

**2SHB 2815 - H AMD 1298**

By Representative Ericksen

NOT ADOPTED 02/19/2008

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that Washington  
4 has long been a national and international leader on energy  
5 conservation and environmental stewardship, including air quality  
6 protection, renewable energy development and generation, emission  
7 standards for fossil-fuel based energy generation, energy efficiency  
8 programs, natural resource conservation, vehicle emission standards,  
9 and the use of biofuels. Washington is also unique among most states  
10 in that in addition to its commitment to reduce emissions of greenhouse  
11 gases, it has established goals to grow the clean energy sector and  
12 reduce the state's expenditures on imported fuels.

13 (2) The legislature further finds that Washington should continue  
14 its leadership on climate change policy by developing and implementing  
15 a system for monitoring and reporting greenhouse gas emissions,  
16 participating in the design of a regional multisector market-based  
17 system, and ensuring the state has a well-trained workforce for our  
18 clean energy future.

19 (3) In the event the state elects to participate in a regional  
20 multisector market-based system, it is the intent of the legislature  
21 that the system will become effective by January 1, 2012, after  
22 authority is provided to the department for its implementation. By  
23 acting now, Washington businesses and citizens will have adequate time  
24 and opportunities to be well-positioned to take advantage of the low-  
25 carbon economy and to make necessary investments in low-carbon  
26 technology.

27 (4) It is also the intent of the legislature that the regional  
28 multisector market-based system recognize Washington's unique emissions  
29 portfolio, including the state's hydroelectric system, the  
30 opportunities presented by Washington's abundant forest resources and

1 agriculture land, and the state's leadership in energy efficiency and  
2 the actions it has already taken that have reduced its generation of  
3 greenhouse gas emissions and that entities receive appropriate credit  
4 for early actions to reduce greenhouse gases.

5 (5) If any revenues that accrue to the state are created by a  
6 market system, they must be used to further the state's efforts to  
7 increase investment in the clean energy economy particularly for  
8 communities and workers that have suffered from heavy job losses and  
9 chronic unemployment and underemployment.

10 (6) It is the policy of the state to participate in the development  
11 of a federal climate change program and in doing so shall seek  
12 consistency to avoid duplication and to avoid any federal preemption of  
13 the state's climate change program.

14 NEW SECTION. **Sec. 2.** The definitions in this section apply  
15 throughout this chapter unless the context clearly requires otherwise.

16 (1) "Carbon dioxide equivalents" means a metric measure used to  
17 compare the emissions from various greenhouse gases based upon their  
18 global warming potential.

19 (2) "Climate advisory team" means the stakeholder group formed in  
20 response to executive order 07-02.

21 (3) "Climate impacts group" means the University of Washington's  
22 climate impacts group.

23 (4) "Department" means the department of ecology.

24 (5) "Direct emissions" means emissions of greenhouse gases from  
25 sources of emissions, including stationary combustion sources, mobile  
26 combustion emissions, process emissions, and fugitive emissions.

27 (6) "Director" means the director of the department.

28 (7) "Greenhouse gas" and "greenhouse gases" includes carbon  
29 dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons,  
30 and sulfur hexafluoride, and except for purposes of reporting, does not  
31 include emissions of carbon dioxide from industrial combustion of  
32 biomass in the form of fuel wood and wood waste that is offset by the  
33 growth of new biomass.

34 (8) "Indirect emissions" means emissions of greenhouse gases  
35 associated with the purchase of electricity, heating, cooling, or  
36 steam.

1 (9) "Person" means an individual, partnership, franchise holder,  
2 association, corporation, a state, a city, a county, or any subdivision  
3 or instrumentality of the state.

4 (10) "Program" means the department's climate change program.

5 (11) "Total emissions of greenhouse gases" means all direct  
6 emissions and all indirect emissions.

7 (12) "Western climate initiative" means the collaboration of  
8 states, Canadian provinces, Mexican states, and tribes to design a  
9 multisector market-based mechanism as directed under the western  
10 regional climate action initiative signed by the governor on February  
11 22, 2007.

