
SUBSTITUTE SENATE BILL 6450

State of Washington 57th Legislature

2002 Regular Session

By Senate Committee on Environment, Energy & Water (originally sponsored by Senators Jacobsen, Kline and Keiser)

READ FIRST TIME 02/06/2002.

1 AN ACT Relating to the aggregated purchasing of clean energy and
2 clean vehicles; amending RCW 43.19.1905, 43.19.570, 43.19.637, and
3 19.29A.090; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 43.19.1905 and 1995 c 269 s 1402 are each amended to
6 read as follows:

7 The director of general administration shall establish overall
8 state policy for compliance by all state agencies, including
9 educational institutions, regarding the following purchasing and
10 material control functions:

11 (1) Development of a state commodity coding system, including
12 common stock numbers for items maintained in stores for reissue;

13 (2) Determination where consolidations, closures, or additions of
14 stores operated by state agencies and educational institutions should
15 be initiated;

16 (3) Institution of standard criteria for determination of when and
17 where an item in the state supply system should be stocked;

18 (4) Establishment of stock levels to be maintained in state stores,
19 and formulation of standards for replenishment of stock;

- 1 (5) Formulation of an overall distribution and redistribution
2 system for stock items which establishes sources of supply support for
3 all agencies, including interagency supply support;
- 4 (6) Determination of what function data processing equipment,
5 including remote terminals, shall perform in statewide purchasing and
6 material control for improvement of service and promotion of economy;
- 7 (7) Standardization of records and forms used statewide for supply
8 system activities involving purchasing, receiving, inspecting, storing,
9 requisitioning, and issuing functions, including a standard
10 notification form for state agencies to report cost-effective direct
11 purchases, which shall at least identify the price of the goods as
12 available through the division of purchasing, the price of the goods as
13 available from the alternative source, the total savings, and the
14 signature of the notifying agency's director or the director's
15 designee;
- 16 (8) Screening of supplies, material, and equipment excess to the
17 requirements of one agency for overall state need before sale as
18 surplus;
- 19 (9) Establishment of warehouse operation and storage standards to
20 achieve uniform, effective, and economical stores operations;
- 21 (10) Establishment of time limit standards for the issuing of
22 material in store and for processing requisitions requiring purchase;
- 23 (11) Formulation of criteria for determining when centralized
24 rather than decentralized purchasing shall be used to obtain maximum
25 benefit of volume buying of identical or similar items, including
26 procurement from federal supply sources;
- 27 (12) Development of criteria for use of leased, rather than state
28 owned, warehouse space based on relative cost and accessibility;
- 29 (13) Institution of standard criteria for purchase and placement of
30 state furnished materials, carpeting, furniture, fixtures, and nonfixed
31 equipment, in newly constructed or renovated state buildings;
- 32 (14) Determination of how transportation costs incurred by the
33 state for materials, supplies, services, and equipment can be reduced
34 by improved freight and traffic coordination and control;
- 35 (15) Establishment of a formal certification program for state
36 employees who are authorized to perform purchasing functions as agents
37 for the state under the provisions of chapter 43.19 RCW;

1 (16) Development of performance measures for the reduction of total
2 overall expense for material, supplies, equipment, and services used
3 each biennium by the state;

4 (17) Establishment of a standard system for all state organizations
5 to record and report dollar savings and cost avoidance which are
6 attributable to the establishment and implementation of improved
7 purchasing and material control procedures;

8 (18) Development of procedures for mutual and voluntary cooperation
9 between state agencies, including educational institutions, and
10 political subdivisions for exchange of purchasing and material control
11 services;

12 (19) Resolution of all other purchasing and material matters which
13 require the establishment of overall statewide policy for effective and
14 economical supply management;

15 (20) Development of guidelines and criteria for the purchase of
16 vehicles, including high gas mileage and lower emission vehicles;
17 alternate vehicle fuels and systems((~~τ~~)); equipment((~~τ~~)); and materials
18 that reduce overall energy-related costs and energy use by the state((~~τ~~
19 including)). Vehicle purchase guidelines and criteria must include the
20 requirement that new passenger vehicles purchased by the state meet or
21 exceed the minimum standards for passenger automobile fuel economy
22 established by the United States secretary of transportation pursuant
23 to the energy policy and conservation act (15 U.S.C. Sec. 2002) and
24 investigations into opportunities for aggregated purchasing by state
25 and local governments of higher gas mileage and lower emission
26 vehicles;

27 (21) Development of guidelines and criteria for the purchase of
28 qualified alternative energy resources as defined in RCW 19.29A.090,
29 including investigations into opportunities to aggregate purchases for
30 facilities that are owned or leased by state agencies and educational
31 institutions and that are located within a serving utility's service
32 area. Nothing in this subsection shall be construed as prohibiting any
33 state agency or educational institution from purchasing aggregated
34 billing services.

