



Support SB 5445

Encouraging utility investment in local energy resilience.

Providing an alternative compliance mechanism for the Energy Independence Act's Renewable Energy Mandate to support reliability/resiliency investments in local utility distribution systems

Request: The Washington Public Utility Districts Association (WPUDA) urges support for legislation allowing utilities to invest in local grid resiliency and clean energy projects as an alternative compliance mechanism for the Energy Independence Act's (EIA) renewable portfolio standard. This would enable utilities to keep dollars local, boosting local economies and developing infrastructure to transition to a clean energy grid, rather than purchasing renewable energy credits (RECs) often sourced outside Washington.

Background: Many WA electric utilities are at risk of blackouts due to aging infrastructure and massive load growth.

- **30% increase in electricity use** is projected over the next decade (Pacific Northwest Utilities Conference Com.).
- Key drivers include high-tech manufacturing, increasing electrification of buildings and transportation, data center needs, and population growth.

Local projects can improve distribution system resilience by specifically targeting areas needing distribution system replacement or upgrades and the need for local generation.

- Local economies and workers benefit from such projects and investments.
- Such projects can create high quality jobs, provide opportunities for training apprentice workers, and help utilities address our energy challenges by leveraging their expertise, community relationships and resources.

The Energy Independence Act: The EIA requires utilities with 25,000+ customers to ensure 15% of electricity comes from “eligible” renewable technologies (excludes hydro generation).

- Purchased and retired renewable energy credits (REC) are an eligible renewable resource.

Subject utilities spent 1.9% of their total revenue requirement (2022 Dept. of Commerce data) as follows:

- \$32.5M on RECs; from renewable resources often located out-of-state.
- \$92.4M on electricity from renewable resources (the incremental cost relative to market prices).

The Proposed Alternative Compliance Mechanism would allow utilities to comply with the renewable mandate by spending at least **2%** of revenue requirement on any combination of the following types of projects to improve

LOCAL distribution system reliability and resiliency:

Wind	Demand Response	Batteries
Rooftop/Community Solar	Moderated EV Charging	MicroGrids
Grid Hardening	Conservation (low-income & non cost effective)	Hydrogen infrastructure

Why Washington utilities should be encouraged to deepen local investment rather than market-purchased RECs!

- Mitigates the needs for expensive, inefficient, and polluting long-distance transmission of power.
- Enhances resilience and energy security.
- Boosts local economies.
- Boosts energy independence.

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