

SENATE BILL REPORT

SHB 2437

As Reported By Senate Committee On:
Water, Energy & Environment, February 23, 2006

Title: An act relating to state-owned refueling stations.

Brief Description: Providing guidelines for state-owned refueling stations.

Sponsors: House Committee on State Government Operations & Accountability (originally sponsored by Representatives Hudgins, Chase, Dunshee and Upthegrove).

Brief History: Passed House: 2/11/06, 95-0.

Committee Activity: Water, Energy & Environment: 2/22/06, 2/23/06 [DPA].

SENATE COMMITTEE ON WATER, ENERGY & ENVIRONMENT

Majority Report: Do pass as amended.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Morton, Ranking Minority Member; Delvin, Fraser, Honeyford, Mulliken, Pridemore and Regala.

Staff: Richard Rodger (786-7461)

Background: As early as 1980, the Legislature commenced a policy regarding the use of alternative fuels in state-owned motor vehicles. The Office of Financial Management was directed to establish policies governing passenger motor vehicles owned or operated by state agencies and the "widest possible use of gasohol and cost-effective alternative fuels." In 1989, the Department of General Administration (GA) was directed to consider the use of state vehicles to conduct field tests on alternative fuels in areas of high air pollution. The GA was also directed to explore aggregated purchases of alternative fueled vehicles with the federal government, agencies of other states, other Washington state agencies, local governments, or private organizations.

In 1991, the Legislature stated its policy to reduce vehicle emissions and decrease dependence on petroleum-based fuels. It directed the Utilities and Transportation Commission (UTC) to identify barriers to the development of refueling stations for vehicles operating on compressed natural gas, and develop policies to remove those barriers. The UTC was to consider providing rate incentives to encourage natural gas companies to invest in the infrastructure required by refueling stations.

The Energy Policy Act of 1992 (Act) requires certain fleets to acquire alternative fuel vehicles that are capable of operating on non-petroleum fuels. Under the Act, by 2001, 75 percent of new light duty vehicle purchases made by state fleets must be alternative fuel vehicles. Light duty vehicles are, generally, passenger cars. Excluded are law enforcement, emergency, and non-road vehicles. Currently, the state motor pool fleet consists of about 1,400 vehicles. Approximately 75 percent of these vehicles are flex-fuel and can be fueled by ethanol and/or

gasoline. Because ethanol is not currently available in this state, the motor pool cars are fueled with gasoline.

Summary of Amended Bill: State agencies must provide the following information to the Legislature by December 31, 2007, for hydrogen and liquid natural gas refueling stations, and by December 1, 2006, for biodiesel and ethanol (E85) refueling stations:

- 1) refueling sites practicable for offering alternative fuels for use by other state or local agencies;
- 2) refueling sites practicable for offering alternative fuels for public use;
- 3) details of the agency's plan for renovating existing refueling stations or construction of new refueling stations and the associated costs; and
- 4) the cost to reconfigure existing refueling stations or construction of new refueling stations to include any of the alternative fuels and to offer any or all of the alternative fuels at those stations to other state agencies.

Alternative fuels include, for the purposes of the study, biodiesel, ethanol (E85), hydrogen, and liquid natural gas.

Amended Bill Compared to Original Bill: The amended bill provides an earlier reporting date of December 1, 2006, for biodiesel and ethanol (E85) data; allows consideration of allowing "local agencies" to use the refueling stations; and allows flexibility in the cost analysis of reconfiguring or constructing stations. They may consider including "any or all of the" alternative fuels in the calculations.

Appropriation: None.

Fiscal Note: Available on original bill. Not requested on Substitute.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill will provide valuable information regarding the state's refueling stations. One hundred thousand cars operating on E85 is the equivalent of 3.4 million cars driving on 25 ethanol. You may want to consider bifurcating the bill to require reports on biodiesel and E85 at an earlier date.

Testimony Against: None.

Who Testified: PRO: Mike Rhyerd, Puget Sound Clean Air Authority.