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## Ecology & Parks Committee

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### E2SSB 5560

**Brief Description:** Regarding state agency climate leadership.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Ranker, Swecker, Brown, Hargrove, Pridemore, Marr, Kilmer, Rockefeller, Kauffman, Haugen, Eide, Hobbs, Kohl-Welles, Jarrett, Fraser, Jacobsen and Murray).

#### Brief Summary of Engrossed Second Substitute Bill

- Requires all state agencies to meet statewide greenhouse gas emission reduction limits.
- Requires all state agencies to report their estimated greenhouse gas emissions and the strategies taken to reduce their greenhouse gas emissions.
- Requires the Department of General Administration and the Director of the Office of Financial Management to phase in fuel economy standards for motor pools in order to reach an average fuel economy of 36 miles per gallon by June 1, 2015.
- Requires each state-owned facility greater than 10,000 square feet to conduct an investment grade energy audit of that facility by December 1, 2013.

**Hearing Date:** 3/20/09

**Staff:** Jaclyn Ford (786-7339)

#### **Background:**

##### Greenhouse Gas Emissions Reductions.

Washington is required to meet the following statewide greenhouse gases (GHG) emission reductions:

- by 2020 reduce overall GHG emissions in the state to 1990 levels;
- by 2035 reduce overall GHG emissions in the state to 25 percent below 1990 levels; and
- by 2050 reduce overall GHG emissions in the state to 50 percent below 1990 levels, or 70 percent below the state's expected GHG emissions that year.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

### Reporting.

Owners or operators of a fleet of on-road motor vehicles that emit at least 2,500 metric tons of direct GHG emissions annually in the state, and a source or combination of sources that emit at least 10,000 metric tons of direct GHG emissions annually in the state, must report their total annual GHG emissions beginning in 2010 for their 2009 emissions.

### Energy Audits.

Municipalities and the Department of General Administration (GA) use energy saving performance contracting to identify and implement cost-effective conservation improvements in public buildings. In this process, a municipality or the GA may hire a company to conduct an energy audit, complete the design work, provide financing, and serve as the general contractor to install any energy efficiency measures. Payments to the company are conditioned on energy cost savings.

### **Summary of Bill:**

#### State Agency Emission Reductions.

All state agencies must meet the following statewide GHG emission reduction limits:

- by July 1, 2020, reduce GHG emissions by 15 percent from 2005 emission levels;
- by 2035, reduce GHG emissions to 25 percent below 2005 levels; and
- by 2050, reduce GHG emissions to 50 percent below 2005 levels, or 70 percent below the expected state government GHG emissions that year.

By June 30, 2010, all state agencies must report their estimated GHG emissions for 2005 to the DOE, including their 2009 levels of GHG emissions and projected GHG emissions through 2035. State agencies may use data such as building space occupied, electricity usage, motor fuel vehicle fuel purchased, and miles driven to develop the estimates.

By June 30, 2011, each state agency must submit to the DOE a strategy to meet the required GHG emissions reductions. The strategy must address employee travel activities, teleconferencing alternatives, and include existing and proposed actions, a timeline for reductions, and recommendations for budgetary and other incentives to reduce GHG emissions.

By October 1st of each even-numbered year beginning in 2012, each state agency must report to the DOE the actions taken to meet the GHG emission reduction targets under the strategy for the preceding fiscal biennium. The DOE must cooperate with the GA and the Department of Community, Trade and Economic Development (DCTED) to develop consolidated reporting methodologies that incorporate GHG emission reduction actions taken across state agencies.

Beginning in 2010, and every two years thereafter, the DOE must report to the Governor and to the Legislature the total state agencies' GHG emissions for the preceding two years and the actions taken to meet the GHG emissions reduction targets.

#### Fuel Economy Standards.

The GA and the Director of the Office of Financial Management (OFM) must phase in fuel economy standards for motor pools in order to reach an average fuel economy of 36 miles per gallon by June 1, 2015. Passenger vehicles are exempt if used: (1) by the Washington State

Patrol; or (2) for natural resource management in a 50 percent off-pavement capacity.

By June 15, 2010, the Director of OFM, in consultation with the GA and the WSDOT, must develop policies to direct state agencies to reduce fuel consumption and GHG emissions from all classes of vehicles.

Energy Audits.

For each state-owned facility greater than 10,000 square feet that has not had an energy audit completed in the past 5 years, the Director of the GA or the agency responsible for the facility must conduct an investment grade energy audit of that facility. The Director of the GA must develop a schedule for conducting and completing state agency energy audits. All energy audits must be completed by December 1, 2013. The Director of the GA must develop procedures to ensure that consistent methods for energy benchmarks are used when conducting energy audits. Installation of cost-effective energy conservation measures recommended in the investment grade audit must be completed no later than June 30, 2016.

The Director of the GA must report to the Governor and the Legislature on the progress of energy audits, development of energy benchmarks, and energy efficiency measures planned for installation during the ensuing biennium. A preliminary report must be submitted by December 31, 2014 and a final report is due by December 31, 2016.

State agencies must complete an energy audit prior to or as part of a request for state funds on any energy efficiency project for an agency-owned or leased facility.

The OFM must require state agencies to perform energy audits. To the extent possible through the budget process, state agencies implementing energy conservation measures may retain the resulting cost savings for other purposes, including further energy conservation.

Funding.

This act shall be in effect only to the extent that funds are specifically appropriated for the purposes of this act.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.