

# Approval of a Resolution Opposing the Passage of Washington State Ballot Initiative No. 2066

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Olympia City Council | October 8, 2024



**CLIMATE**  
ACTION AND  
RESILIENCE

# Issue

Whether to oppose Initiative No. 2066 to Washington's voters, which would:

1. Repeal or prohibit certain laws and regulations that discourage natural gas use, and/or promote electrification; and
2. Require certain utilities and local governments to provide natural gas to eligible customers.



# Initiative No. 2066

## 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




# Washington Decarbonization Act

- In 2024, the Washington State Legislature adopted HB 1589, known as the “Washington Decarbonization Act”. This law helps Puget Sound Energy (PSE) plan to decarbonize and taper its natural gas service, to comply with the state’s climate and energy targets.
- The Decarbonization Act does not ban natural gas in Washington.



# Washington Decarbonization Act

- Consolidates PSE's reporting and planning requirements into a single plan, which must:
    - Forecast customer energy demand and provide proposals for reducing greenhouse gas emissions from its operations.
    - Describe how PSE will transition from natural gas to electricity in a cost-effective way.
    - Describe how PSE will coordinate with local utilities when it targets an area for further electrification.
    - The Utilities and Transportation Commission must consider whether this plan reduces greenhouse gas emissions, meets energy efficiency targets, and results in a reasonable cost to customers.
  - 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.
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# Effect of Initiative No. 2066

If approved by Washington voters, Initiative Measure No. 2066 would:

- Repeal portions of the Washington Decarbonization Act that help Puget Sound Energy (PSE) plan to transition away from natural gas service, including planning requirements for cost-effective electrification and prohibitions on gas rebates and incentives.
- Require gas utilities, including those owned by a city or town, to provide natural gas to eligible customers who demand it, even if other energy services or energy sources are available.
- Prohibit local governments, the State Building Code Council, and air pollution control agencies from prohibiting, penalizing, or discouraging the use of natural gas.



# Climate Analysis

- Passage of Initiative No. 2066 would limit the City's ability to reduce greenhouse gas emissions and achieve adopted emissions reduction targets through state and local actions.
- This initiative would also limit the City's implementation of the Thurston Climate Mitigation Plan (Strategy B6. Convert to Cleaner Fuel Sources), by preempting local governments from enacting policies to disincentivize the use of natural gas within their jurisdictional boundaries.



# Equity Analysis

- Passage of Initiative No. 2066 could result in a loss of funding to support cities and community members in switching from natural gas to electric appliances.
- This loss of funding would likely have the most significant impact on low- and moderate-income households, who may be otherwise unable to afford the upfront costs of electrification retrofits.





# Financial Impact

- I-2066 would reverse many of the provisions of the Decarbonization Act, including those that allow PSE to assess the potential for electrification within geographic areas and achieve cost-effective electrification for natural gas customers.
- The Washington 2021 State Energy Strategy identified a combination of energy efficiency and electrification as the most cost-effective strategy to achieve state targets for greenhouse gas emissions from the built environment.



# Options

- Approve the Resolution opposing Initiative No. 2066, which 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.
- Approve the Resolution with modifications.
- Don't approve the Resolution.





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