

2021 Washington State Energy Strategy Advisory Committee

Legislative Charge to the Committee

The Washington Department of Commerce (Commerce) is convening the Washington State Energy Strategy Advisory Committee to provide guidance, advice, and recommendations to Commerce for the review and development of the 2021 State Energy Strategy. The Legislature has directed that the State Energy Strategy identify policies and actions to balance three goals:¹

- Maintain competitive energy prices that are fair and reasonable for consumers and businesses and support our state's continued economic success;
- Increase competitiveness by fostering a clean energy economy and jobs through business and workforce development; and
- Meet the state's obligations to reduce greenhouse gas emissions.

To meet these goals, the Legislature adopted nine principles—set out below—to guide the development and implementation of the State Energy Strategy.²

The review and update to the State Energy Strategy was authorized in the 2019 legislative session (RCW 43.21F.090; see Attachment 1). The law requires Commerce to complete the review of the State Energy Strategy by the end of 2020.

RCW 43.21F.090 requires that Commerce “establish an energy strategy advisory committee for each review [of the state energy strategy] to provide guidance to the department in conducting the review.” The legislation includes a list of stakeholder categories (and number of representatives) to comprise the membership of the Advisory Committee. It calls for the Chair of the Committee to be appointed by the Governor from the Committee’s citizen members. The statute allows Commerce to establish technical advisory groups “as necessary to assist in the development of the strategy.”

The law provides that a written report will be conveyed by Commerce to the Governor and the appropriate legislative committees. The Advisory Committee established for purposes of the state energy strategy revision will be dissolved within three months after the written report is conveyed.

Commerce “shall provide for extensive public involvement throughout the development of the strategy.” This includes a public hearing “regarding the advisory committee’s advice and recommendations for revisions to the energy strategy” prior to the submission of the final report.

State Energy Strategy Goals and Guiding Principles

As codified in RCW 43.21F.010 (Attachment 2), the State Energy Strategy must balance the three goals of competitive energy prices, fostering a clean energy economy, and meeting greenhouse gas reduction obligations. The Legislature’s 2019 amendments focus the strategy on compliance approaches for the state’s clean electricity laws and newly revised statewide emissions reductions targets as recommended by the Department of Ecology. Key laws and targets include:

¹ See RCW 43.21F.010(4) in Attachment 2 and at: <https://app.leg.wa.gov/RCW/default.aspx?cite=43.21F.010>

² See RCW 43.21F.088, provided as Attachment 3 and at: <https://app.leg.wa.gov/RCW/default.aspx?cite=43.21F.088>

- The Clean Energy Transformation Act (Chapter 19.405 RCW) requires 100% clean electricity generation in the state by 2045.
- The Energy Independence Act (Chapter 19.285 RCW) requires electric utilities serving at least 25,000 retail customers to use renewable energy and energy conservation.
- The Energy Strategy must be aligned with the statewide greenhouse gas emissions reduction goals established by the Legislature and updated by Ecology as required by RCW 70.235.040 (See Attachment 4).

In developing the energy strategy, Commerce—and by extension the Advisory Committee—is also guided by a set of principles codified in RCW 43.21F.088 (Attachment 3):

- Pursue all cost-effective energy efficiency and conservation as the state's preferred energy resource, consistent with state law;
- Ensure that the state's energy system meets the health, welfare, and economic needs of its citizens with particular emphasis on meeting the needs of low-income and vulnerable populations;
- Maintain and enhance economic competitiveness by ensuring an affordable and reliable supply of energy resources and by supporting clean energy technology innovation, access to clean energy markets worldwide, and clean energy business and workforce development;
- Reduce dependence on fossil fuel energy sources through improved efficiency and development of cleaner energy sources, such as bioenergy, low-carbon energy sources, and natural gas, and leveraging the indigenous resources of the state for the production of clean energy;
- Improve efficiency of transportation energy use through advances in vehicle technology, increased system efficiencies, development of electricity, biofuels, and other clean fuels, and regional transportation planning to improve transportation choices;
- Meet the state's statutory greenhouse gas limits and environmental requirements as the state develops and uses energy resources;
- Build on the advantage provided by the state's clean regional electrical grid by expanding and integrating additional carbon-free and carbon-neutral generation, and improving the transmission capacity serving the state;
- Make state government a model for energy efficiency, use of clean and renewable energy, and greenhouse gas-neutral operations; and
- Maintain and enhance our state's existing energy infrastructure.

Among other things, the State Energy Strategy may inform legislative proposals for the 2021 session. The last Strategy developed in the state was the *2012 Washington State Energy Strategy*.³ Commerce most recently issued a *Biennial Energy Report* in 2019 that includes an update on recommendations made in the 2012 Strategy.⁴

³ See: <https://www.commerce.wa.gov/wp-content/uploads/2016/06/energy-state-strategy-2012.pdf>.

⁴ See: <http://www.commerce.wa.gov/wp-content/uploads/2013/01/COMMERCE-Biennial-Energy.pdf>.