12 NEW SECTION. **Sec. 3.** (1)(a) The director shall develop, in  
13 coordination with the western climate initiative, a design for a  
14 regional multisector market-based system to limit and reduce emissions  
15 of greenhouse gases.

16 (b) By December 1, 2008, the director and the director of the  
17 department of community, trade, and economic development shall deliver  
18 to the legislature specific recommendations for implementing the  
19 preferred design of a regional multisector market-based system. These  
20 recommendations must include:

21 (i) Proposed legislation, necessary funding, and the schedule  
22 necessary to implement the preferred design by January 1, 2012;

23 (ii) Any changes determined necessary to the reporting requirements  
24 established under RCW 70.94.151; and

25 (iii) Actions that the state should take to prevent manipulation of  
26 the multisector market-based system designed under this section.

27 (2) In developing the design for the regional multisector market-  
28 based system under subsections (1) and (3) of this section, the  
29 department shall consult with affected state agencies, cities, and  
30 counties, and provide opportunity for public review and comment.

31 (3)(a) In developing the design for the regional multisector  
32 market-based system, the department shall allow for entities to receive  
33 appropriate credit for early actions to reduce greenhouse gases.

34 (b) Pursuant to executive order 07-02, greenhouse gas emission  
35 reductions attributable to at least the following policies count as  
36 reductions in an amount equal to at least sixty percent of the 2020  
37 goal:

- 1 (i) Tailpipe emission standards under chapter 70.120A RCW;  
2 (ii) Biofuels standards under chapter 19.112 RCW;  
3 (iii) Renewable energy and conservation standards under chapter  
4 19.285 RCW;  
5 (iv) High-performance green building codes under chapters 39.35,  
6 39.35A, 39.35C, and 39.35D RCW;  
7 (v) Appliance efficiency standards under chapter 19.260 RCW;  
8 (vi) Energy freedom projects under chapter 43.63A RCW;  
9 (vii) Water conservation projects under chapter 90.90 RCW;  
10 (viii) Enhanced building codes under chapter 19.27A RCW;  
11 (ix) Emission performance standards under chapter 80.80 RCW;  
12 (x) Programs for retrofitting diesel engines in school buses and  
13 local government vehicles as acknowledged under executive order 07-02;  
14 and

15 (xi) Sustainability and efficiency goals for state operations under  
16 executive order 05-01.

17 (4) In addition to the information required under subsection (1)(b)  
18 of this section, the director and the director of the department of  
19 community, trade, and economic development shall submit the following  
20 to the legislature by December 1, 2008:

21 (a) Information on progress to date in achieving the requirements  
22 of this act;

23 (b) The final recommendations of the climate advisory team,  
24 including recommended most promising actions to reduce emissions of  
25 greenhouse gases or otherwise respond to climate change;

26 (c) A request for additional resources and statutory authority  
27 needed to limit and reduce emissions of greenhouse gas consistent with  
28 this act including implementation of the most promising recommendations  
29 of the climate advisory team;

30 (d) Recommendations on how local governments could participate in  
31 the multisector market-based system designed under subsection (1) of  
32 this section; and

33 (e) Recommendations developed in consultation with the department  
34 of natural resources and the department of agriculture regarding how  
35 forestry and agricultural lands and practices may participate  
36 voluntarily as an offset or other credit program in the regional  
37 multisector market-based system. These recommendations must address:

- 1 (i) Commercial and other working forests, forest products, and
- 2 agricultural land and practices, including sequestration of carbon on
- 3 timber lands managed under forest practices rules adopted pursuant to
- 4 chapter 76.09 RCW;
- 5 (ii) Forest and agriculture lands that are set aside or managed for
- 6 conservation; and
- 7 (iii) Reforestation and afforestation projects.

