

## SB 1143 A STAFF MEASURE SUMMARY

### Senate Committee On Energy and Environment

---

**Action Date:** 04/07/25

**Action:** Do pass with amendments. Refer to Ways and Means by prior reference. (Printed A-Eng).

**Vote:** 4-1-0-0

**Yeas:** 4 - Golden, Pham, Smith DB, Sollman

**Nays:** 1 - Robinson

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact

**Prepared By:** Beth Reiley, LPRO Analyst

**Meeting Dates:** 3/19, 4/7

---

#### WHAT THE MEASURE DOES:

The measure directs the Public Utility Commission to establish a pilot program that allows each natural gas company to develop a utility-scale thermal energy network pilot project to provide heating and cooling services to customers. The Act establishes the purpose of the pilot project, the process of filing a proposal, the process for accepting a proposal, evaluation criteria, and labor requirements.

#### Detailed Summary

Requires the Public Utility Commission (PUC) to establish a **pilot project** that allows each natural gas company to develop a utility-scale thermal energy network (TENS) to provide heating and cooling services to its customers.

Establishes the **purpose** for the pilot project is to:

- demonstrate the use and effectiveness of TENS to provide heating and cooling services while reducing or eliminating greenhouse gas emissions or improving energy efficiency;
- allow each natural gas company to gain experience using TENS; and
- provide the PUC with experience on how to integrate TENS and thermal energy network projects into the commission's regulatory processes.

Requires PUC to direct each natural gas company to **file a proposal**, within 24 months of effective date of Act, to develop and operate a utility-scale TENS pilot project; and a **plan for acceptance** by PUC for measuring the effectiveness of the pilot project or explanation of why the natural gas company is not submitting a proposal.

Requires PUC to **evaluate** the proposal considering certain criteria.

Requires natural gas company that operates a covered project to require contractors with whom they have entered into a contract, on or after January 1, 2026, to:

- Ensure that certain **percentages of journey workers** employed to work on the covered project have completed a registered apprenticeship training program:
  - between January 1, 2026, and December 31, 2026, at least 30 percent;
  - between January 1, 2027, and December 31, 2027, at least 45 percent; and
  - on or after January 1, 2028, at least 60 percent.
- Participate as a training agent in a registered apprenticeship program to provide on-the-job training opportunities;
- Pay wages to journey workers and apprentices at a rate that is no less than the prevailing rate of wage;
- Ensure all journey workers have completed at least 30 hours of occupational safety and health training before working on the covered project, and every two years after for the duration of the project; and
- Document and submit quarterly reports to natural gas company demonstrating proof of compliance.

Requires natural gas company to maintain **records** to demonstrate compliance and to provide them to the Bureau of Labor and Industries (BOLI) upon request. Requires natural gas company to submit an annual **report** to BOLI no

## **SB 1143 A STAFF MEASURE SUMMARY**

later than February 1 of the following year showing proof of compliance.

Repeals pilot project January 2, 2036. Takes effect on the 91st day following adjournment sine die.

### **ISSUES DISCUSSED:**

- Examples of thermal energy network (TENS) projects and uses
- Other states that have adopted similar legislation
- Need to identify best ways and places to utilize TENS

### **EFFECT OF AMENDMENT:**

The amendment establishes labor requirements for the pilot projects, which include percentages of journey workers on projects, participation as a training agent in a registered apprenticeship program, wage requirements, and reporting requirements.

#### Detailed Summary

Requires natural gas company that operates a covered project to require contractors with whom they have entered into a contract, on or after January 1, 2026, to:

- Ensure that certain percentages of journey workers employed to work on covered project have completed registered apprenticeship training program:
  - between January 1, 2026, and December 31, 2026, at least 30 percent;
  - between January 1, 2027, and December 31, 2027, at least 45 percent; and
  - on or after January 1, 2028, at least 60 percent.
- Participate as a training agent in a registered apprenticeship program to provide on-the-job training opportunities;
- Pay wages to journey workers and apprentices at a rate that is no less than the prevailing rate of wage;
- Ensure all journey workers have completed at least 30 hours of occupational safety and health training before working on the covered project and every two years after for the duration of the project; and
- Document and submit quarterly reports to natural gas company demonstrating proof of compliance.

Requires natural gas company to maintain records to demonstrate compliance and to provide them to the Bureau of Labor and Industries (BOLI) upon request. Requires natural gas company to submit an annual report to BOLI no later than February 1 of the following year showing proof of compliance.

### **BACKGROUND:**

A utility-scale thermal energy network (TENS) uses pipes and heat pumps that use noncombustible fluids within the network to distribute thermal energy between and among ground, air, and surface water sources and buildings connected to the network. These systems can connect multiple buildings in order to provide heating and cooling. Since 2021, eight states have passed TENS legislation that either mandate or allow utilities to develop TENS pilot projects.