
SENATE BILL 5933

State of Washington

56th Legislature

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By Senators Brown and Fraser

Read first time 02/16/1999. Referred to Committee on Energy, Technology & Telecommunications.

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
6 consumers purchasing electric energy receive basic information about
7 the characteristics associated with their electricity product in a form
8 that facilitates consumer understanding of electric energy service and
9 the development of new products responsive to consumer preferences.

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

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

17 (4) The legislature intends to establish a consumer disclosure
18 standard under which entities offering electricity products in
19 Washington and those making specific claims to retail electric

1 customers disclose information on the fuel mix, price, and
2 environmental impact attributes of the electricity products they sell.
3 Fundamental to disclosure is a label that promotes consistency in
4 content and format, that is accurate, reliable, and simple to
5 understand, and that allows verification of the accuracy of information
6 reported and claims made by retail sellers.

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

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

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

14 (1) "Biomass generation" means electricity derived from burning
15 combustible residues that are biological in origin. Biomass may
16 include solid organic residues from logging, forest products
17 manufacturing, agricultural and orchard crops, and dedicated energy
18 crops available on a renewable basis; or waste products from livestock,
19 poultry operations, and food processing.

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

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

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

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

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

1 contractual right to trace or claim a stated quantity of electricity
2 from a specified generation facility or set of related facilities.

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

5 ~~((+5+))~~ (8) "Electricity information coordinator" means the
6 organization selected by the department to: (a) Compile generation
7 data in the Northwest power pool by generating project and by resource
8 category; (b) compare the quantity of electricity from dedicated
9 resources reported by retail suppliers with available generation from
10 such resources; (c) calculate the net system power mix; and (d) compile
11 emissions and nuclear waste data from dedicated resources and the net
12 system power mix.

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

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

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

23 ~~((+7+))~~ (12) "Electricity" means electric energy measured in
24 kilowatt hours, or electric capacity measured in kilowatts, or both.

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

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

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

36 ~~((+9+))~~ (16) "High efficiency cogeneration" means electricity
37 produced by equipment, such as heat or steam used for industrial,
38 commercial, heating, or cooling purposes, that meets the federal energy

1 regulatory commission standards for qualifying facilities under the
2 public utility regulatory policies act of 1978.

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

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

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

14 (20) "Low-impact hydroelectric generation" means electricity
15 produced by a hydroelectric facility that has been certified or
16 identified as either:

17 (a) In compliance with a federal energy regulatory commission
18 license and clean water act certification issued after December 31,
19 1986; or

20 (b) Meeting or exceeding criteria implemented by a nationally
21 recognized low-impact hydropower certification board, as determined by
22 the electricity information coordinator.

23 (21) "Natural gas generation" means electricity produced by a
24 generating facility that burns natural gas as the primary fuel source.

25 (22) "Northwest power pool" means the generating resources included
26 in the United States portion of the Northwest power pool area as
27 defined by the western systems coordinating council.

28 (23) "Net system power mix" means the average fuel mix in the
29 Northwest power pool, net of: (a) Any resources in the Northwest power
30 pool identified by retail suppliers or the Bonneville power
31 administration in the state of Washington as being dedicated resources;
32 and (b) resources in the Northwest power pool identified by retail
33 suppliers of electricity outside the state of Washington as being
34 dedicated resources.

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

37 ~~((10))~~ (25) "Proprietary customer information" means: (a)
38 Information that relates to the source and amount of electricity used
39 by a retail electric customer, a retail electric customer's payment

1 history, and household data that is made available by the customer
2 solely by virtue of the utility-customer relationship; and (b)
3 information contained in a retail electric customer's bill.

4 ~~((11))~~ (26) "Renewable resources" means electricity generation
5 facilities fueled by: (a) Water; (b) wind; (c) solar energy; (d)
6 geothermal energy; (e) landfill gas; or (f) biomass energy based on
7 solid organic fuels from wood, forest, or field residues, or dedicated
8 energy crops that do not include wood pieces that have been treated
9 with chemical preservatives such as creosote, pentachlorophenol, or
10 copper-chrome-arsenic.

11 ~~((12))~~ (27) "Resale" means the purchase and subsequent sale of
12 electricity for profit, but does not include the purchase and the
13 subsequent sale of electricity at the same rate at which the
14 electricity was purchased.

15 ~~((13))~~ (28) "Retail electric customer" means a person or entity
16 that purchases electricity for ultimate consumption and not for resale.

17 (29) "Retail supplier" means an entity that offers an electricity
18 product for sale to retail electric customers in the state.

19 ~~((14))~~ (30) "Small utility" means any consumer-owned utility with
20 twenty-five thousand or fewer electric meters in service, or that has
21 an average of seven or fewer customers per mile of distribution line.

22 ~~((15))~~ (31) "Solar generation" means electricity derived from
23 radiation from the sun that is directly or indirectly converted to
24 electrical energy.