8 **Sec. 4.** RCW 43.350.030 and 2005 c 424 s 4 are each amended to read  
9 as follows:

10 In addition to other powers and duties prescribed in this chapter,  
11 the authority is empowered to:

12 (1) Use public moneys in the life sciences discovery fund,  
13 leveraging those moneys with amounts received from other public and  
14 private sources in accordance with contribution agreements, to promote  
15 life sciences research;

16 (2) Solicit and receive gifts, grants, and bequests, and enter into  
17 contribution agreements with private entities and public entities other  
18 than the state to receive moneys in consideration of the authority's  
19 promise to leverage those moneys with amounts received through  
20 appropriations from the legislature and contributions from other public  
21 entities and private entities, in order to use those moneys to promote  
22 life sciences research. Nonstate moneys received by the authority for  
23 this purpose shall be deposited in the life sciences discovery fund  
24 created in RCW 43.350.070;

25 (3) Hold funds received by the authority in trust for their use  
26 pursuant to this chapter to promote life sciences research;

27 (4) Manage its funds, obligations, and investments as necessary and  
28 as consistent with its purpose including the segregation of revenues  
29 into separate funds and accounts;

30 (5) Make grants to entities pursuant to contract for the promotion  
31 of life sciences research to be conducted in the state. Grant  
32 agreements shall specify deliverables to be provided by the recipient  
33 pursuant to the grant. The authority shall solicit requests for  
34 funding and evaluate the requests by reference to factors such as: (a)  
35 The quality of the proposed research; (b) its potential to improve  
36 health outcomes, with particular attention to the likelihood that it  
37 will also lower health care costs, substitute for a more costly

1 diagnostic or treatment modality, or offer a breakthrough treatment for  
2 a particular disease or condition; (c) its potential for leveraging  
3 additional funding; (d) its potential to provide health care benefits  
4 or benefit human learning and development; (e) its potential to  
5 stimulate the health care delivery, biomedical manufacturing, and life  
6 sciences related employment in the state; (f) its potential to promote  
7 renewable energy development and generation, reduce greenhouse gas  
8 emissions, and lower dependence on imported fuels; (g) the geographic  
9 diversity of the grantees within Washington; ~~((g))~~ (h) evidence of  
10 potential royalty income and contractual means to recapture such income  
11 for purposes of this chapter; and ~~((h))~~ (i) evidence of public and  
12 private collaboration;

13 (6) Create one or more advisory boards composed of scientists,  
14 industrialists, and others familiar with life sciences research; and

15 (7) Adopt policies and procedures to facilitate the orderly process  
16 of grant application, review, and reward.

17 **Sec. 5.** RCW 70.94.151 and 2005 c 138 s 1 are each amended to read  
18 as follows:

19 (1) The board of any activated authority or the department, may  
20 classify air contaminant sources, by ordinance, resolution, rule or  
21 regulation, which in its judgment may cause or contribute to air  
22 pollution, according to levels and types of emissions and other  
23 characteristics which cause or contribute to air pollution, and may  
24 require registration or reporting or both for any such class or  
25 classes. Classifications made pursuant to this section may be for  
26 application to the area of jurisdiction of such authority, or the state  
27 as a whole or to any designated area within the jurisdiction, and shall  
28 be made with special reference to effects on health, economic and  
29 social factors, and physical effects on property.

30 (2) Except as provided in subsection (3) of this section, any  
31 person operating or responsible for the operation of air contaminant  
32 sources of any class for which the ordinances, resolutions, rules or  
33 regulations of the department or board of the authority, require  
34 registration ~~((and))~~ or reporting shall register therewith and make  
35 reports containing information as may be required by such department or  
36 board concerning location, size and height of contaminant outlets,  
37 processes employed, nature of the contaminant emission and such other

1 information as is relevant to air pollution and available or reasonably  
2 capable of being assembled. In the case of emissions of greenhouse  
3 gases as defined in section 2 of this act the department shall adopt  
4 rules requiring reporting of those emissions. The department or board  
5 may require that such registration or reporting be accompanied by a  
6 fee, and may determine the amount of such fee for such class or  
7 classes: PROVIDED, That the amount of the fee shall only be to  
8 compensate for the costs of administering such registration or  
9 reporting program which shall be defined as initial registration and  
10 annual or other periodic reports from the source owner providing  
11 information directly related to air pollution registration, on-site  
12 inspections necessary to verify compliance with registration  
13 requirements, data storage and retrieval systems necessary for support  
14 of the registration program, emission inventory reports and emission  
15 reduction credits computed from information provided by sources  
16 pursuant to registration program requirements, staff review, including  
17 engineering or other reliable analysis for accuracy and currentness, of  
18 information provided by sources pursuant to registration program  
19 requirements, clerical and other office support provided in direct  
20 furtherance of the registration program, and administrative support  
21 provided in directly carrying out the registration program: PROVIDED  
22 FURTHER, That any such registration made with either the board or the  
23 department shall preclude a further registration and reporting with any  
24 other board or the department, except that emissions of greenhouse  
25 gases as defined in section 2 of this act must be reported as required  
26 under subsection (5) of this section.

