a report with recommendations on methods
24 and formats for retail suppliers to disclose the price and
25 environmental characteristics of electricity products in ways that
26 promote consumer understanding, taking into consideration the costs to
27 retail suppliers; and

28 (b) By December 1, 2001, a report with suggested modifications to
29 the disclosure requirements required in section 4 of this act to
30 improve informational content, readability, and consumer understanding
31 and modifications to the responsibilities of the electricity
32 information coordinator required in section 6 of this act to improve
33 the accuracy and efficiency of the tracking process.

34 (2) Prior to preparing its reports, the department shall convene a
35 work group of interested parties, including, but not limited to,
36 representatives from investor-owned utilities, consumer-owned
37 utilities, the commission, the attorney general's office, consumer
38 advocacy groups, and the environmental community.

1 NEW SECTION. **Sec. 6.** (1) The department shall make all reasonable
2 efforts within existing resources to obtain the agreement of an
3 appropriate regional entity to serve as the electricity information
4 coordinator for the purposes of implementing this act. The department
5 shall form an advisory committee, including, but not limited to,
6 representatives from investor-owned utilities, consumer-owned
7 utilities, the commission, the attorney general's office, consumer
8 advocacy groups, and the environmental community for the purposes of
9 advising in the selection of the electricity information coordinator.
10 In the event an appropriate regional entity is not selected by November
11 1, 1999, the department shall serve as the electricity information
12 coordinator after notifying the committees of the senate and house of
13 representatives with jurisdiction over energy matters.

14 (2) The department may receive any lawful gifts, grants, or
15 endowments from public or private sources that are made from time to
16 time, in trust or otherwise, for the use and benefit of the department
17 in implementing this section, and may spend such gifts, grants, or
18 endowments for the purposes of implementing this section.

19 (3) As a condition for an appropriate regional entity to be
20 selected under this section to serve as the electricity information
21 coordinator, it must agree to compile the following information:

22 (a) Actual generation by fuel mix in the Northwest power pool for
23 the prior calendar year, expressed in megawatt hours. This data will
24 be compiled as it becomes available.

25 (b) Adjustments to the actual generation for the prior calendar
26 year that are known and provided to the electricity information
27 coordinator by the end of January of the current calendar year to
28 reflect known changes in declared resources for the current year and
29 changes due to interconnection of new generating resources or
30 decommissioning of existing resources. These adjustments shall include
31 supporting documentation.

32 (c) The amount of electricity from declared resources that retail
33 suppliers will identify in their fuel mix disclosures during the
34 current calendar year. Retail suppliers shall make this data available
35 by the end of January each year.

36 (4) Retail suppliers shall make available upon request the
37 following information to support the ownership or contractual rights to
38 declared resources:

1 (a) Documentation of ownership of declared resources by retail
2 suppliers; or

3 (b) Documentation of contractual rights by retail suppliers to a
4 stated quantity of electricity from a specific generating facility.

5 (5) As a condition for an appropriate regional entity to be
6 selected under this section to serve as the electricity information
7 coordinator, it must agree to:

8 (a) Coordinate with comparable entities or organizations in the
9 western interconnection;

10 (b) On or before May 1st of each year, or as soon thereafter as
11 practicable once the data in subsection (3)(a) of this section is
12 available, calculate and make available the net system power mix as
13 follows:

14 (i) The actual Northwest power pool generation for the prior
15 calendar year;

16 (ii) Plus any adjustments to the Northwest power pool generation as
17 made available to the electricity information coordinator by the end of
18 January of the current calendar year pursuant to section 4(5) of this
19 act;

20 (iii) Less the quantity of electricity associated with declared
21 resources claimed by retail suppliers for the current calendar year;

22 (iv) Plus other adjustments necessary to ensure that the same
23 resource output is not declared more than once.

24 (c) To the extent the information is available, verify that the
25 quantity of electricity associated with the declared resources does not
26 exceed the available generation from those resources.

27 (6) Subsections (3) and (5) of this section apply to the department
28 in the event the department assumes the functions of the electricity
29 information coordinator.

30 NEW SECTION. **Sec. 7.** Sections 3 through 6 of this act are each
31 added to chapter 19.29A RCW.

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