25 (32) "State" means the state of Washington.

26 (33) "Waste incineration" means electricity derived from burning
27 solid or liquid wastes from businesses, households, municipalities, or
28 waste treatment operations.

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

31 NEW SECTION. Sec. 3. (1) Beginning in the year 2000, every retail
32 supplier shall provide standardized information to their existing and
33 new retail electric customers. Information shall include:

34 (a) Annual fuel mix by generation category as required in section
35 4 of this act;

36 (b) Annual average air emissions and nuclear waste for the
37 identified fuel mix as required in section 5 of this act; and

1 (c) Average system price for the appropriate rate class as required
2 in section 6 of this act.

3 (2) Disclosures required under subsection (1) of this section shall
4 be provided through a disclosure label presented in a standardized
5 format as required in section 7 of this act.

6 (3) Retail supplies shall provide the disclosure label: (a) To all
7 other residential and small commercial customers, on a quarterly basis
8 through a bill insert, separate mailing, or newsletter; (b) as part of
9 any marketing material to current or prospective retail electric
10 customers; and (c) to all new retail electric customers at the time
11 service is established.

12 NEW SECTION. **Sec. 4.** (1) Each retail supplier shall disclose the
13 fuel mix of each electricity product it offers to residential or small
14 commercial customers as follows:

15 (a) For an electricity product comprised entirely of dedicated
16 resources, a retail supplier shall disclose the fuel mix for the
17 electricity product based on the actual quantity of electric generation
18 from those dedicated resources for the previous calendar year. These
19 actual quantities may be adjusted as provided in section 8 of this act.

20 (b) For an electricity product comprised of no dedicated resources,
21 a retail supplier shall report the fuel mix for the electricity product
22 as the fuel mix of net system power for the previous calendar year, as
23 determined by the electricity information coordinator.

24 (c) For an electricity product comprised of a combination of
25 dedicated resources and the net system power, a retail supplier shall
26 disclose the fuel mix for the electricity product as a weighted average
27 of the megawatts from dedicated resources and the megawatts from the
28 net system power mix for the previous calendar year.

29 (2) When an electricity product is comprised of thirty percent or
30 more of net system power, the disclosure label shall be accompanied by
31 this qualifying information: "All or a portion of this electricity
32 product is supplied from purchases of available electric supply during
33 the previous calendar year."

34 (3) The disclosures required by this section shall be expressed as
35 a percentage of annual sales derived from each of the following
36 categories:

37 (a) Coal generation;

38 (b) Natural gas generation;

1 (c) Hydroelectric generation;
2 (d) Nuclear generation; and
3 (e) Other generation, except that when a component of the other
4 generation category exceeds two percent of annual sales, the retail
5 supplier shall identify the component or components and display the
6 fuel mix percentages for these component sources, which may include:
7 (i) Biomass generation; (ii) geothermal generation; (iii) landfill gas
8 generation; (iv) oil generation; (v) solar generation; (vi) waste
9 incineration; or (vii) wind generation. A retail supplier may
10 voluntarily identify any component or components within the other
11 generation category that comprise two percent or less of annual sales.

12 (4) Retail suppliers may separately report a subcategory of natural
13 gas generation to identify high efficiency cogeneration and a
14 subcategory of hydroelectric generation to identify low-impact
15 hydroelectric generation.

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

20 (6) Nothing in this section shall be construed to require a retail
21 supplier to specifically assign or dedicate generation from any
22 resource to retail sales for disclosure purposes, unless there is a
23 contractual obligation that ties a specific resource to a specific
24 sale.

25 (7) A retail supplier may adjust its reported fuel mix for known
26 increases or decreases in generation for the current year based on new
27 sources of generation. If a retail supplier changes its fuel mix
28 during a calendar year, it shall report those changes to the
29 electricity information coordinator.

30 NEW SECTION. Sec. 5. (1) Each retail supplier shall disclose the
31 fossil fuel emissions and nuclear waste information for each
32 electricity product it offers to residential or small commercial
33 customers in a format that compares the emissions data and nuclear
34 waste data for the electricity product to the emissions associated with
35 the net system power, as determined by the electricity information
36 coordinator.

37 (2) Emissions data shall correspond to the megawatt hour generation
38 for the prior calendar year for the following elements:

1 (a) Carbon dioxide expressed in grams of carbon dioxide per
2 kilowatt hour;

3 (b) Sulfur dioxide expressed in milligrams of sulfur dioxide per
4 kilowatt hour.

5 (c) Nitrogen oxides expressed in milligrams of nitrogen oxides per
6 kilowatt hour; and

7 (d) Spent nuclear fuel expressed in micrograms of waste per
8 kilowatt hour.