27 All registration program and reporting fees collected by the  
28 department shall be deposited in the air pollution control account.  
29 All registration program fees collected by the local air authorities  
30 shall be deposited in their respective treasuries.

31 (3) If a registration or report has been filed for a grain  
32 warehouse or grain elevator as required under this section,  
33 registration, reporting, or a registration program fee shall not, after  
34 January 1, 1997, again be required under this section for the warehouse  
35 or elevator unless the capacity of the warehouse or elevator as listed  
36 as part of the license issued for the facility has been increased since  
37 the date the registration or reporting was last made. If the capacity  
38 of the warehouse or elevator listed as part of the license is

1 increased, any registration or reporting required for the warehouse or  
2 elevator under this section must be made by the date the warehouse or  
3 elevator receives grain from the first harvest season that occurs after  
4 the increase in its capacity is listed in the license.

5 This subsection does not apply to a grain warehouse or grain  
6 elevator if the warehouse or elevator handles more than ten million  
7 bushels of grain annually.

8 (4) For the purposes of subsection (3) of this section:

9 (a) A "grain warehouse" or "grain elevator" is an establishment  
10 classified in standard industrial classification (SIC) code 5153 for  
11 wholesale trade for which a license is required and includes, but is  
12 not limited to, such a licensed facility that also conducts cleaning  
13 operations for grain;

14 (b) A "license" is a license issued by the department of  
15 agriculture licensing a facility as a grain warehouse or grain elevator  
16 under chapter 22.09 RCW or a license issued by the federal government  
17 licensing a facility as a grain warehouse or grain elevator for  
18 purposes similar to those of licensure for the facility under chapter  
19 22.09 RCW; and

20 (c) "Grain" means a grain or a pulse.

21 (5)(a) The department shall adopt rules requiring the reporting of  
22 emissions of greenhouse gases as defined in section 2 of this act. The  
23 rules must include a de minimis amount of emissions below which  
24 reporting will not be required. The rules must require that emissions  
25 of greenhouse gases resulting from the burning of fossil fuels be  
26 reported separately from emissions of greenhouse gases resulting from  
27 the burning of biomass. Except as provided in (b) of this subsection,  
28 the department shall, under the authority granted in subsection (1) of  
29 this section, adopt rules requiring any person who operates or is  
30 responsible for: (i) Operation of a fleet of on-road motor vehicles  
31 that as a fleet emit at least twenty-five hundred metric tons of  
32 greenhouse gas annually in the state to report the emissions of  
33 greenhouse gases generated from or emitted by that fleet; or (ii) any  
34 other operations that emit at least ten thousand metric tons of  
35 greenhouse gas annually in the state to report their total annual  
36 emissions of greenhouse gases. In calculating emissions of greenhouse  
37 gases for purposes of determining whether or not reporting is required,  
38 only direct emissions shall be included. The emissions of greenhouse



1 gases must be reported as carbon dioxide equivalents. The rules must  
2 require that persons report 2009 emissions starting in 2010. The rules  
3 must establish an annual reporting schedule that takes into account the  
4 time needed to allow the person reporting emissions of greenhouse gases  
5 to gather the information needed and to verify the emissions being  
6 reported. However, in no event may reports be submitted later than  
7 October 31st of the year in which the report is due. The department  
8 may phase in the reporting requirements for operations under (a)(ii) of  
9 this subsection until the reporting threshold is met, which must be met  
10 by January 1, 2012. The department may from time to time amend the  
11 rules to include other persons that emit less than the annual  
12 greenhouse gas emissions levels set out in this subsection if necessary  
13 to comply with any federal reporting requirements for emissions of  
14 greenhouse gases.

