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SENATE BILL 5736

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State of Washington

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By Senators Fraser, Finkbeiner, Kline, Kohl-Welles, Franklin, Winsley, Schmidt and Shin

Read first time 02/10/2003. Referred to Committee on Natural Resources, Energy & Water.

1 AN ACT Relating to state government as a leader in clean energy  
2 consumption; amending RCW 43.19.570, 43.21F.015, and 43.21F.045;  
3 reenacting and amending RCW 43.19.1905; adding new sections to chapter  
4 43.21F RCW; adding a new section to chapter 43.19 RCW; and creating a  
5 new section.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

8 (a) Energy production and consumption account for the vast majority  
9 of human-caused greenhouse gas emissions;

10 (b) As a significant consumer of energy resources and a committed  
11 steward of public health and environmental quality, Washington state  
12 government is well-positioned to be a leader in promoting and using  
13 clean energy;

14 (c) State government actions to promote and use clean energy are  
15 consistent with the state's environmental commitments, including  
16 addressing the increasingly imminent dangers to Washington's qualities  
17 of life that are threatened by global climate changes and improving  
18 local and regional air quality;

1 (d) State government actions to promote and use clean energy are  
2 also consistent with the state's high priority policy objectives to  
3 maintain competitive energy costs and a reliable and secure supply of  
4 energy resources; and

5 (e) State government actions to promote and use clean energy are  
6 also consistent with the state's goals to support economic development  
7 opportunities, by reducing traffic congestion and stimulating new and  
8 emerging energy technologies within the clean energy industry of the  
9 state's high-technology sector.

10 (2) The legislature intends state government to adopt a strategy to  
11 meet its energy needs with no net increase in greenhouse gas emissions.  
12 The legislature further intends the state to take immediate, short-term  
13 steps to limit the emissions attributable to its electricity  
14 consumption while developing a long-term, cost-effective strategy to  
15 reach the goal of no net increase in greenhouse gas emissions.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.21F RCW  
17 to read as follows:

18 The definitions in this section apply throughout RCW 43.21F.015,  
19 43.21F.045, and sections 7 and 8 of this act, unless the context  
20 clearly requires otherwise.

21 (1) "Energy conservation measures" has the same meaning as defined  
22 in RCW 43.19.670(3) (a) through (j) and (l).

23 (2) "Greenhouse gases" includes carbon dioxide (CO<sub>2</sub>), methane and  
24 natural gas (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O).

25 (3) "Net increase in greenhouse gas emissions" means a quantity of  
26 emissions in excess of the level of emissions attributable to the  
27 annual consumption of energy by state government in the year 2000.

28 (4) "Qualified alternative energy resources" has the same meaning  
29 as defined in RCW 19.29A.090.

30 (5) "State" and "state government" mean the executive branch  
31 agencies of the state of Washington that are managed by governor-  
32 appointed executives and state institutions of higher education.

33 **Sec. 3.** RCW 43.19.1905 and 2002 c 299 s 5 and 2002 c 285 s 1 are  
34 each reenacted and amended to read as follows:

35 The director of general administration shall establish overall

1 state policy for compliance by all state agencies, including  
2 educational institutions, regarding the following purchasing and  
3 material control functions:

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

6 (2) Determination where consolidations, closures, or additions of  
7 stores operated by state agencies and educational institutions should  
8 be initiated;

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

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

13 (5) Formulation of an overall distribution and redistribution  
14 system for stock items which establishes sources of supply support for  
15 all agencies, including interagency supply support;

16 (6) Determination of what function data processing equipment,  
17 including remote terminals, shall perform in statewide purchasing and  
18 material control for improvement of service and promotion of economy;

19 (7) Standardization of records and forms used statewide for supply  
20 system activities involving purchasing, receiving, inspecting, storing,  
21 requisitioning, and issuing functions, including a standard  
22 notification form for state agencies to report cost-effective direct  
23 purchases, which shall at least identify the price of the goods as  
24 available through the division of purchasing, the price of the goods as  
25 available from the alternative source, the total savings, and the  
26 signature of the notifying agency's director or the director's  
27 designee;

28 (8) Screening of supplies, material, and equipment excess to the  
29 requirements of one agency for overall state need before sale as  
30 surplus;

31 (9) Establishment of warehouse operation and storage standards to  
32 achieve uniform, effective, and economical stores operations;

33 (10) Establishment of time limit standards for the issuing of  
34 material in store and for processing requisitions requiring purchase;

