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ENGROSSED SUBSTITUTE SENATE BILL 6248

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State of Washington

64th Legislature

2016 Regular Session

By Senate Energy, Environment & Telecommunications (originally sponsored by Senators Ericksen and Ranker)

READ FIRST TIME 02/05/16.

1 AN ACT Relating to a pathway for a transition of eligible coal  
2 units; and adding a new chapter to Title 80 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The definitions in this section apply  
5 throughout this chapter unless the context clearly requires  
6 otherwise.

7 (1) "Eligible coal plant" means a coal-fired electric generation  
8 facility that: (a) Had two or fewer generating units as of January 1,  
9 1980, and four generating units as of January 1, 2016; (b) is owned  
10 by more than one electrical company as of January 1, 2016; and (c)  
11 provides, as a portion of the load served by the coal-fired electric  
12 generation facility, electricity paid for in rates by customers in  
13 the state of Washington.

14 (2) "Eligible coal unit" means any generating unit of an eligible  
15 coal plant.

16 NEW SECTION. **Sec. 2.** (1) The commission may, after conducting  
17 an adjudicative proceeding under chapters 34.05 and 80.04 RCW,  
18 authorize an electrical company to place amounts from one or more  
19 regulatory liabilities into a retirement account established pursuant  
20 to RCW 80.04.350 to cover decommissioning and remediation costs of

1 eligible coal units that commenced commercial operations before  
2 January 1, 1980.

3 (2) Regulatory liabilities placed in a retirement account  
4 pursuant to subsection (1) of this section must: (a) Not be used for  
5 any purpose other than the funding and recovery of prudently incurred  
6 decommissioning and remediation costs for such eligible coal units;  
7 (b) except as provided in RCW 80.04.350, not be reduced, altered,  
8 impaired, or limited from the date of commission approval of the  
9 inclusion of the regulatory liabilities in the retirement account  
10 until all prudently incurred decommissioning and remediation costs  
11 for such coal units are recovered or paid in full; and (c) provide  
12 that any remaining funds in the retirement account, after recovery by  
13 the electrical company of all prudently incurred decommissioning and  
14 remediation costs for such eligible coal units, be returned to  
15 customers.

16 NEW SECTION. **Sec. 3.** (1) If an electrical company proposes a  
17 closure date or retires from service an eligible coal unit that  
18 commenced commercial operations before January 1, 1980, prior to  
19 December 31, 2022, then the commission may not authorize the  
20 electrical company to use regulatory liabilities placed in a  
21 retirement account for decommissioning and remediation costs pursuant  
22 to section 2 of this act.

23 (2) Subsection (1) of this section does not apply if an  
24 electrical company demonstrates to the commission that a decision to  
25 retire from service an eligible coal unit that commenced commercial  
26 operations before January 1, 1980, prior to December 31, 2022:

27 (a) Is prudent as determined by evidence showing the continued  
28 operation of an eligible coal unit is economically or technologically  
29 unfeasible or requires a capital investment that is outside the scope  
30 of a prudent improvement or investment or the eligible coal unit has  
31 reached the end of its useful life; or

32 (b) Does not meet the standard in (a) of this subsection but is  
33 attributable to the actions of a co-owner or operator of the eligible  
34 coal unit over whom the electrical company does not exercise control.

35 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act  
36 constitute a new chapter in Title 80 RCW.

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