



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD For the **January 26, 2021 Meeting**

AGENDA ITEMS:

- A. **Policy 43: Electrical Interconnection Requirements** - Mark Garner and Ron Schultz will be presenting some adjustments to the interconnection policy, given recent experiences, to make them more manageable for staff and our customers.
- B. **Annual Approval of Professional Services Consultants** - Ron Schultz will be presenting the annual professional services roster updates for 2021.
- C. **Annual Prequalification of Contractors** - Jeff Thayer will be presenting the annual prequalification of contractors for 2021.

NON-AGENDA ITEMS:

1. **Joint meeting with Klickitat County Commissioners** - We are scheduled to meet with the Klickitat County Commissioners on January 26, at 11 a.m. via Zoom. Since the board of Klickitat County Commissioners has two new representatives, this will be a good opportunity for us to begin to establish relationships with the new members.

I will have updates on the RNG project and our partnership efforts with Republic Services and Gwyn will present the same request provided to the previous board for CARES funding last November. You guys can take it from there.

2. **Finance Workshop** - Mike DeMott will have a presentation that will follow his discussion from last meeting regarding debt repayment strategies.
3. **WPUDA Legislative Update** - The most recent WPUDA bill list is attached. No surprises there. The largest issue for you all to note is the passing of Resolution 8402, forwarded by Commissioner Miller last week. This bill extends proclamations, including the moratorium on disconnects and late fees, until the emergency related to COVID- 19 is over. It passed both the House and Senate. There is now no end date for these two proclamations.

I also wanted to make you aware that I testified in the Agriculture, Water, and Natural Resources & Parks committee regarding the DNR Wildfire Mitigation report delivered to the legislature. I also testified on a new bill, SB 5158, regarding DNR Wildfire Mitigation, also in the same committee. The intent of the bill is to extend the current task

force work between utilities and DNR. Everyone who was registered in the session registered in support of the bill, including DNR.



**WPUDA 3-2-1 Weekly Bill Report
January 15, 2021**

[SB 5008](#) Extending the business and occupation tax exemption for amounts received as credits against contracts with or funds provided by the Bonneville power administration and used for low-income ratepayer assistance and weatherization.

- The bill is a WPUDA priority bill that will provide support for low-income assistance programs by enacting a Business and Occupation Tax exemption on credits returned to utilities by the Bonneville Power Administration for achieved conservation and using the tax savings for customer assistance and weatherization.
- A hearing was held on the bill in the Senate Environment, Energy and Technology committee which drew no opposition. The bill is scheduled for executive session January 21, 2021.

WPUDA supports the bill that would provide funding to support customers struggling to pay their utility bills during the COVID emergency.

[SCR 8402](#) Extending certain gubernatorial orders issued in response to the COVID-19 state of emergency

- The Senate Concurrent Resolution extends COVID-19 emergency proclamations issued by the governor, including the proclamation imposing a moratorium on utility disconnections and the proclamation waiving and suspending certain provisions of the Public Records Act and the Open Meeting Act, “until the termination of the state of emergency or until rescinded by gubernatorial or legislative action, whichever occurs first.”
- The Resolution passed the Senate on a 28-19 vote and was scheduled for a House floor vote today (as of publication of the report the House had not convened).

WPUDA is opposed to the resolution that could extend the moratorium on disconnections for an extended period, resulting in increased arrearages and greater financial pressure on customers and not-for-profit, community-owned utilities.

[HB 1091/SB 5231](#) Reducing greenhouse gas emissions by reducing the carbon intensity of transportation fuel.

- This is a low-carbon fuel standard bill. The legislation would establish a Clean Fuels Program (CFP) limiting the greenhouse gas (GHG) emissions attributable to each unit of transportation fuel (carbon intensity) to 10 percent below 2017 levels by 2028 and 20 percent below 2017 levels by 2035. Of interest to PUDs, is a provision in the bill that would enable PUDs to generate revenue through the sale of credits associated with use of PUD clean energy for transportation purposes. However, the legislation restricts how the revenue may be spent, making it less attractive for PUD participation. In addition, the legislation puts unrealistic constraints on generation of credits from electric vehicle charging, requiring that electric vehicles only be charged when carbon intensity of grid electricity is comparatively low; something that cannot be determined in real time.
- The hearing on the bill began yesterday, January 14th in the House Committee on Environment & Energy. However, the list of entities desiring to testify was too long to be accommodated in the allotted time, so the hearing continued this morning, Friday, January 15. The legislation is scheduled for executive session January 21 in the Environment & Energy committee.

WPUDA is opposed to the bill in its current form. While providing electric PUDs with opportunity to generate revenue from the sale of credits generated from electrification of transportation, the requirements in the bill related to how the revenue may be spent by PUDs and uncertainties about the cost increases for petroleum motor fuel undermines its value for utilities. In addition, WPUDA raised concern about requirements associated with the electricity used to charge vehicles.