15 (b) In its rules, the department may defer the reporting  
16 requirement under (a) of this subsection for emissions associated with  
17 interstate and international commercial aircraft, rail, trucks, or  
18 marine vessels until (i) there is a federal requirement to report these  
19 emissions; or (ii) the department finds that there is a generally  
20 accepted reporting protocol for determining interstate emissions from  
21 these sources.

22 (c) The department shall share any reporting information reported  
23 to it with the local air authority in which the person reporting under  
24 the rules adopted by the department operates.

25 (d) The fee provisions in subsection (2) of this section apply to  
26 reporting of emissions of greenhouse gases. Persons required to report  
27 under (a) of this subsection who fail to report or pay the fee required  
28 in subsection (2) of this section are subject to enforcement penalties  
29 under this chapter. The department shall enforce the reporting rule  
30 requirements unless it approves a local air authority's request to  
31 enforce the requirements for persons operating within the authority's  
32 jurisdiction.

33 (e) The energy facility site evaluation council shall,  
34 simultaneously with the department, adopt rules that impose greenhouse  
35 gas reporting requirements in site certifications on persons operating  
36 or responsible for the operation of a facility permitted by the energy  
37 facility site evaluation council. The greenhouse gas reporting  
38 requirements imposed by the energy facility site evaluation council

1 must be the same as the greenhouse gas reporting requirements imposed  
2 by the department. The department shall share any information reported  
3 to it from facilities permitted by the energy facility site evaluation  
4 council with the council, including notice of a facility that has  
5 failed to report as required. The energy facility site evaluation  
6 council shall contract with the department to monitor the reporting  
7 requirements adopted under this section.

8 (f) In developing its rules, the department shall, with the  
9 assistance of the department of transportation, identify a mechanism to  
10 report an aggregate estimate of the annual emissions of greenhouse  
11 gases generated from or emitted by otherwise unreported on-road motor  
12 vehicles.

13 (g) The inclusion or failure to include any person, classes of  
14 persons, or types of emissions of greenhouse gases into the  
15 department's rules for reporting under this section does not indicate  
16 whether such a person or category is appropriate for inclusion in the  
17 multisector market-based system designed under section 3 of this act.

18 (h) Should the federal government adopt rules sufficient to track  
19 progress toward the emissions reductions required by this act governing  
20 the reporting of greenhouse gases, the department shall amend its  
21 rules, as necessary, to seek consistency with the federal rules to  
22 ensure duplicate reporting is not required.

23 (i) The definitions in section 2 of this act apply throughout this  
24 subsection (5) unless the context clearly requires otherwise.

25 **Sec. 6.** RCW 70.94.161 and 1993 c 252 s 5 are each amended to read  
26 as follows:

27 The department of ecology, or board of an authority, shall require  
28 renewable permits for the operation of air contaminant sources subject  
29 to the following conditions and limitations:

30 (1) Permits shall be issued for a term of five years. A permit may  
31 be modified or amended during its term at the request of the permittee,  
32 or for any reason allowed by the federal clean air act. The rules  
33 adopted pursuant to subsection (2) of this section shall include rules  
34 for permit amendments and modifications. The terms and conditions of  
35 a permit shall remain in effect after the permit itself expires if the  
36 permittee submits a timely and complete application for permit renewal.

1 (2)(a) Rules establishing the elements for a statewide operating  
2 permit program and the process for permit application and renewal  
3 consistent with federal requirements shall be established by the  
4 department by January 1, 1993. The rules shall provide that every  
5 proposed permit must be reviewed prior to issuance by a professional  
6 engineer or staff under the direct supervision of a professional  
7 engineer in the employ of the permitting authority. The permit program  
8 established by these rules shall be administered by the department and  
9 delegated local air authorities. Rules developed under this subsection  
10 shall not preclude a delegated local air authority from including in a  
11 permit its own more stringent emission standards and operating  
12 restrictions.

