

FINAL BILL REPORT

SJM 8000

As Passed Legislature

Brief Description: Requesting the federal energy regulatory commission to withdraw a proposal affecting electricity.

Sponsors: Senators Fraser, Morton, Hewitt, Keiser and Hale.

Senate Committee on Natural Resources, Energy & Water
House Committee on Technology, Telecommunications & Energy

Background: The Federal Energy Regulatory Commission (FERC) has proposed establishing a standard market design (SMD) for electricity, based on the premise that a single market model will work for the entire nation. The proposal requires a competitive market-based structure that changes the way the transmission system is operated, expands FERC's authority in state decisions regarding resource adequacy and demand response, and affects the regional benefits derived from public power.

The Northwest electricity system is different from most of the rest of the nation. Those differences include substantial public ownership of the transmission lines, a hydro-based system where the amount of energy generated is limited by the amount of water available, complex legal arrangements for multiple uses of the water to meet diverse goals, and a system that requires substantial coordination among plant owners and utilities.

Many people in the Northwest believe the SMD proposal would harm consumers in our region through increased costs and decreased reliability.

Summary: The Federal Energy Regulatory Commission (FERC) is requested to leave the Northwest electricity system in place and withdraw its Notice of Proposed Rulemaking establishing a Standard Market Design for electricity.

In the event that FERC does not withdraw its proposal, the President and Congress are requested to take action to prevent FERC from proceeding with its proposal establishing a standard market design.

Votes on Final Passage:

Senate	49	0	
House	96	0	(House amended)
Senate	42	0	(Senate concurred)