35 **Sec. 2.** RCW 43.19.570 and 1989 c 113 s 1 are each amended to read
36 as follows:

37 (1) The department shall direct and be responsible for the
38 acquisition, operation, maintenance, storage, repair, and replacement

1 of state motor vehicles under its control. The department shall
2 utilize state facilities available for the maintenance, repair, and
3 storage of such motor vehicles, and may provide directly or by contract
4 for the maintenance, repair, and servicing of all motor vehicles, and
5 other property related thereto and under its control.

6 (2) The department may arrange, by agreement with agencies, for the
7 utilization by one of the storage, repair, or maintenance facilities of
8 another, with such provision for charges and credits as may be agreed
9 upon. The department may acquire and maintain storage, repair, and
10 maintenance facilities for the motor vehicles under its control from
11 such funds as may be appropriated by the legislature.

12 (3)(a) The legislature finds that a clean environment is important
13 and that global warming effects may be offset by decreasing the
14 emissions of harmful compounds from motor vehicles. The legislature
15 further finds that the state is in a position to set an example of
16 large scale use of high gas mileage vehicles, lower emission vehicles,
17 and alternative vehicle fuels in motor vehicles.

18 (b) The department shall consider the use of state vehicles to
19 conduct field tests on alternative fuels in areas where air pollution
20 constraints may be eased by these optional fuels. These fuels should
21 include but are not limited to gas-powered and electric-powered
22 vehicles.

23 (c) ~~((For))~~ The department and other state agencies shall, before
24 completing planned purchases of high gas mileage vehicles, lower
25 emission vehicles, and vehicles using alternative fuels, ~~((the~~
26 ~~department and other state agencies shall))~~ explore opportunities to
27 purchase these vehicles together with the federal government, agencies
28 of other states, other Washington state agencies, local governments, or
29 private organizations for less cost.

30 **Sec. 3.** RCW 43.19.637 and 1991 c 199 s 213 are each amended to
31 read as follows:

32 (1) At least thirty percent of all new vehicles purchased through
33 a state contract shall be clean-fuel vehicles.

34 (2) The percentage of clean-fuel vehicles purchased through a state
35 contract shall increase at the rate of five percent each year.

36 (3) In meeting the procurement requirement established in this
37 section, preference shall be given to vehicles designed to operate
38 exclusively on clean fuels. In the event that vehicles designed to

1 operate exclusively on clean fuels are not available or would not meet
2 the operational requirements for which a vehicle is to be procured,
3 conventionally powered vehicles may be converted to clean fuel or dual
4 fuel use to meet the requirements of this section.

5 (4) Fuel purchased through a state contract shall be a clean fuel
6 when the fuel is purchased for the operation of a clean-fuel vehicle.

7 (5)(a) Weight classes are established by the following motor
8 vehicle types:

9 (i) Passenger cars;

10 (ii) Light duty trucks, trucks with a gross vehicle weight rating
11 by the vehicle manufacturer of less than eight thousand five hundred
12 pounds;

13 (iii) Heavy duty trucks, trucks with a gross vehicle weight rating
14 by the vehicle manufacturer of eight thousand five hundred pounds or
15 more.

16 (b) This subsection does not place an obligation upon the state or
17 its political subdivisions to purchase vehicles in any number or weight
18 class other than to meet the percent procurement requirement.

19 (6) The percentages of clean-fuel vehicles required under
20 subsections (1) and (2) of this section are intended as minimum
21 procurement levels. The department shall seek to increase the
22 purchasing levels of clean-fuel vehicles above the minimum by
23 investigating all known opportunities for lowering costs and making
24 purchases more cost-efficient through aggregated purchasing with local
25 governments.