13 (b) The board of any local air pollution control authority may  
14 apply to the department of ecology for a delegation order authorizing  
15 the local authority to administer the operating permit program for  
16 sources under that authority's jurisdiction. The department shall, by  
17 order, approve such delegation, if the department finds that the local  
18 authority has the technical and financial resources, to discharge the  
19 responsibilities of a permitting authority under the federal clean air  
20 act. A delegation request shall include adequate information about the  
21 local authority's resources to enable the department to make the  
22 findings required by this subsection(~~(if provided)~~). However, any  
23 delegation order issued under this subsection shall take effect ninety  
24 days after the environmental protection agency authorizes the local  
25 authority to issue operating permits under the federal clean air act.

26 (c) Except for the authority granted the energy facility site  
27 evaluation council to issue permits for the new construction,  
28 reconstruction, or enlargement or operation of new energy facilities  
29 under chapter 80.50 RCW, the department may exercise the authority, as  
30 delegated by the environmental protection agency, to administer Title  
31 IV of the federal clean air act as amended and to delegate such  
32 administration to local authorities as applicable pursuant to (b) of  
33 this subsection.

34 (3) In establishing technical standards, defined in RCW 70.94.030,  
35 the permitting authority shall consider and, if found to be  
36 appropriate, give credit for waste reduction within the process.

37 (4) Operating permits shall apply to all sources (a) where required  
38 by the federal clean air act, and (b) for any source that may cause or

1 contribute to air pollution in such quantity as to create a threat to  
2 the public health or welfare. Subsection (b) of this subsection is not  
3 intended to apply to small businesses except when both of the following  
4 limitations are satisfied: (i) The source is in an area exceeding or  
5 threatening to exceed federal or state air quality standards; and (ii)  
6 the department provides a reasonable justification that requiring a  
7 source to have a permit is necessary to meet a federal or state air  
8 quality standard, or to prevent exceeding a standard in an area  
9 threatening to exceed the standard. For purposes of this subsection  
10 "areas threatening to exceed air quality standards" shall mean areas  
11 projected by the department to exceed such standards within five years.  
12 Prior to identifying threatened areas the department shall hold a  
13 public hearing or hearings within the proposed areas.

14 (5) Sources operated by government agencies are not exempt under  
15 this section.

16 (6) Within one hundred eighty days after the United States  
17 environmental protection agency approves the state operating permit  
18 program, a person required to have a permit shall submit to the  
19 permitting authority a compliance plan and permit application, signed  
20 by a responsible official, certifying the accuracy of the information  
21 submitted. Until permits are issued, existing sources shall be allowed  
22 to operate under presently applicable standards and conditions provided  
23 that such sources submit complete and timely permit applications.

24 (7) All draft permits shall be subject to public notice and  
25 comment. The rules adopted pursuant to subsection (2) of this section  
26 shall specify procedures for public notice and comment. Such  
27 procedures shall provide the permitting agency with an opportunity to  
28 respond to comments received from interested parties prior to the time  
29 that the proposed permit is submitted to the environmental protection  
30 agency for review pursuant to section 505(a) of the federal clean air  
31 act. In the event that the environmental protection agency objects to  
32 a proposed permit pursuant to section 505(b) of the federal clean air  
33 act, the permitting authority shall not issue the permit, unless the  
34 permittee consents to the changes required by the environmental  
35 protection agency.

36 (8) The procedures contained in chapter 43.21B RCW shall apply to  
37 permit appeals. The pollution control hearings board may stay the  
38 effectiveness of any permit issued under this section during the

1 pendency of an appeal filed by the permittee, if the permittee  
2 demonstrates that compliance with the permit during the pendency of the  
3 appeal would require significant expenditures that would not be  
4 necessary in the event that the permittee prevailed on the merits of  
5 the appeal.

6 (9) After the effective date of any permit program promulgated  
7 under this section, it shall be unlawful for any person to: (a)  
8 Operate a permitted source in violation of any requirement of a permit  
9 issued under this section; or (b) fail to submit a permit application  
10 at the time required by rules adopted under subsection (2) of this  
11 section.

