



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)

**Update – This project is well positioned to receive grant funds if the legislature provides adequate funding in the next biennial budget. Sen. Hawkins has been helpful in supporting this request. We are in the process of developing a plan to engage key decision makers for funding.**

2. 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
- b. Needs –
  - i. Modify the current process to openly and accurately reflect fuel sources
  - ii. Do not use to assign carbon obligations to utilities

3. 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

**Update – HB 1233 sponsored by Rep Jeff Morris, D-Mt. Vernon, was heard Jan 19. Testimony by utilities was in general not supportive. Although the bill has no requirements for utilities to develop plans, it included a provision that PUDs seek a vote of our customers to take relevant actions. WPUA testified in opposition. Rep. Morris is taking comments and will likely convene a workshop.**

4. 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

**Update – The bill to address PUD unit price contracts, was heard with no opposition. It has been passed to the Rules Committee.**



5. 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

**Update – Sen. Rolfes has introduced her bill from last year- includes the safe harbor provision. Sen. John McCoy has also introduced a bill that would provide retail authority. Neither bill has been scheduled for a hearing.**

6. 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

**Update – A sweeping telecommunications bill which includes pole attachment language, has been introduced in the House. This bill is primarily aimed at making it easier for telecommunications companies to expand a small wireless 4G cell network which the industry hopes will make the next generation of equipment easier to deploy. We understand that momentum may be growing to politically link or combine telecom authority with pole attachments in one bill. The interaction between these two issues will influence our path forward.**

7. Fire liability

- a. Issue - Utilities may be held liable for hazards (off right-of-way danger trees we cannot address)
- b. Need - Not to be held liable for hazards we cannot address

8. Back-billing

- a. Issue – Proposed legislation intended to limit back billing customers for utility errors to six months
- b. Need – No need for change - retain local control within the current laws.

9. Hydraulic Project Approval (HPA) fees

- a. Issue - WDFW is seeking to increase fees above the current \$150 per project
- b. Need – We will monitor proposals to determine the appropriateness of proposed changes.

**Update - The HPA fee bill has been introduced and the requesting agency (WDFW) has recognized that changes are needed to gain support for the bill.**

10. Funding aquatic invasive species program

- a. Issue - WDFW is seeking to fully fund their proposed Aquatic Invasive Species program



- b. Need – We support an adequately funded program that protects the state from invasive species and provides for actions if species are detected.

**Update – Both the House and Senate versions of the bill have been heard but neither has moved. Shipping interests have expressed opposition on a section of the bill related to ballast water.**

#### 11. Public Works Trust Fund

- a. Issue – The current fund is no longer able to provide adequate funding
- b. Need – A stable and sustainable funding mechanism for public infrastructure projects in Washington State

**Update – We are working with the Tri-Commission on the nine bills related to this issue. Workshops are being planned to sort through the various approaches. We have developed a high level financial comparative analysis that considers the interplay between bond rating and tax exempt financing. The current PWTF provides a greater benefit to the borrower compared to the proposals being made (0.50% vs. 4+%). Tax-exempt bonds compared to taxable bonds results in a .19 percent to .43 percent benefit to the bond purchaser depending on bond rating. These rates are reflective of current market conditions which are at historical lows with narrow spreads between taxable and tax exempt**

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#### Other issues

1. **Senate currently split at 25/24** (Due to Sen. Sheldon caucusing with the Majority Coalition)
  - a. This is due to Sen. Dansel's, R-Republic, resignation
  - b. Sen. Ericksen may be stepping down as Chair of the Senate Energy and Environment committee.
2. **Letter of support for a regional Emergency Operations Center**
  - a. Provided a letter of support for a \$1.7M capital budget request to build the center
3. **Letter of Support for the Office of the Columbia River**
  - a. Provide a letter of support for funding of the Office for the next biennium
4. **HB 1334 is environmental community bill for the next phase of the Energy Independence act. Hearing was held Jan 26.**
  - a. **We are not supportive of many aspects of the bill including those pertaining to future generation resources.**
5. **Robb Davis participated on a Senate Energy and Environmental Committee panel discussion on the EIA and he provided our perspectives for reducing carbon in the state.**
6. **There are numerous HR related bills (i.e. retirement, equal pay and leave issues) we are tracking closely.**

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