

# Chelan PUD 2017 Legislative Update

## January 16, 2017



1. Centennial Grant funding for the Peshastin project
  - a. Issue –Upgrades to the wastewater plant to meet State mandated environmental requirements.
  - b. Need - We are seeking grant funding. (60% of project costs)
  - c. **Gov. Inslee’s budget includes \$50M for Centennial Grants (a portion of which is for hardship projects such as the Peshastin project - No.2 on the list)**
2. Gov. Inslee Carbon Tax bill has been introduced – helps fund infrastructure spending
  - a. **SB 5127 Sen. John Braun, R-Centralia and Sen Kevin Ranker, D-Orcas Island**
3. Public Works Trust Fund
  - a. **There are now three bills on infrastructure spending**
    - i. **HB 1051 Rep. Richard DeBolt, R-Chehalis**
    - ii. **SB 5033 Sen. Karen Keiser, D-Kent**
    - iii. **SB 5088 Sen Jim Honeyford, R-Sunnyside (OFM Request Bill)**
    - iv. **Rumors of two additional bills**
4. Fuel Mix Disclosure
  - a. Issues –
    - i. Current methodology inaccurately assigns too much carbon to the energy we use to serve load
    - ii. Other legislative proposals use it to assign carbon content – **Gov. Inslee’s Carbon Tax bill relies on the disclosure for utilities carbon reporting**
  - b. Needs –
    - i. Modify the current process to openly and accurately reflect fuel sources
    - ii. Do not use to assign carbon obligations to utilities
5. Distributed Generation and distribution system planning
  - a. Issue – There will likely be a push for the expansion of distributed generation and a requirement to perform related distribution system planning
  - b. Need – Maintain Local Control, allow for individual needs of utilities to be served through our system planning processes currently in place
  - c. **Rep Morris has released a draft of his distributed energy resources bill – staff is reviewing but we understand the bill is intended to provide carrots instead of sticks to encourage utilities to plan for the future.**





6. SAO issues

- a. Issues –
  - i. SAO imposed restrictions on unit priced contracts
  - ii. Requirement to use an auditing standard that we feel is not needed and adds costs and may be incompatible with bond and power agreements
- b. Needs –
  - i. Retain our ability to continue efficient unit price contracting (tree trimming, paving)
  - ii. Do not make changes to current audit regulations
- c. **The PUD unit price contracting bill has been dropped and the hearing on the bill is Jan 17. Coordinating with staff and WPUA on how to support the bill.**

7. Retail telecom authority

- a. Issue – Current law prohibits PUDs from serving existing customers in the event the retail service provider is unable to do so
- b. Need – legislate a “Safe Harbor” provision to allow continued customer service
- c. **Sen. Rolfes has dropped her bill.**

8. Pole attachments (Including wireless equipment)

- a. Issue – There may be an effort by service providers to standardize rates across the state
- b. Need – No change is needed; we support the current rate setting methods and regulations
- c. **A workshop on 5G technology was held last week. The wireless providers want to attach their equipment to utility poles, public buildings, light standards, and other infrastructure in a right-of-way. The barebones version of the bill apparently would preempt local authority related to regulating the right of way and the charges local governments impose for facilities attached to their property.**

9. Other issues of note

- a. **Sen. Hawkins has been elected Assistant Floor Leader**
- b. **Sen. Hawkins is seeking funds for construction of the Emergency Operations Center at the Sunnyslope fire station. Site work and design of facility was funded last year.**

Contacts:

Tracy Yount: 509-661-4353  
tracy.yount@chelanpud.org

Shaun Seaman: 509-661-4459  
shaun.seaman@chelanpud.org



CHELAN COUNTY