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July 23, 2024

The Honorable Steve Hobbs
ATTN: Stuart Holmes
PO Box 40229
Olympia, WA 98504-0229

Re: Ballot Title and Explanatory Statement for Initiative Measure No. 2066

Dear Secretary Hobbs:

In accordance with RCW 29A.32.040 and RCW 29A.32.070, we supply herewith the Ballot Title and Explanatory Statement for Initiative Measure No. 2066. The ballot title and summary for Initiative Measure No. 2066 were previously established, and are repeated here solely for convenience of reference.

Ballot Title

Statement of Subject: Initiative Measure No. 2066 concerns regulating energy services, including natural gas and electrification.

Concise Description: This measure would repeal or prohibit certain laws and regulations that discourage natural gas use, and/or promote electrification, and require certain utilities and local governments to provide natural gas to eligible customers.

Should this measure be enacted into law? Yes [] No []

BALLOT MEASURE SUMMARY

This measure would require utilities and local governments to provide natural gas to eligible customers; prevent state approval of rate plans requiring or incentivizing gas service termination, restricting access to gas service, or making it cost-prohibitive; and prohibit the state energy code, localities, and air pollution control agencies from penalizing gas use. It would repeal sections of chapter 351, Laws of 2024, including planning requirements for cost-effective electrification and prohibitions on gas rebates and incentives.

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EXPLANATORY STATEMENT

The Law as It Presently Exists

Earlier this year, the Washington Legislature passed a law that regulates Puget Sound Energy (PSE), a large utility that provides gas and electricity to customers. That law is known as the “Washington Decarbonization Act.”

The Decarbonization Act consolidates PSE’s numerous reporting and planning requirements into a single plan, which must be submitted to the Washington Utilities and Transportation Commission (UTC). The plan must forecast customer energy demand and provide proposals for reducing greenhouse gas emissions from its operations. PSE’s plan must explain how it will transition from natural gas to electricity in a cost-effective way and how it will coordinate with local utilities when it targets an area for further electrification. In deciding whether to accept or reject the plan, the UTC must consider whether it reduces greenhouse gas emissions, meets energy efficiency targets, and results in a reasonable cost to customers.

The Decarbonization Act further prohibits PSE from offering customers rebates or incentives to buy appliances that use natural gas. Instead, PSE must educate its customers about the benefits of transitioning to electricity and the availability of rebates or incentives for energy efficient electric appliances.

The Decarbonization Act also sets requirements for how the UTC determines rates for PSE customers. For example, it would change how the UTC must calculate the depreciation of gas plants when determining rates.

The Effect of the Proposed Measure if Approved

If approved, Initiative Measure No. 2066 would repeal or amend certain provisions of the Decarbonization Act. Specifically, Initiative Measure No. 2066 would prohibit PSE rate plans that restrict access to gas service and any planning requirements that render gas service cost-prohibitive. It would allow PSE to offer rebates to purchase natural gas appliances or equipment and PSE would not be required to educate customers about the benefits of electrification or the availability of rebates for energy efficient appliances. It would also remove requirements that PSE target certain areas for electrification and coordinate with local utilities to further electrification.

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The measure would also require gas utilities and local governments to provide natural gas to customers who demand it, even if other energy services or energy sources are available. It would further prohibit local governments, air pollution control agencies, and the State Building Code Council from prohibiting, penalizing, or discouraging the use of gas.

Sincerely,

s/Marsha Chien

MARSHA CHIEN

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s/Michelle M. Saperstein

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