RESOLUTION NO. M-2561

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, OPPOSING THE PASSAGE OF WASHINGTON STATE BALLOT INITIATIVE NO. 2066 CONCERNING REGULATING ENERGY SERVICES, INCLUDING NATURAL GAS AND ELECTRIFICATION

WHEREAS, Initiative No. 2066, concerning regulating energy services, including natural gas and electrification, will be before Washington voters at the General Election on November 5, 2024. This measure, if approved by voters, 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; and

WHEREAS, this measure, if approved by voters, would require utilities and local governments to provide natural gas to eligible customers; prevent state approval of rate plans requiring or incentivizing gas service termination, restricting access to gas service, or making it cost-prohibitive; and prohibit the state energy code, localities, and air pollution control agencies from penalizing gas use. It would repeal sections of chapter 351, Laws of 2024, including planning requirements for cost-effective electrification and prohibitions on gas rebates and incentives; and

WHEREAS, earlier this year, the Washington State Legislature passed a law that regulates Puget Sound Energy (PSE), a large utility that provides gas and electricity to customers. That law is known as the Washington Decarbonization Act; and

WHEREAS, the Washington Decarbonization Act consolidates PSE's numerous reporting and planning requirements into a single plan, which must be submitted to the Washington Utilities and Transportation Commission (UTC). The plan must forecast customer energy demand and provide proposals for reducing greenhouse gas emissions from its operations. PSE's plan must explain how it will transition from natural gas to electricity in a cost-effective way and how it will coordinate with local utilities when it targets an area for further electrification. In deciding whether to accept or reject the plan, the UTC must consider whether it reduces greenhouse gas emissions, meets energy efficiency targets, and results in a reasonable cost to customers. The Washington Decarbonization Act also sets requirements for how the UTC determines rates for PSE customers. For example, it would change how the UTC must calculate the depreciation of gas plants when determining rates; and

WHEREAS, if approved by voters, Initiative No. 2066 would repeal or amend certain provisions of the Washington Decarbonization Act. Specifically, Initiative No.2066 would prohibit PSE rate plans that restrict access to gas service and any planning requirements that render gas service cost prohibitive. It would allow PSE to offer rebates to purchase natural gas appliances or equipment and PSE would not be required to educate customers about the benefits of electrification or the availability of rebates for energy efficient appliances. It would also remove requirements that PSE target certain areas for electrification and coordinate with local utilities to further electrification; and

WHEREAS, Initiative No. 2066 would also require gas utilities and local governments to provide natural gas to customers who demand it, even if other energy services or energy sources are available. It would

further prohibit local governments, air pollution control agencies, and the State Building Code Council from prohibiting, penalizing, or discouraging the use of natural gas; and

WHEREAS, Initiative No. 2066 to the people is as follows:

BALLOT TITLE

<u>Statement of Subject</u>: Initiative Measure No. 2066 concerns regulating energy services, including natural gas and electrification.

<u>Concise Description</u>: This measure would repeal or prohibit 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 []

and

WHEREAS, RCW 42.17A. 555(1) authorizes the City Council to take action to express a collective decision, or to actually vote upon a motion, proposal, or ordinance, or to support or oppose a ballot measure so long as (a) the agenda item includes the title and number of the ballot proposition, and (b) members of the public and councilmembers are afforded an approximately equal opportunity to express an opposing view; and

WHEREAS, consistent with RCW 42.17A.555(1), the Olympia City Council considered Initiative No. 2066 at its October 8, 2024, Regular Meeting, and during said meeting, the City Council afforded members of the public and Council an approximately equal opportunity for expression of a supporting or opposing view on Initiative No. 2066;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL DOES HEREBY RESOLVE as follows:

- 1. Statement in Opposition to Initiative No. 2066. The Olympia City Council hereby expresses its opposition to Initiative No. 2066 at the November 5, 2024, General Election, a measure seeking to repeal or amend certain provisions of the Washington Decarbonization Act, specifically to prohibit PSE rate plans that restrict access to natural gas service and any planning requirements that render gas service cost prohibitive. Further, it would allow PSE to offer rebates to purchase natural gas appliances or equipment and PSE would not be required to educate customers about the benefits of electrification or the availability of rebates for energy efficient appliances. It would also remove requirements that PSE target certain areas for electrification and coordinate with local utilities to further electrification. The measure would also require gas utilities and local governments to provide natural gas to customers who demand it, even if other energy services or energy sources are available. It would further prohibit local governments, air pollution control agencies, and the State Building Code Council from prohibiting, penalizing, or discouraging the use of natural gas.
- 2. This Resolution shall take effect and be in full force immediately upon passage of by the City Council.

PASSED BY THE OLYMPIA CITY COUNCIL this 8th	day of <u>October</u> 2024.
	Dof Dry MAYOR
ATTEST:	
Sean Krier CITY CLERK	
APPROVED AS TO FORM:	
Mark Barber	

CITY ATTORNEY