9 (3) For an electricity product comprised of a fuel mix based solely
10 on net system power, a retail supplier shall disclose emissions and
11 nuclear waste data based on the emissions and waste profile of net
12 system power as calculated by the electricity information coordinator.

13 (4) For an electricity product comprised of a fuel mix that
14 includes a combination of dedicated resources and net system power, a
15 retail supplier shall disclose emissions and nuclear waste data based
16 on a weighted average of emissions and waste from the combined fuel
17 mix. The resulting emissions and nuclear waste from the combined fuel
18 mix shall be compared with the emissions and nuclear waste data
19 associated with net system power.

20 NEW SECTION. **Sec. 6.** Retail suppliers shall disclose the price of
21 an electricity product, including the combined price for generation,
22 transmission, distribution, and other product charges, without
23 reflecting any adjustments for nonrecurring cash or noncash
24 inducements. Price disclosure shall be made in a format that shows the
25 average monthly bill amount the customer will pay for electricity at
26 the following specified usage levels:

27 (1) For residential consumers, the monthly bill amount shall be
28 shown for usage levels of two hundred fifty, five hundred, one
29 thousand, and two thousand kilowatt hours per month.

30 (2) For small commercial customers, the monthly bill amount shall
31 be shown for usage levels of one thousand, ten thousand, and thirty
32 thousand kilowatt hours per month, using demand charges for peak
33 demands of eight, forty, and one hundred kilowatts, respectively.

34 NEW SECTION. **Sec. 7.** By December 1, 2002, the department shall
35 report to the legislature with suggested modifications to the
36 disclosure requirements included in sections 4, 5, and 6 of this act to
37 improve informational content, readability, and consumer understanding.

1 The report shall also include recommendations for additional price
2 disclosure requirements in the event retail electric customers are
3 offered a choice of electric service providers or a diversity of
4 electricity products, such as green power or spot power. Prior to
5 preparing its report, the department shall convene a work group of
6 interested parties to examine the label format and review available
7 information about consumer responses to the disclosures required under
8 this chapter.

9 NEW SECTION. **Sec. 8.** (1) The department shall make all reasonable
10 efforts within existing resources to obtain the agreement of an
11 appropriate regional entity to serve as the electricity information
12 coordinator for the purposes of implementing this act. In the event
13 the department cannot secure such agreement by November 1, 1999, the
14 department shall serve as the electricity information coordinator after
15 notifying the committees of the senate and house of representatives
16 with jurisdiction over energy matters.

17 (2) The electricity information coordinator shall compile the
18 following information as it becomes available:

19 (a) Actual generation by fuel mix in the Northwest power pool for
20 the prior calendar year, expressed in megawatt hours.

21 (b) Adjustments to the actual generation for the prior calendar
22 year to reflect known increases or decreases in generation for the
23 current year. These adjustments shall include supporting
24 documentation.

25 (c) The amount of electricity from dedicated resources that retail
26 suppliers will identify in their fuel mix disclosures during the
27 current calendar year, and, as available, the actual total generation
28 for each generating project that was identified, in whole or in part,
29 as a dedicated resource.

30 (d) The emissions and nuclear waste data identified in section 5 of
31 this act for generation from fossil fuels and nuclear plants for the
32 prior calendar year. This data shall correspond with the megawatt hour
33 generation from the respective resources.

34 (3) Retail suppliers shall make available upon request the
35 following information to support the ownership or contractual rights to
36 dedicated resources:

37 (a) Documentation of ownership of dedicated resources by retail
38 suppliers, including information that could be required through

1 reporting to the utilities and transportation commission or the state
2 auditor for which the right to claim the stated quantity of electricity
3 has not been sold.

4 (b) Documentation of contractual rights by retail suppliers,
5 including information that could be required through reporting to the
6 utilities and transportation commission or the state auditor to claim
7 a stated quantity of electricity from a specific generating facility.

8 (4) The electricity information coordinator shall:

9 (a) Calculate and make available the net system power mix as
10 follows:

11 (i) The actual Northwest power pool generation for the prior
12 calendar year;

13 (ii) Plus any adjustments available to the United States portion of
14 the Northwest power pool generation;

15 (iii) Less the quantity of electricity associated with dedicated
16 resources claimed by retail suppliers for the current calendar year;

17 (iv) Plus adjustments based on consultations with other electricity
18 information coordinators, or comparable organizations in the western
19 interconnection to verify that resources are not double counted in the
20 western interconnection.

21 (b) To the extent the information is available, verify that the
22 quantity of electricity associated with the dedicated resources for the
23 current calendar year does not exceed the available generation from
24 those resources, that is, verify that the resources are not double
25 counted.

26 (c) Develop emissions and nuclear waste data corresponding to the
27 net system power mix and provide this information to retail suppliers.

28 NEW SECTION. **Sec. 9.** Sections 3 through 8 of this act are each
29 added to chapter 19.29A RCW.

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