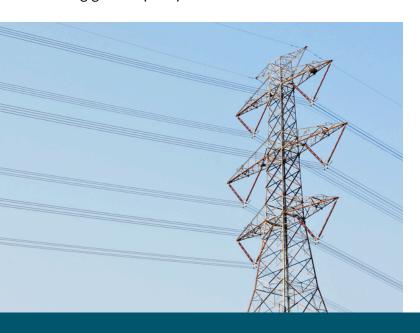
We need a Washington Electric Transmission Authority



Washington's lack of transmission capacity is the number one bottleneck to bringing clean energy online, as well as maintaining the reliability of our electric grid.

The Bonneville Power Administration (BPA) and investor-owned utilities must undertake significant risk to build and upgrade transmission, making it challenging for them to build at the pace we need to meet demand. While several entities analyze and plan for the region's transmission and utilities do so for their territories, no one focuses comprehensively on serving Washington customers.

We need to tackle our transmission problem from all angles. In addition to asking our federal delegation for improvements at BPA, collaborating with our utilities, and addressing siting and permitting constraints, we can take a proactive role at the state level. Renewable Northwest believes the legislature should pass SB 5466, which would create the Washington Electric Transmission Authority (WETA), tasked with planning and building the transmission that Washingtonians need. The bill would also improve permitting timelines for simple transmission upgrades that will boost our existing grid's capacity.



WETA's multi-pronged approach would improve:

- Electric transmission capacity: WETA will support
 the expansion of Washington's grid, particularly
 projects that connect renewable resources. It will
 also prioritize projects that overlap in different
 utility territories and/or involve utility partnerships.
- Long term planning: WETA would plan for Washington's future with 20-year transmission needs assessments. Current planning revolves around a 10-year horizon, which is insufficient since transmission can take a decade or more to build.
- Affordability: Ideally, WETA would have bonding authority, meaning it would have access to lowcost, low-risk debt to finance projects. This would create savings for ratepayers and help projects get built. BPA has stated it will need additional access to capital tools beyond its federal borrowing authority in 11-20 years, so new financing options are key.

State transmission authorities work. Western states are taking action:

- Created in 2007, <u>New Mexico's Authority</u> has built, is constructing, or is developing over 1,500 miles of transmission, making it possible to build \$11 billion in renewable energy projects. The Authority has 2 operational projects and another 5 in development.
- Created in 2021, **Colorado** just announced 6 projects to prioritize for development.
- California is seriously exploring a transmission authority and recently published an <u>analysis</u> showing ratepayer savings of \$3 billion per year when this infrastructure is financed and developed via public or public-private partnerships, similar to the model proposed by SB 5466.

Frequently Asked Questions



Why do we need so much more transmission?

Electricity demand is <u>rising</u> for the first time in decades, largely due to electrification of many sectors and the addition of new large users such as data centers. Additionally, clean energy resources such as wind and solar are typically sited on the rural, eastern half of the state, while large load centers are located on the urban, western half of the state. Transmission delivers clean power to large load centers and helps ensure we can meet our state's clean energy mandates.

What agency would do this work?

WETA would be a newly established, independent state entity. This will provide the Authority with insulation from outside politics, independent decision making, and a clear mission. The Department of Commerce would provide early administrative support to get WETA up and running and will assist with development of the transmission needs assessment.

Why aren't BPA and utilities sufficient builders of transmission?

It's risky for utilities to build regional transmission lines due to a combination of long timelines, high costs, regulations, and uncertainties with cost recovery, so demand is outpacing what they can build. BPA, which operates the vast majority of the transmission in the Northwest (around 75%), conservatively approaches new build to avoid over-exposure to new debt, which has resulted in them building only 1 mile of transmission in the last 5 years.

Does the WETA have bonding authority?

Commerce has been tasked with studying this question and reporting to the legislature by November 2025. Ideally, the results of this study will allow the bill to move forward granting bonding authority to the WETA. Research by the Clean Air Task Force showed that if the proposed California Transmission Authority used bonding or public-private financing instead of traditional utility financing, they could save ratepayers up to \$3 billion per year, or about \$123 billion over 40 years.

Can WETA use eminent domain?

Yes, WETA would have the authority for land acquisition necessary to secure rights-of-way using eminent domain for new transmission corridors. This would be used sparingly to secure the final puzzle pieces needed to complete a continuous right-of-way. Corridors can be tens to hundreds of miles long, crossing over many different property lines and jurisdictions. Eminent domain has historically been central to securing continuous rights-of-way, without which it can be nearly impossible to build transmission.

Electricity demand in the Northwest is expected to grow 30% over the next decade, and we need transmission to bring it online.

WETA is a critical tool for ensuring Washington's continued economic growth, electrical grid reliability, and affordability for customers.