26 (7) For the purposes of this section, "clean fuels" and "clean-fuel
27 vehicles" shall be those fuels and vehicles meeting the specifications
28 provided for in RCW 70.120.210.

29 **Sec. 4.** RCW 19.29A.090 and 2001 c 214 s 28 are each amended to
30 read as follows:

31 (1) Beginning January 1, 2002, each electric utility must provide
32 to its retail electricity customers a voluntary option to purchase
33 qualified alternative energy resources in accordance with this section.

34 (2) Each electric utility must include with its retail electric
35 customer's regular billing statements, at least quarterly, a voluntary
36 option to purchase qualified alternative energy resources. The option
37 may allow customers to purchase qualified alternative energy resources
38 at fixed or variable rates and for fixed or variable periods of time,

1 including but not limited to monthly, quarterly, or annual purchase
2 agreements. A utility may provide qualified alternative energy
3 resource options through either: (a) Resources it owns or contracts
4 for; or (b) the purchase of credits issued by a clearinghouse or other
5 system by which the utility may secure, for trade or other
6 consideration, verifiable evidence that a second party has a qualified
7 alternative energy resource and that the second party agrees to
8 transfer such evidence exclusively to the benefit of the utility.

9 (3) For the purposes of this section, a "qualified alternative
10 energy resource" means the electricity produced from generation
11 facilities that are fueled by: (a) Wind; (b) solar energy; (c)
12 geothermal energy; (d) landfill gas; (e) wave or tidal action; (f) gas
13 produced during the treatment of wastewater; (g) qualified hydropower;
14 or (h) biomass energy based on solid organic fuels from wood, forest,
15 or field residues, or dedicated energy crops that do not include wood
16 pieces that have been treated with chemical preservatives such as
17 creosote, pentachlorophenol, or copper-chrome-arsenic.

18 (4) For the purposes of this section, "qualified hydropower" means
19 the energy produced either: (a) As a result of modernizations or
20 upgrades made after June 1, 1998, to hydropower facilities operating on
21 May 8, 2001, that have been demonstrated to reduce the mortality of
22 anadromous fish; or (b) by run of the river or run of the canal
23 hydropower facilities that are not responsible for obstructing the
24 passage of anadromous fish.

25 (5) The rates, terms, conditions, and customer notification of each
26 utility's option or options offered in accordance with this section
27 must be approved by the governing body of the consumer-owned utility or
28 by the commission for investor-owned utilities. All costs and benefits
29 associated with any option offered by an electric utility under this
30 section must be allocated to the customers who voluntarily choose that
31 option and may not be shifted to any customers who have not chosen such
32 option. Utilities may pursue known, lawful aggregated purchasing of
33 qualified alternative energy resources with other utilities to the
34 extent aggregated purchasing can reduce the unit cost of qualified
35 alternative energy resources, and are encouraged to investigate
36 opportunities to aggregate the purchase of alternative energy resources
37 by their customers. Aggregated purchases by investor-owned utilities
38 must comply with any applicable rules or policies adopted by the

1 commission related to least-cost planning or the acquisition of
2 renewable resources.

3 (6) Each consumer-owned utility must report annually to the
4 department and each investor-owned utility must report annually to the
5 commission beginning October 1, 2002, until October 1, 2012, describing
6 the option or options it is offering its customers under the
7 requirements of this section, the rate of customer participation, the
8 amount of qualified alternative energy resources purchased by
9 customers, (~~and~~) the amount of utility investments in qualified
10 alternative energy resources, and the results of pursuing aggregated
11 purchasing opportunities. The department and the commission together
12 shall report annually to the legislature, beginning December 1, 2002,
13 until December 1, 2012, with the results of the utility reports.

14 NEW SECTION. Sec. 5. In preparing the biennial energy report
15 required under RCW 43.21F.045(2)(h) to be transmitted to the governor
16 and the legislature by December 1, 2002, the department must include
17 the following information:

18 (1) The percentage of clean-fuel vehicles purchased in 2001 through
19 a state contract pursuant to RCW 43.19.637; and

20 (2) The results of efforts by the department of general
21 administration and other state agencies to aggregate purchasing of
22 higher gas mileage and lower emission vehicles and qualified
23 alternative energy resources.

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