



# Clean Energy in Washington State

The enactment of SB 5116 gives the UTC new responsibilities over the transition away from fossil fuels for private electric utilities.

In 2019, the Washington Legislature and governor adopted the Washington Clean Energy Transformation Act requiring the state's electric utilities to fully transition to clean, renewable power by 2045.

Washington's investor-owned utilities (IOUs) must develop and implement plans to reduce carbon emissions or pay penalties for failing to meet requirements of the law.

The Utilities and Transportation Commission will develop programs and rules to review IOU plans and ensure compliance with legislative requirements.

## The act sets the following mandatory targets:

**2025** – All electric utilities must eliminate coal-fired generation serving Washington state customers.

**2030** – All electric utilities must be carbon neutral—i.e., remaining carbon emissions are offset by renewable energy, energy efficiency, or carbon reduction project investments or payments funding low-income assistance.

**2045** – All electric utilities must generate 100% of their power from renewable or zero-carbon resources.



**Consumer Protection Helpline**  
1-888-333-WUTC (9882)  
consumer@utc.wa.gov

**General Information**  
www.utc.wa.gov  
1-360-664-1234

## Clean electricity requirements for the UTC and regulated investor-owned utilities ...

### UTC oversight of utility rates and resources

The UTC regulates the rates and services of Washington's IOUs. The phase-out of fossil fuel generation by 2045 will require the state's IOUs to fully depreciate their investments in fossil fuel generation resources, such as coal-fired electricity, and pay for remediation and closure expenses. The UTC will review the utilities' financial plans for closing fossil-fuel resources through the established rate case process.

The act also contains provisions to preserve electric service reliability. The provisions allow the UTC to temporarily relieve a utility of its fossil-fuel reduction obligation if the electric grid's reliability or safety is insecure. The act also contains safeguards for consumers to prevent electric bills from rapidly increasing as a result of the utilities' transition to clean energy resources.

### Clean energy plans and rulemaking

The act requires Washington's IOUs to develop clean energy implementation plans by January 2022 with updates due every four years. These plans must detail how the companies will meet requirements of the act and propose targets for energy efficiency, demand response, and renewable energy generation. After review, the UTC will approve, modify, or reject utilities' energy implementation plans and may require different targets than those proposed by a utility. In its review, the UTC will consider the safety and reliability of the grid, ensure consumers are paying the lowest reasonable cost for electricity, and identify impacts to vulnerable and low-income customers, public health, and the environment.

To prepare for the first round of plans, the UTC will open a rulemaking by July 2019, with an expected completion date of Jan. 1, 2021. The rulemaking will address the process, timelines, reports, standards, and documentation required for utilities to properly develop their implementation plans.

### Low-income energy assistance

The act requires all utilities to create low-income energy assistance programs by 2021 to ensure the clean energy transformation is equitable and fair. The act also sets up a fund that collects penalty payments from utilities that fail to meet energy targets. The money collected in the fund is for weatherization and structural rehabilitation assistance for low-income customers. The act also requires the IOUs to ensure all customers benefit from the clean energy transition through both the equitable distribution of energy benefits and the reduction of energy burden to vulnerable populations and highly impacted communities.

### UTC support of reporting and advisory committees

UTC staff will participate on two advisory committees determining the effectiveness of the act: The Energy Strategy Advisory Committee and the Energy and Climate Policy Advisory Committee, both organized by the Department of Commerce. The UTC will support the Dept. of Commerce in developing effectiveness reports for the state Legislature that evaluate the legislation's policy impacts on utility system reliability and resource adequacy. The first report is due Jan. 1, 2024, and follow-up reports will be due at least every two years.

The commission will also participate on a workgroup led by the Energy Facility Site Evaluation Council that will review the need for upgraded and new electricity transmission and distribution facilities.