35 (11) Formulation of criteria for determining when centralized  
36 rather than decentralized purchasing shall be used to obtain maximum  
37 benefit of volume buying of identical or similar items, including  
38 procurement from federal supply sources;

1 (12) Development of criteria for use of leased, rather than state  
2 owned, warehouse space based on relative cost and accessibility;

3 (13) Institution of standard criteria for purchase and placement of  
4 state furnished materials, carpeting, furniture, fixtures, and nonfixed  
5 equipment, in newly constructed or renovated state buildings;

6 (14) Determination of how transportation costs incurred by the  
7 state for materials, supplies, services, and equipment can be reduced  
8 by improved freight and traffic coordination and control;

9 (15) Establishment of a formal certification program for state  
10 employees who are authorized to perform purchasing functions as agents  
11 for the state under the provisions of chapter 43.19 RCW;

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

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

19 (18) Development of procedures for mutual and voluntary cooperation  
20 between state agencies, including educational institutions, and  
21 political subdivisions for exchange of purchasing and material control  
22 services;

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

26 (20) Development of guidelines and criteria for the purchase of  
27 vehicles, high gas mileage vehicles, low emission vehicles, alternate  
28 vehicle fuels and systems, equipment, and materials that reduce overall  
29 energy-related costs and energy use by the state, including  
30 investigations into all opportunities to aggregate the purchasing of  
31 clean technologies by state and local governments, and including the  
32 requirement that new passenger vehicles purchased by the state meet or  
33 exceed the minimum standards for passenger automobile fuel economy  
34 established by the United States secretary of transportation pursuant  
35 to the energy policy and conservation act (15 U.S.C. Sec. 2002);

36 (21) Development of guidelines and criteria for the purchase of  
37 qualified alternative energy resources as defined in RCW 19.29A.090,  
38 including investigations into opportunities to aggregate purchases for

1 facilities that are owned or leased by state agencies and educational  
2 institutions and that are located within a serving utility's service  
3 area. Nothing in this subsection shall be construed as prohibiting any  
4 state agency or educational institution from purchasing aggregated  
5 billing services;

6 (22) Development of goals for state use of recycled or  
7 environmentally preferable products through specifications for products  
8 and services, processes for requests for proposals and requests for  
9 qualifications, contractor selection, and contract negotiations.

10 **Sec. 4.** RCW 43.19.570 and 2002 c 285 s 2 are each amended to read  
11 as follows:

12 (1) The department shall direct and be responsible for the  
13 acquisition, operation, maintenance, storage, repair, and replacement  
14 of state motor vehicles under its control. The department shall  
15 utilize state facilities available for the maintenance, repair, and  
16 storage of such motor vehicles, and may provide directly or by contract  
17 for the maintenance, repair, and servicing of all motor vehicles, and  
18 other property related thereto and under its control.

19 (2) The department may arrange, by agreement with agencies, for the  
20 utilization by one of the storage, repair, or maintenance facilities of  
21 another, with such provision for charges and credits as may be agreed  
22 upon. The department may acquire and maintain storage, repair, and  
23 maintenance facilities for the motor vehicles under its control from  
24 such funds as may be appropriated by the legislature.

25 (3)(a) The legislature finds that a clean environment is important  
26 and that global warming effects may be offset by decreasing the  
27 emissions of harmful compounds from motor vehicles. The legislature  
28 further finds that the state is in a position to set an example of  
29 large scale use of high gas mileage vehicles, lower emission vehicles,  
30 alternative vehicle fuels in motor vehicles, and other clean  
31 technologies.

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

1           (c) (~~For~~) The department and other state agencies shall, before  
2 completing planned purchases of high gas mileage vehicles, lower  
3 emission vehicles, and vehicles using alternative fuels, (~~the~~  
4 ~~department and other state agencies shall~~) explore opportunities to  
5 purchase these vehicles together with the federal government, agencies  
6 of other states, other Washington state agencies, local governments, or  
7 private organizations for less cost. All state agencies must  
8 investigate and determine whether or not they can make clean  
9 technologies more cost-effective by combining their purchasing power  
10 before completing a planned vehicle purchase.

