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SENATE BILL 6450

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State of Washington 57th Legislature

2002 Regular Session

By Senators Jacobsen, Kline and Keiser

Read first time 01/17/2002. Referred to Committee on Environment,  
Energy & Water.

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 for aggregated purchasing  
30 by state and local governments of such resources.

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

33 (1) The department shall direct and be responsible for the  
34 acquisition, operation, maintenance, storage, repair, and replacement  
35 of state motor vehicles under its control. The department shall  
36 utilize state facilities available for the maintenance, repair, and  
37 storage of such motor vehicles, and may provide directly or by contract

1 for the maintenance, repair, and servicing of all motor vehicles, and  
2 other property related thereto and under its control.

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

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

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

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

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

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

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

33 (3) In meeting the procurement requirement established in this  
34 section, preference shall be given to vehicles designed to operate  
35 exclusively on clean fuels. In the event that vehicles designed to  
36 operate exclusively on clean fuels are not available or would not meet  
37 the operational requirements for which a vehicle is to be procured,

1 conventionally powered vehicles may be converted to clean fuel or dual  
2 fuel use to meet the requirements of this section.

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

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

7 (i) Passenger cars;

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

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

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

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

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

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

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

32 (2) Each electric utility must include with its retail electric  
33 customer's regular billing statements, at least quarterly, a voluntary  
34 option to purchase qualified alternative energy resources. The option  
35 may allow customers to purchase qualified alternative energy resources  
36 at fixed or variable rates and for fixed or variable periods of time,  
37 including but not limited to monthly, quarterly, or annual purchase  
38 agreements. A utility may provide qualified alternative energy

1 resource options through either: (a) Resources it owns or contracts  
2 for; or (b) the purchase of credits issued by a clearinghouse or other  
3 system by which the utility may secure, for trade or other  
4 consideration, verifiable evidence that a second party has a qualified  
5 alternative energy resource and that the second party agrees to  
6 transfer such evidence exclusively to the benefit of the utility.

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

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

23 (5) The rates, terms, conditions, and customer notification of each  
24 utility's option or options offered in accordance with this section  
25 must be approved by the governing body of the consumer-owned utility or  
26 by the commission for investor-owned utilities. All costs and benefits  
27 associated with any option offered by an electric utility under this  
28 section must be allocated to the customers who voluntarily choose that  
29 option and may not be shifted to any customers who have not chosen such  
30 option. Utilities are encouraged to pursue all known, lawful  
31 opportunities to aggregate their qualified alternative energy purchases  
32 with other utilities for the purpose of making such bulk purchases more  
33 cost-efficient.

34 (6) Each consumer-owned utility must report annually to the  
35 department and each investor-owned utility must report annually to the  
36 commission beginning October 1, 2002, until October 1, 2012, describing  
37 the option or options it is offering its customers under the  
38 requirements of this section, the rate of customer participation, the  
39 amount of qualified alternative energy resources purchased by

1 customers, (~~and~~) the amount of utility investments in qualified  
2 alternative energy resources, and the results of pursuing aggregated  
3 purchasing opportunities. The department and the commission together  
4 shall report annually to the legislature, beginning December 1, 2002,  
5 until December 1, 2012, with the results of the utility reports.

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

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

12 (2) The results of efforts by the department of general  
13 administration and other state agencies to aggregate purchasing of  
14 higher gas mileage and lower emission vehicles and qualified  
15 alternative energy resources.

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