

## Washington PUD Association 2015 Legislative Priorities

Created and owned by communities they serve and operated under the direction of locally-elected Boards of Commissioners, the members of the Washington PUD Association (WPUDA) including 27 public utility districts and a joint-operating agency (Energy Northwest), are committed to providing safe, reliable and affordable service. The Washington PUD Association supports public policy that ensures our members' ability to effectively and efficiently manage the systems, resources and services that drive local economies and enhance the quality of life for residents in 28 counties across the State of Washington.

- **Clean energy:** WPUDA supports a policy approach that helps achieve the state's carbon reduction goals; meets the need of PUD customers for clean, affordable energy; and maximizes the benefits of our zero carbon resources. The Washington PUD Association supports modification of the Energy Independence Act to provide a funding resource for clean energy programs by creating an additional compliance path option under the Act allowing qualifying utilities that have enough resources to meet customer needs or are slow growing to invest 1% of their retail revenue requirement in a combination of clean energy programs including electric vehicle charging station development, rooftop solar programs, increased energy conservation and efficiency beyond current targets, research and development of clean energy technologies and energy storage.
- **Rooftop solar financing and integration into utility systems:** We support integration of rooftop solar, as well as other clean distributed energy systems in a way that ensures the reliability of PUD distribution systems, provides for consumer protection, allows eligibility for PUDs to participate in the state incentive program so PUD customers have equal opportunity to receive benefits from investments in solar, and ensures protection against cost shifts from deployment of rooftop solar systems that would place a greater financial burden on those least able to absorb increased costs.
- **Recognition of incremental hydropower produced as a result of efficiency improvements to the federal hydropower system under the state's renewable portfolio standards.** Hydro efficiency improvements are a cost effective new renewable resource. The Energy Independence Act (EIA) only counts the hydro efficiency improvements associated with hydro projects "owned" by a qualified utility. Over 2.3 million Washington consumers pay millions of dollars for federal hydro efficiency improvements through rates, but because these improvements are not recognized as an eligible renewable resource, those consumers must spend more dollars for EIA compliance. We support modifying the EIA to recognize these investments made by ratepayers.
- **Managing renewable energy investments to reflect customer needs:** We support a change to the EIA that would prevent utilities that have an oversupply of power from having to invest in additional resources for compliance purposes only. We support modifying the state's compliance requirements for investments in eligible renewable resources to ensure ratepayer dollars are used efficiently to meet energy needs. The Energy Independence Act compliance mandates requiring increasing investments in renewable resources while also requiring utilities to achieve all cost-effective conservation are resulting in a surplus of energy, at a time when energy use is down both because of our very effective conservation programs and our more efficient economy even as we grow out of the recession. The investments by utilities for state-mandated compliance has increased costs and is expected to continue to put upward pressure on rates across the state.
- **Restoration of funding to the Public Works Trust Fund:** The Public Works Trust Fund is a vital resource for PUDs seeking low-cost loans to fund infrastructure. In 2013 the Legislature took nearly all tax revenue—\$77 million this biennium and continuing until July 2019—from the Public Works Assistance Account (PWAA) to help provide an additional \$1 billion in funding for basic K-12 education. Loss of this PWAA tax revenue, which comes from water and sewer utility taxes and the real estate excise tax, has resulted in severe cuts in the Public Works Trust Fund's ability to provide low-interest loans for PUD water and wastewater projects and other basic infrastructure projects of cities, counties and water-sewer districts. We support restoration of the PWAA's tax revenue so that the PWTF can more quickly recover its ability to finance new low-interest project loans.