

Washington Ballot Summary for General Election (November 5, 2024)
Initiative Measure No. 2066

Ballot Title (What the Voter Will See on Their Ballot)

Initiative Measure No. 2066 concerns regulating energy services, including natural gas and electrification.

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 []

Effect of Your Vote on I-2066

A “YES” vote supports requiring utilities to provide natural gas to residents in the future and not require conversion to 100% clean energy.

A “NO” vote supports utility planning for transition from fossil fuels to clean energy by 2045.

I-2066 Ballot Measure Summary

The Clean Energy Transformation Act, passed in 2019, required Puget Sound Energy (PSE) and other utilities to reach specific emissions targets by 2030. Initiative 2066 seeks to roll back portions of HB 1589 and amend energy efficiency standards in Washington building codes to ensure that natural gas will always be available to residents as an energy source.

This measure 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 planning requirements for cost-effective electrification and prohibitions on gas rebates and incentives.

Background

The Clean Energy Transformation Act requires all electric utilities serving retail customers in Washington to reach an electricity supply that is generated from 100% renewable or non-emitting sources, with no provision for offsets, by 2045.

To assist in meeting these targets, HB 1589 was passed to enable large utilities that provide gas and electricity to Washington residents to plan for and evaluate the consequences and costs of the transition to renewable or non-emitting sources of energy. As of last year, Washington energy sources were: 60% hydro, 18% natural gas, 10% wind and other non-hydro renewable, 8% nuclear, and 4% coal.

Washington gas usage was down 7% for residential customers and 3% for commercial customers in 2023 and is forecast to continue to decline over the next five years. Although HB 1589 does not affect adding or providing

natural gas to existing homes, changes to state building codes increase requirements for providing natural gas to new homes.

In addition, residential customers will no longer be able to receive rebates for natural gas appliances starting next year. Commercial and industrial gas customers will no longer be able to utilize rebates for natural gas appliances and equipment, beginning in 2031. Both the WA Hospitality Association and the Building Industry of Washington are opposed to the exclusion of natural gas as a long-term energy source for utility companies.

Immediate Effects of I-2066, if Passed

This initiative will halt ongoing rulemaking to implement HB 1589 at the state level and cause local municipalities to revise their Growth Management Plans that assume phase out of natural gas in order to meet emission reduction goals.

Fiscal Effects, if Passed

The fiscal effects appear to be minimal, although projections of the use of natural gas in the future make fiscal estimates difficult.

Arguments for Initiative 2066 (a YES Vote):

- Stops state and local agencies from curbing fossil gas use within their jurisdictions and including such restrictions as part of their climate change plans.
- Gives consumers a choice of fossil fuels in the type of energy source used in their homes.
- Gives more time for the current electricity grid to prepare for increased usage when/if gas customers convert to electricity.

Arguments Against Initiative 2066 (a NO Vote):

- Delays or completely erases planning actions by state and local municipalities to meet climate goals to mitigate the effects of climate change.
- Encourages the continued use of natural gas that has higher health risks.
- Misrepresents intent of HB 1589 that only requires a plan to transition to electrification from clean energy, including an evaluation of alternative approaches with cost impacts. It does not ban the provision of natural gas by utilities to residents nor require residents to convert to electricity.
- Threatens incentive programs and policies designed to help people and businesses upgrade to more energy efficient homes and buildings and move toward meeting the clean energy targets developed to lessen the impacts of climate change.