

CLIMATE 2022

FREQUENTLY ASKED QUESTIONS:

Clean Buildings

Why is moving to clean, safe, electric buildings important?

Greenhouse gas emissions from buildings are growing at a faster rate than any other source of carbon pollution because of increased use of fossil gas to heat our homes and buildings. For decades Washington has disincentivized the use of our clean, low-cost electricity and created advantages for customers who use gas in their homes. Gas releases dangerous pollutants linked to lung disease and other health risks into our living spaces. We need to deeply reduce carbon emissions from buildings to achieve our state's carbon reduction goals - while also ensuring that all customers can choose to be part of the clean energy transition.

Is there enough electricity to electrify homes and buildings?

Utilities are continuously planning to ensure they have enough energy to keep your lights on and your buildings warm. Whether it's from population growth, new businesses, transportation electrification, or building electrification, utilities go through robust planning processes every two years to determine what new resources they need, such as wind, solar, or energy efficiency. The transition to clean buildings will be gradual, and will be done in coordination with robust utility planning.

Why do we need policies to address building emissions if Washington's 2021 Climate Commitment Act (CCA) covers gas emissions?

Cap-and-invest is a great tool for cutting emissions across all sectors long-term, but we need complementary policies and tools to help us achieve our nearer-term goals as well, and to do so in an equitable and cost-effective way. Buildings constructed now will last fifty or more years, so we need to start transitioning them to clean heat sources so that we don't have to make expensive retrofits later. The CCA also applies a price on carbon for fossil fuels, which will impact those who pay the utility bills, not those who install the equipment. This creates a split incentive, but voluntary incentive programs and reach codes will give the option for customers to get off fossil fuels and avoid paying higher utility bills.

How good are modern electric appliances, compared to gas versions?

Today's electric appliances are excellent. Heat pumps work well in Washington's varied climate zones, including the colder eastern part of the state, to temperatures as low as 5 degrees F. Additionally, modern electric appliances use less energy overall: electric heat pumps are 200-400% more energy efficient than gas-fired equipment, while simultaneously providing air cooling benefits that are becoming essential for our hot summers and wildfire season. As such, builders in Seattle now already choose electric heat instead of gas in 65% of new homes, and that trend is increasing across the state.

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FREQUENTLY ASKED QUESTIONS:

Targeted Electrification HB 1767

What would Targeted Electrification HB 1767 do?

This bill clarifies public utilities can offer electric appliance incentives to customers, regardless of their current heat source. Imagine you want to upgrade your heating system from gas to an electric heat pump and add air conditioning - but your electricity comes from a public utility and your gas from a private utility. Currently, you can't access your electric utility incentives to help make this switch. HB 1767 addresses this problem by allowing all customers to have access to electric appliance incentives, increasing customer choice for clean homes and buildings.

Does HB 1767 require utilities to offer programs? Does it require residents to give up their current appliances?

No, the bill is 100% voluntary. Utilities may choose whether to participate, and if they do, the program must benefit all utility customers. Likewise, customers can choose whether they want to take advantage of incentives based on their own energy needs. Since private utilities can already offer these kinds of incentives to customers, this bill levels the playing field for public utility customers.

Will HB 1767 raise rates for electric customers?

No, utilities must perform a cost-benefit analysis for an electrification program, and they are only able to offer these incentives if there will be a net benefit for all of their customers. In fact, adding smart load on the grid can put downward pressure on electric rates overall, making it a win-win.

How will HB 1767 affect low-income residents?

This bill allows utilities to offer higher incentives for low-income customers and vulnerable communities, ensuring those communities are prioritized in the transition to clean homes and buildings. Furthermore, both electric and gas utilities offer low-income programs, so they would remain protected under those programs.

How will HB 1767 impact the gas system?

All provisions in HB 1767 are entirely voluntary, and private utilities like PSE and Avista already enjoy the authority clarified in HB 1767. Currently, some customers choose to switch from electric appliances to gas appliances, and customers should have the option to go the other way if they choose. This bill simply levels the playing field by allowing public utilities to offer the same incentives for all customers, just like private utilities can.

Will HB 1767 create an unfair advantage for public utilities over private utilities?

Quite the opposite. Private utilities already have the authority to provide incentives to all customers, regardless of a customer's current heat source, and regardless of whether that heating source is provided by the same utility or a different one. This bill would place public utilities and private utilities on the same footing.

Is fuel-switching prohibited by the Washington state constitution?

No. The prohibition on fuel-switching is a narrow prohibition on the use of conservation financing for this purpose. HB 1767 follows the same framework of HB 1512, signed into law in 2019. It allows a utility to complete a business plan evaluating how building electrification would benefit their system. Once a utility determines a net benefit of electrification, they can offer an incentive consistent with that benefit.