ATTACHMENT 1: RCW 43.21F.090, Section 22: *Review of State Energy Strategy and Formation of Advisory Committee*

Sec. 22. RCW 43.21F.090 and 1996 c 186 s 106 are each amended to read as follows:

(1) The department shall review the state energy strategy by December 31, 2020, and at least once every eight years thereafter, subject to funding provided for this purpose, for the purpose of aligning the state energy strategy with the requirements of RCW1643.21F.088 and chapters 19.285 and 19.--- RCW (the new chapter 17 created in section 27 of this act), and the emission reduction targets recommended by the department of ecology under RCW1970.235.040. The department must establish an energy strategy advisory committee for each review to provide guidance to the department in conducting the review. The membership of the energy strategy advisory committee must consist of the following:

- (a) One person recommended by investor-owned electric utilities
- (b) One person recommended by investor-owned natural gas utilities
- (c) One person employed by or recommended by a natural gas pipeline serving the state
- (d) One person recommended by suppliers of petroleum products
- (e) One person recommended by municipally owned electric utilities
- (f) One person recommended by public utility districts
- (g) One person recommended by rural electrical cooperatives
- (h) One person recommended by industrial energy users
- (i) One person recommended by commercial energy users
- (j) One person recommended by agricultural energy users
- (k) One person recommended by the association of Washington cities
- (l) One person recommended by the Washington association of counties
- (m) One person recommended by Washington Indian tribes
- (n) One person recommended by businesses in the clean energy industry
- (o) One person recommended by labor unions
- (p) Two persons recommended by civic organizations, one of which must be a representative of a civic organization that represents vulnerable populations
- (q) Two persons recommended by environmental organizations
- (r) One person representing independent power producers
- (s) The chair of the energy facility site evaluation council or the chair's designee
- (t) One of the representatives of the state of Washington to the Pacific Northwest electric power and conservation planning council selected by the governor
- (u) The chair of the utilities and transportation commission or the chair's designee
- (v) One member from each of the two largest caucuses of the house of representatives selected by the speaker of the house of representatives
- (w) One member from each of the two largest caucuses of the senate selected by the president of the senate

(2) The chair of the advisory committee must be appointed by the governor from citizen members. The director may establish technical advisory groups as necessary to assist in the development of the strategy. The director shall provide for extensive public involvement throughout the development of the strategy.

(3) Upon completion of a public hearing regarding the advisory committee's advice and recommendations for revisions to the energy strategy, a written report shall be conveyed by the department to the governor and the appropriate legislative committees. The energy strategy advisory committee established under this section must be dissolved within three months after their written report is conveyed.

ATTACHMENT 2: RCW 43.21F.010: *State Energy Strategy Goals*

(1) The legislature finds that the state needs to implement a comprehensive energy planning process that:

- (a) Is based on high quality, unbiased analysis;
- (b) Engages public agencies and stakeholders in a thoughtful, deliberative process that creates a cohesive plan that earns sustained support of the public and organizations and institutions that will ultimately be responsible for implementation and execution of the plan; and
- (c) Establishes policies and practices needed to ensure the effective implementation of the strategy.

(2) The legislature further finds that energy drives the entire modern economy from petroleum for vehicles to electricity to light homes and power businesses. The legislature further finds that the nation and the world have started the transition to a clean energy economy, with significant improvements in energy efficiency and investments in new clean and renewable energy resources and technologies. The legislature further finds this transition may increase or decrease energy costs and efforts should be made to mitigate cost increases.

(3) The legislature finds and declares that it is the continuing purpose of state government, consistent with other essential considerations of state policy, to foster wise and efficient energy use and to promote energy self-sufficiency through the use of indigenous and renewable energy sources, consistent with the promotion of reliable energy sources, the general welfare, and the protection of environmental quality.

(4) The legislature further declares that a successful state energy strategy must balance three goals to:

- (a) Maintain competitive energy prices that are fair and reasonable for consumers and businesses and support our state's continued economic success;
- (b) Increase competitiveness by fostering a clean energy economy and jobs through business and workforce development; and
- (c) Meet the state's obligations to reduce greenhouse gas emissions

ATTACHMENT 3: RCW 43.21F.088: State Energy Strategy Principles

(1) The state shall use the following principles to guide development and implementation of the state's energy strategy and to meet the goals of RCW **43.21F.010**:

