

This Week in Olympia

January 18, 2010

A Report from Chelan County PUD External Affairs

- **Budget crisis dominates the 2010 legislative agenda**

The Legislature is hard at work developing a plan for addressing a nearly \$3 billion budget deficit. A round of painful funding cuts, followed by another round of revenue-generating proposals, are expected to occupy much of the time and energy of the lawmakers. There's also talk of suspending Initiative 960, which requires a two-thirds vote on all tax and fee increases. An underlying influence will be the fall elections. All of the House and half of the Senate seats are up for grabs.

- **A Standard Offer Contract bill has its first committee hearing**

House Bill 2536 would require utilities like Chelan PUD to buy renewable energy at mandated rates set by the Washington Department of Commerce. It would also establish timelines for interconnecting the facilities and penalties for missing the timelines.

- **A flood of proposed bills includes several of interest to Chelan PUD**

The budget deficit may be the primary focus, but there's no shortage of legislation.

1. Senate Bill 5422 – The trial lawyers group will reportedly not challenge language proposed last year to amend the Recreational Use statute for whitewater kayaking. Senator Linda Evans Parlette is working to move this bill to the Senate floor for a vote.
2. House Bill 2508/Senate Bill 6267 – Modifies provisions regarding how Ecology can process water right applications through cost reimbursement agreements.
3. House Bill 2545/Senate Bill 6373 - Amends and streamlines Ecology's greenhouse gas reporting requirements to better align with the U.S. Environmental Protection Agency's new reporting rule. This would eliminate the need for many entities to report.
4. House Bill 2590 - Authorizes a systems benefits charge for electric and natural gas utilities to collect a monthly system benefits charge from customers to fund the development of sustainable energy resources and smart grid technologies.
5. House Bill 2417 - Establishes a 50% tax on selling unbundled renewable energy credits.
6. House Bill 2559 - Requires Ecology to develop and implement a water quality trading and banking program as a means to achieve water quality objectives and standards.
7. House Bill 2736 – Establishes an office of public records.

- **Potential amendments to the Energy Independence Act begin to emerge**

The debate over what, if any changes should be made to the law that resulted from Initiative 937 continues, even as the legislative session is underway. There's clearly no consensus amongst the various interest groups regarding what, if anything, should be

proposed this session. Chelan PUD's position remains the same: Don't require utilities to build resources that aren't needed and hydro used to integrate renewables (like wind and solar) should be a qualified renewable resource.

- **A proposal to extend telecommunications authority for retail services emerges**

One of the District's top 2010 session objectives makes an early session appearance. Representative John McCoy, Chairman of the House Technology, Energy and Communications Committee, has introduced House Bill 2600. The bill would provide retail telecommunications authority for utilities and rural port districts under certain conditions. Rep. McCoy has also filed House Bill 2601 which directs the technology law and public policy clinic at the University of Washington School of Law to study and prepare a report to the Legislature on telecommunications regulatory reform.

For more information

- Jeff Smith @ ext. 4379
- Marty Whiteman @ ext. 4148
- Suzanne Grassell @ 264-1010