

Fiscal: Has minimal fiscal impact

Revenue: No Revenue Impact

Action Date: 04/21/15

Action: Do Pass As Amended And Be Printed Engrossed.

Meeting Dates: 03/17, 04/21

Vote:

Yeas: 9 - Bentz, Boone, Heard, Helm, Holvey, Johnson, Reardon, Vega Pederson, Weidner

Prepared By: Beth Patrino, Committee Administrator

WHAT THE MEASURE DOES:

Defines “energy storage system” as technology capable of retaining energy, storing energy for period of time and delivering energy after storage. Defines “electric company” as company with sales of electricity to retail customers in amount that equals three percent or more of all retail electricity sales. If authorized by Public Utility Commission (PUC), directs electric company to procure one or more qualifying energy storage system with capacity to store at least five megawatt hours of electricity on or before January 1, 2020. Restricts total capacity of storage system procured by one company to less than one percent of company’s 2014 peak load; authorizes PUC to waive limit under specified circumstances. Allows energy company to recover in rates all cost prudently incurred in procuring one or more energy storage systems. Not later than January 1, 2017, directs PUC to adopt guidelines for submittal of proposals by energy companies. Not later than January 1, 2018, directs energy companies to submit to PUC one or more proposals for developing project that includes one or more energy storage systems. Establishes proposal requirements and PUC evaluation criteria. Prohibits PUC from using or allowing use of information and analyses submitted with proposal to be used for other purpose and, to protect information, directs PUC to determine procedures under which person may view information and analyses and adopt protective order that includes reasonable restrictions requested by utility. Directs PUC to report to interim legislative committees related to energy by September 15, 2016 and September 15, 2018. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Benefits of energy storage
- Funding for energy storage systems
- Existing barriers to development of energy storage systems

EFFECT OF COMMITTEE AMENDMENT:

Replaces measure.

BACKGROUND:

Energy storage technology includes batteries, flywheels, compressed air energy storage, thermal, and pumped hydro-power. Individual energy storage projects augment electric grid by capturing excess electrical energy during periods of low demand and storing it in other forms until needed on an electric grid. The energy is later converted back to its electrical form and returned to the grid as needed.

One of the distinctive characteristics of the electric power sector is that the amount of electricity that can be generated is relatively fixed over short periods of time, although demand for electricity fluctuates throughout the day. Electricity storage devices can manage the amount of power required to supply customers at times when need

is greatest, which is during peak load. Many renewable energy sources, most notably solar and wind, produce intermittent power. Energy storage is one option to provide more reliable energy supplies.

If authorized by the Public Utility Commission, House Bill 2193A would direct electric companies to procure qualifying energy storage systems with a specified capacity by 2020 and allow the company to recover in rates the cost of procurement.