11           **Sec. 5.** RCW 43.21F.015 and 1994 c 207 s 3 are each amended to read  
12 as follows:

13           It is the policy of the state of Washington that:

14           (1) The development and use of a diverse array of energy resources  
15 with emphasis on renewable energy resources shall be encouraged;

16           (2) The supply of energy shall be sufficient to insure the health  
17 and economic welfare of its citizens;

18           (3) The development and use of energy resources shall be consistent  
19 with the statutory environmental policies of the state;

20           (4) Energy conservation and elimination of wasteful and uneconomic  
21 uses of energy and materials shall be encouraged, and this conservation  
22 should include, but is not limited to, resource recovery and materials  
23 recycling;

24           (5) In energy emergency shortage situations, energy requirements to  
25 maintain the public health, safety, and welfare shall be given priority  
26 in the allocation of energy resources, and citizens and industry shall  
27 be assisted in adjusting to the limited availability of energy in order  
28 to minimize adverse impacts on their physical, social, and economic  
29 well being;

30           (6) State government adopt a policy to meet its energy needs with  
31 no net increase in greenhouse gas emissions;

32           (7) State government shall provide a source of impartial and  
33 objective information in order that this energy policy may be enhanced;  
34 and

35           (~~(7)~~) (8) The state energy strategy shall provide primary  
36 guidance for implementation of the state's energy policy.

1       **Sec. 6.** RCW 43.21F.045 and 1996 c 186 s 103 are each amended to  
2 read as follows:

3       (1) The department shall supervise and administer energy-related  
4 activities as specified in RCW 43.330.904 and shall advise the governor  
5 and the legislature with respect to energy matters affecting the state.

6       (2) In addition to other powers and duties granted to the  
7 department, the department shall have the following powers and duties:

8       (a) Prepare and update contingency plans for implementation in the  
9 event of energy shortages or emergencies. The plans shall conform to  
10 chapter 43.21G RCW and shall include procedures for determining when  
11 these shortages or emergencies exist, the state officers and agencies  
12 to participate in the determination, and actions to be taken by various  
13 agencies and officers of state government in order to reduce hardship  
14 and maintain the general welfare during these emergencies. The  
15 department shall coordinate the activities undertaken pursuant to this  
16 subsection with other persons. The components of plans that require  
17 legislation for their implementation shall be presented to the  
18 legislature in the form of proposed legislation at the earliest  
19 practicable date. The department shall report to the governor and the  
20 legislature on probable, imminent, and existing energy shortages, and  
21 shall administer energy allocation and curtailment programs in  
22 accordance with chapter 43.21G RCW.

23       (b) Establish and maintain a central repository in state government  
24 for collection of existing data on energy resources, including:

25       (i) Supply, demand, costs, utilization technology, projections, and  
26 forecasts;

27       (ii) Comparative costs of alternative energy sources, uses, and  
28 applications; and

29       (iii) Inventory data on energy research projects in the state  
30 conducted under public and/or private auspices, and the results  
31 thereof.

32       (c) Coordinate federal energy programs appropriate for state-level  
33 implementation, carry out such energy programs as are assigned to it by  
34 the governor or the legislature, and monitor federally funded local  
35 energy programs as required by federal or state regulations.

36       (d) Develop energy policy recommendations for consideration by the  
37 governor and the legislature, including but not limited to strategies

1 and options to allow state government to meet its energy needs with no  
2 net increase in greenhouse gas emissions.

3 (e) Provide assistance, space, and other support as may be  
4 necessary for the activities of the state's two representatives to the  
5 Pacific northwest electric power and conservation planning council. To  
6 the extent consistent with federal law, the director shall request that  
7 Washington's council members request the administrator of the  
8 Bonneville power administration to reimburse the state for the expenses  
9 associated with the support as provided in the Pacific Northwest  
10 Electric Power Planning and Conservation Act (P.L. 96-501).

11 (f) Cooperate with state agencies, other governmental units, and  
12 private interests in the prioritization and implementation of the state  
13 energy strategy elements and on other energy matters.

14 (g) Serve as the official state agency responsible for coordinating  
15 implementation of the state energy strategy.

16 (h) No later than December 1, 1982, and by December 1st of each  
17 even-numbered year thereafter, prepare and transmit to the governor and  
18 the appropriate committees of the legislature a report on the  
19 implementation of the state energy strategy and other important energy  
20 issues, as appropriate.

21 (i) Provide support for increasing cost-effective energy  
22 conservation, including assisting in the removal of impediments to  
23 timely implementation.

24 (j) Provide support for the development of cost-effective energy  
25 resources including assisting in the removal of impediments to timely  
26 construction.

27 (k) Adopt rules, under chapter 34.05 RCW, necessary to carry out  
28 the powers and duties enumerated in this chapter.

