

# HB 1589 – NATURAL GAS: What You Need to Know

The legislature passed HB 1589 regarding natural gas service for Puget Sound Energy. The legislation gives PSE sweeping authority to electrify its natural gas system.

**The outright ban was removed from the final bill. However, the bill still mandates a transition to end the use of natural gas.**

- **The immediate ban on new residential hookups was removed from the bill.**
- **The changes to the obligation to serve gas statute were removed from the bill.** PSE must continue to provide natural gas service to new and existing customers in their service area.
- **However, the bill requires PSE to develop a plan for “end uses of natural gas” including “targeted electrification.”** In practice, this will likely result in PSE subsidizing consumers to switch from natural gas at significant cost to all other ratepayers. If PSE converts all natural gas customers to electric in a targeted area, they will likely be able to decommission service to that area with approval from the Utilities and Transportation Commission.

**Provides PSE incentives to electrify its system at the expense of ratepayers.**

- **Allows for accelerated depreciation** of natural gas assets by 2050 – meaning they will factor in a quicker expiration of value and useful life of their pipelines for maintenance, rates, and expansion. This allows PSE to charge consumers more over a shorter period to pay for electrification.
- **Combine natural gas and electricity rates.** Currently, electric and natural gas rates are calculated separately so gas customers pay for gas and gas related infrastructure maintenance only and electricity customers pay for electricity and electricity related infrastructure maintenance. Now customers that receive one or the other may be required to pay for the delivery and infrastructure maintenance for both. This will push current natural gas AND electricity customers rates higher.
- Obtain **pre-approval for energy projects** and incorporate those costs BEFORE the project is approved by the Utilities & Transportation Commission (UTC) and even if the project is ultimately disapproved PSE can incorporate all those costs into utility rates.

## Frequently Asked Questions

### **If I currently receive natural gas service, do I need to convert to electric?**

No, not right now. Existing consumers will continue to receive natural gas service until PSE ultimately stops serving natural gas per their “targeted electrification” plan required in this bill.

### **If I am building a home in PSE’s natural gas service territory, may I hook up to natural gas?**

Yes. If PSE provides natural gas in a particular area, they will be required to provide service to new customers in that area, until the “targeted electrification” plan required in this bill is implemented. However, builders should consider protecting themselves from customers who might get shut off from natural gas after a home is built with natural gas appliances in the future.

### **When does PSE need to develop its electrification plan?**

The legislation requires PSE to submit a plan in 2025. The plan is subject to approval by the UTC.