

## Nowakowski, Sonja

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**From:** Nowakowski, Sonja  
**Sent:** Monday, March 07, 2016 10:05 AM  
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**Cc:** Kolman, Joe; Spencer, Nadine  
**Subject:** RE: Follow-up on Washington and Oregon legislation

Hello ETIC and EQC members,

I wanted to give you the final update on the Colstrip legislation that has passed in the Washington and Oregon Legislatures. Both bills have cleared the legislature and await the governors' signature.

- In Washington, [Senate Bill No. 6248](#) passed the House on Friday 92-5. The engrossed bill is available by clicking on the link. It is expected to be signed by Gov. Jay Inslee this week. If you would like a hard copy at the meeting this week, let me know.
  - The bill was not amended in the House and remains in the same form as it passed from the Senate.
  - The bill authorizes Puget Sound Energy (PSE) to create a fund to pay for the closure of Colstrip Units 1 and 2. In general, if PSE closes Units 1 and 2 after December 31, 2022, the company can fund remediation and decommissioning using a regulatory liabilities account. PSE has a "liabilities account" from federal Treasury grants from hydro upgrade projects and from the federal renewable energy production tax credits earned from PSE wind projects. PSE, rather than credit these benefits back to Washington customers, would use the credits to pay for remediation costs related to Colstrip Units 1 & 2. Under some circumstances prior to 2022, if the units close, PSE can still use those funds for the decommissioning and remediation of 1 & 2.
- In Oregon [Senate Bill No. 1547](#), which essentially is House Bill No. 4036, passed the House and was concurred in by the Senate last week. The bill now goes to Gov. Kate Brown for signature. The bill is available by clicking on the link. If you would like a hard copy at the meeting this week, let me know.
  - The bill moves Oregon off coal-fired generation and for Portland General Electric (PGE) and Pacific Power, doubles Oregon's renewable energy generation under the Renewable Portfolio Standard to 50%. Under the legislation, electricity provided to customers of Pacific Power and PGE would be coal-free by 2030, with the exception of a small amount from PGE's ownership of Colstrip, which would be out of the Oregon mix no later than 2035.
  - PGE owns 20% of Units 3 and 4 in Colstrip (296 MW total) and Pacific Power owns 10% of Units 3 and 4 (148 MW). The bill does not require the two utilities to divest their ownership interests in coal plants or to close the plants. However, Oregon customers can no longer be served by electricity generated at those plants.

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