WPUA Bill Status Report (Jan. 15, 2021)

H=House

S= Senate

Bill #	Short Title/Notes	Status	Sponsor	Category	Position	Hearing Date
High Priority Bills						
HB 1050	Reducing greenhouse gas emissions from fluorinated gases.	H Env & Energy	Fitzgibbon	Energy	Oppose	
HB 1084 SB 5093	Reducing statewide greenhouse gas emissions by achieving greater decarbonization of residential and commercial buildings. By Request: Office of the Governor	H Env & Energy	Ramel	Energy	Concerns	Environment & Energy (House) Public Hearing 1/22 @ 10:00 am
HB 1091 SB 5231	Reducing greenhouse gas emissions by reducing the carbon intensity of transportation fuel. Low carbon fuel standard bill By Request: Office of the Governor	H Env & Energy	Fitzgibbon	Energy	Concerns	Environment & Energy (House) Exec Session 1/21 @ 1:30 pm
SB 5126	Concerning the Washington climate commitment act. Cap and Invest Bill By Request: from the Office of the Governor	S Environment, Energy, and Technology	Carlyle	Energy	Concerns	Environment, Energy & Technology (Senate) Public Hearing 1/19 @ 10:30 am
SB 5168	Concerning renewable and nonemitting resources analysis and advisory opinions.	S Environment, Energy, and Technology	Short	Energy	Support	
HB 1095	Concerning the taxation of governmental financial assistance programs addressing the impacts of conditions giving rise to a gubernatorial or presidential emergency proclamation By Request: Department of Revenue	H Finance	Walen	Finance	Support	Finance (House) Exec Session 1/19 @ 1:30 pm
SB 5007	Addressing the economic challenges facing Washington citizens from the COVID-19 pandemic through a temporary reduction in compliance and tax burden on electric utilities WPUA priority	S Environment, Energy, and Technology	Van De Wege	Finance	Support	

Bill Status Report

January 15, 2021

Page 1 of 3

SB 5008	Extending the business and occupation tax exemption for amounts received as credits against contracts with or funds provided by the Bonneville power administration and used for low-income ratepayer assistance and weatherization. WPUDA priority bill	S Environment, Energy, and Technology	Robinson	Finance	Support	Environment, Energy & Technology (Senate) Exec Session 1/21 @ 10:30 am
SCR 8402	Extending certain gubernatorial orders issued in response to the COVID-19 state of emergency.	H Floor Calendar	Lias	Governance	Oppose	
SB 5110	Promoting greater access to the internet by modifying permitting, taxation, and other standards for telecommunications companies and facilities.	S Environment, Energy, and Technology	Ericksen	Telecom	Concerns	Environment, Energy & Technology (Senate) Public Hearing 1/21 @ 10:30 am
SB 5158	Concerning the utility wildland fire prevention advisory committee.	S Ag/Water/Natural	Hawkins	Wildland	Support	Agriculture, Water, Natural Resources & Parks (Senate) Public Hearing 1/19 @ 1:30 pm
Medium Priority Bills						
HB 1036	Reducing greenhouse gas emissions by reducing the carbon intensity of transportation fuel.	H Env & Energy	Fitzgibbon	Energy	Concerns	
HB 1046	Concerning community solar programs.	H Env & Energy	Bateman	Energy	Neutral	
HB 1057	Clarifying the meaning of the term "enjoyment of life and property" within the clean air act.	H Env & Energy	Pollet	Energy	Concerns	
HB 1114	Encouraging utility mitigation of urban heat island effects.	H Env & Energy	Dye	Energy	Support	
HB 1130	Concerning consumer affordability and reliability in energy supply.	H Env & Energy	Dye	Energy	Oppose	Environment & Energy (House) Public Hearing 1/22 @ 10:00 am
SB 5000	Creating a hydrogen fuel cell electric vehicle pilot sales and use tax exemption program.	S Environment, Energy, and Technology	Hawkins	Energy	Support	Environment, Energy & Technology (Senate) Exec Session 1/21 @ 10:30 am
HB 1002	Providing a business and occupation tax exemption for qualifying grants related to COVID-19 relief.	H Finance	Walén	Finance	Support	

SB 5188	Concerning the creation of the Washington state public bank.	S Business, Finance	Kuderer	Finance	Concerns	
SB 5063	Concerning the expiration date of the invasive species council.	S Ag/Water/Natur	Honeyford	Fish/Environmental	Support	Agriculture, Water, Natural Resources & Parks (Senate) Exec Session 1/21 @ 1:30 pm
SB 5141	Implementing the recommendations of the environmental justice task force.	S Environment, Energy, and Technology	Saldana	Fish/Environmental	Concerns	Environment, Energy & Technology (Senate) Public Hearing 1/20 @ 8:00 am
HB 1073	Expanding coverage of the paid family and medical leave program.	H Labor & Workpl	Berry	Human Resources	Concerns	Labor & Workplace Standards (House) Exec Session 1/20 @ 10:00 am
HB 1056	Concerning open public meeting notice requirements and declared emergencies.	H Local Govt	Pollet	Public Records	Support	
HB 1180	Concerning public testimony at public meetings, including virtual meetings.	H Local Govt	Kraft	Public Records	Support	
HB 1132	Concerning the protection of water supply for farming and rural economic development.	H RDev, Ag&NR	Kretz	Water	Support	Rural Development, Agriculture & Natural Resources (House) Public Hearing 1/20 @ 10:00 am
HB 1139	Taking action to address lead in drinking water.	H Education	Pollet	Water	Neutral	
SB 5060	Concerning the preservation of water rights for farmland and economic development.	S Ag/Water/Natur	Short	Water	Support	
SIM 8001	Requesting various entities assist state and local governments in Washington with monitoring and mitigating PFAS contamination of surface water and groundwater.	S Environment, Energy, and Technology	Muzzall	Water	Support	