- (a) Pursue all cost-effective energy efficiency and conservation as the state's preferred energy resource, consistent with state law;
- (b) Ensure that the state's energy system meets the health, welfare, and economic needs of its citizens with particular emphasis on meeting the needs of low-income and vulnerable populations;
- (c) Maintain and enhance economic competitiveness by ensuring an affordable and reliable supply of energy resources and by supporting clean energy technology innovation, access to clean energy markets worldwide, and clean energy business and workforce development;
- (d) Reduce dependence on fossil fuel energy sources through improved efficiency and development of cleaner energy sources, such as bioenergy, low-carbon energy sources, and natural gas, and leveraging the indigenous resources of the state for the production of clean energy;
- (e) Improve efficiency of transportation energy use through advances in vehicle technology, increased system efficiencies, development of electricity, biofuels, and other clean fuels, and regional transportation planning to improve transportation choices;
- (f) Meet the state's statutory greenhouse gas limits and environmental requirements as the state develops and uses energy resources;
- (g) Build on the advantage provided by the state's clean regional electrical grid by expanding and integrating additional carbon-free and carbon-neutral generation, and improving the transmission capacity serving the state;
- (h) Make state government a model for energy efficiency, use of clean and renewable energy, and greenhouse gas-neutral operations; and
- (i) Maintain and enhance our state's existing energy infrastructure.

(2) The department shall:

- (a) During energy shortage emergencies, give priority in the allocation of energy resources to maintaining the public health, safety, and welfare of the state's citizens and industry in order to minimize adverse impacts on their physical, social, and economic well-being;
- (b) Develop and disseminate impartial and objective energy information and analysis, while taking full advantage of the capabilities of the state's institutions of higher education, national laboratory, and other organizations with relevant expertise and analytical capabilities;
- (c) Actively seek to maximize federal and other nonstate funding and support to the state for energy efficiency, renewable energy, emerging energy technologies, and other activities of benefit to the state's overall energy future; and
- (d) Monitor the actions of all agencies of the state for consistent implementation of the state's energy policy including applicable statutory policies and goals relating to energy supply and use.

ATTACHMENT 4: Washington State Greenhouse Gas Emissions Reductions

In **Washington State Greenhouse Gas Emission Reduction Limits**,⁵ prepared under RCW 70.235.040 (see below) and in consultation with the Climate Impacts Group at the University of Washington, the Washington Department of Ecology recommends updated state greenhouse gas emission reduction limits of:

- By 2020, reduce emissions to 1990 levels.
- By 2030, reduce emissions to 45% below 1990 levels
- By 2040, reduce emissions to 70% below 1990 levels.
- By 2050, reduce emissions to 95% below 1990 levels – and achieve net zero greenhouse gas emissions.

70.235.040

Consultation with climate impacts group at the University of Washington — Report to the legislature.

Within eighteen months of the next and each successive global or national assessment of climate change science, the department shall consult with the climate impacts group at the University of Washington regarding the science on human-caused climate change and provide a report to the legislature summarizing that science and make recommendations regarding whether the greenhouse gas emissions reductions required under RCW [70.235.020](#) need to be updated.

70.235.020

Greenhouse gas emissions reductions — Reporting requirements.

(1)(a) The state shall limit emissions of greenhouse gases to achieve the following emission reductions for Washington state:

- (i) By 2020, reduce overall emissions of greenhouse gases in the state to 1990 levels;
- (ii) By 2035, reduce overall emissions of greenhouse gases in the state to twenty-five percent below 1990 levels;
- (iii) By 2050, the state will do its part to reach global climate stabilization levels by reducing overall emissions to fifty percent below 1990 levels, or seventy percent below the state's expected emissions that year.

(b) By December 1, 2008, the department shall submit a greenhouse gas reduction plan for review and approval to the legislature, describing those actions necessary to achieve the emission reductions in (a) of this subsection by using existing statutory authority and any additional authority granted by the legislature. Actions taken using existing statutory authority may proceed prior to approval of the greenhouse gas reduction plan.

(c) Except where explicitly stated otherwise, nothing in chapter 14, Laws of 2008 limits any state agency authorities as they existed prior to June 12, 2008.

(d) Consistent with this directive, the department shall take the following actions:

- (i) Develop and implement a system for monitoring and reporting emissions of greenhouse gases as required under RCW [70.94.151](#); and
- (ii) Track progress toward meeting the emission reductions established in this subsection, including the results from policies currently in effect that have been

⁵ See report at: <https://fortress.wa.gov/ecy/publications/documents/1902031.pdf> and summary at: <https://ecology.wa.gov/About-us/Get-to-know-us/News/2019/Dec-19-New-climate-research-shows-need-for-deep-cu>.

previously adopted by the state and policies adopted in the future, and report on that progress.

(2) By December 31st of each even-numbered year beginning in 2010, the department and the department of commerce shall report to the governor and the appropriate committees of the senate and house of representatives the total emissions of greenhouse gases for the preceding two years, and totals in each major source sector. The department shall ensure the reporting rules adopted under RCW [70.94.151](#) allow it to develop a comprehensive inventory of emissions of greenhouse gases from all significant sectors of the Washington economy.

(3) Except for purposes of reporting, emissions of carbon dioxide from industrial combustion of biomass in the form of fuel wood, wood waste, wood by-products, and wood residuals shall not be considered a greenhouse gas as long as the region's silvicultural sequestration capacity is maintained or increased.