29 (l) Provide administrative assistance, space, and other support as  
30 may be necessary for the activities of the energy facility site  
31 evaluation council, as provided for in RCW 80.50.030.

32 (m) Appoint staff as may be needed to administer energy policy  
33 functions and manage energy facility site evaluation council  
34 activities. These employees are exempt from the provisions of chapter  
35 41.06 RCW.

36 (3) To the extent the powers and duties set out under this section  
37 relate to energy education, applied research, and technology transfer  
38 programs they are transferred to Washington State University.



1 (4) To the extent the powers and duties set out under this section  
2 relate to energy efficiency in public buildings they are transferred to  
3 the department of general administration.

4 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.19 RCW  
5 to read as follows:

6 (1) The department of general administration shall make all  
7 reasonable efforts to ensure that a portion of state government's  
8 electricity consumption be from qualified alternative energy resources,  
9 and energy conservation and efficiency measures implemented on or after  
10 January 1, 2002, or a combination thereof, according to the following  
11 schedule:

12 (a) At least two percent by July 1, 2004;

13 (b) At least four percent by July 1, 2005;

14 (c) At least six percent by July 1, 2007;

15 (d) At least eight percent by July 1, 2009; and

16 (e) At least ten percent by July 1, 2011, and every year  
17 thereafter. Reasonable efforts include reviewing energy audits  
18 performed pursuant to this chapter and providing technical expertise  
19 and administrative assistance within available resources. For the  
20 purposes of this subsection, acquisition or use of qualified  
21 alternative energy resources is not limited to those resources offered  
22 by electric utilities under the provisions of RCW 19.29A.090 but shall  
23 be subject to the approval of the office of financial management where  
24 the cost of such acquisitions would exceed the cost of existing  
25 electrical service by more than five percent.

26 (2) The department of general administration must pursue, in  
27 collaboration with the department of ecology, existing opportunities to  
28 sell, trade, or receive other fair value for any emissions reductions  
29 credits attributable to state government's shift to consumption of  
30 electricity from qualified energy resources. Nothing in this section  
31 shall be construed to require the department of general administration  
32 to create a state emissions allowance set-aside program.

33 (3) The costs incurred by the department of general administration  
34 under this section shall be paid from the general administration  
35 services account and shall be subject to appropriation. Charges to  
36 state agencies shall be calculated pursuant to RCW 43.19.500.

1        NEW SECTION.    **Sec. 8.**    A new section is added to chapter 43.21F RCW  
2 to read as follows:

3        In preparing the biennial energy report required under RCW  
4 43.21F.045(2)(h) to be transmitted to the governor and the legislature  
5 by December 1, 2004, the department must include the following  
6 information:

7        (1) A measurement of the current and likely future greenhouse gas  
8 emissions resulting from state government's current and projected  
9 energy consumption;

10        (2) Identification of specific strategies and options to reduce or  
11 offset the emissions by sufficient quantity and quality in order to  
12 compensate for the greenhouse gas emissions attributable to the state  
13 government's energy consumption. Strategies and options may include,  
14 but need not necessarily be limited to, the following:

15        (a) Reducing the state's consumption of electricity through  
16 aggressive pursuit of cost-effective energy conservation and efficiency  
17 opportunities;

18        (b) Increasing the proportion of electricity the state generates  
19 for its own use or purchases through an electric utility from qualified  
20 alternative energy resources;

21        (c) Addressing transportation-related energy challenges such as  
22 improving the fuel efficiency of the state's vehicle fleet, using  
23 alternative fuels in the state's vehicle fleet, changing the ways state  
24 employees and contractors travel, and developing transportation  
25 substitutes for state employees and contractors; and

26        (d) Options for mitigation or offsets that directly avoid,  
27 displace, or permanently sequester greenhouse gas emissions as close in  
28 time as possible to the occurrence of the actual emissions;

29        (3) An analysis of the feasibility of extending the no net increase  
30 in greenhouse gas emissions standard to state agencies other than those  
31 defined in section 2(5) of this act, including but not limited to  
32 public educational institutions;

33        (4) A status report on the planning and progress related to  
34 implementing section 7 of this act;

35        (5) The percentage of clean-fuel vehicles purchased in 2001 through  
36 a state contract pursuant to RCW 43.19.637; and

37        (6) The results of efforts by the department of general

1 administration and other state agencies to aggregate purchasing of  
2 higher gas mileage and lower emission vehicles and qualified  
3 alternative energy resources.

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