12 (10) Each air operating permit shall state the origin of and  
13 specific legal authority for each requirement included therein. Every  
14 requirement in an operating permit shall be based upon the most  
15 stringent of the following requirements:

16 (a) The federal clean air act and rules implementing that act,  
17 including provision of the approved state implementation plan;

18 (b) This chapter and rules adopted thereunder;

19 (c) In permits issued by a local air pollution control authority,  
20 the requirements of any order or regulation adopted by that authority;

21 (d) Chapter 70.98 RCW and rules adopted thereunder; and

22 (e) Chapter 80.50 RCW and rules adopted thereunder.

23 (11) Consistent with the provisions of the federal clean air act,  
24 the permitting authority may issue general permits covering categories  
25 of permitted sources, and temporary permits authorizing emissions from  
26 similar operations at multiple temporary locations.

27 (12) Permit program sources within the territorial jurisdiction of  
28 an authority delegated the operating permit program shall file their  
29 permit applications with that authority, except that permit  
30 applications for sources regulated on a statewide basis pursuant to RCW  
31 70.94.395 shall be filed with the department. Permit program sources  
32 outside the territorial jurisdiction of a delegated authority shall  
33 file their applications with the department. Permit program sources  
34 subject to chapter 80.50 RCW shall, irrespective of their location,  
35 file their applications with the energy facility site evaluation  
36 council.

37 (13) When issuing operating permits to coal fired electric

1 generating plants, the permitting authority shall establish  
2 requirements consistent with Title IV of the federal clean air act.

3 (14)(a) The department and the local air authorities are authorized  
4 to assess and to collect, and each source emitting one hundred tons or  
5 more per year of a regulated pollutant shall pay an interim assessment  
6 to fund the development of the operating permit program during fiscal  
7 year 1994.

8 (b) The department shall conduct a workload analysis and prepare an  
9 operating permit program development budget for fiscal year 1994. The  
10 department shall allocate among all sources emitting one hundred tons  
11 or more per year of a regulated pollutant during calendar year 1992 the  
12 costs identified in its program development budget according to a  
13 three-tiered model, with each of the three tiers being equally  
14 weighted, based upon:

15 (i) The number of sources;

16 (ii) The complexity of sources; and

17 (iii) The size of sources, as measured by the quantity of each  
18 regulated pollutant emitted by the source.

19 (c) Each local authority and the department shall collect from  
20 sources under their respective jurisdictions the interim fee determined  
21 by the department and shall remit the fee to the department.

22 (d) Each local authority may, in addition, allocate its fiscal year  
23 1994 operating permit program development costs among the sources under  
24 its jurisdiction emitting one hundred tons or more per year of a  
25 regulated pollutant during calendar year 1992 and may collect an  
26 interim fee from these sources. A fee assessed pursuant to this  
27 subsection (14)(d) shall be collected at the same time as the fee  
28 assessed pursuant to (c) of this subsection.

29 (e) The fees assessed to a source under this subsection shall be  
30 limited to the first seven thousand five hundred tons for each  
31 regulated pollutant per year.

32 (15)(a) The department shall determine the persons liable for the  
33 fee imposed by subsection (14) of this section, compute the fee, and  
34 provide by November 1 ((of)) 1993, the identity of the fee payer with  
35 the computation of the fee to each local authority and to the  
36 department of revenue for collection. The department of revenue shall  
37 collect the fee computed by the department from the fee payers under  
38 the jurisdiction of the department. The administrative, collection,

1 and penalty provisions of chapter 82.32 RCW shall apply to the  
2 collection of the fee by the department of revenue. The department  
3 shall provide technical assistance to the department of revenue for  
4 decisions made by the department of revenue pursuant to RCW 82.32.160  
5 and 82.32.170. All interim fees collected by the department of revenue  
6 on behalf of the department and all interim fees collected by local  
7 authorities on behalf of the department shall be deposited in the air  
8 operating permit account. The interim fees collected by the local air  
9 authorities to cover their permit program development costs under  
10 subsection (14)(d) of this section shall be deposited in the dedicated  
11 accounts of their respective treasuries.

12 (b) All fees identified in this section shall be due and payable on  
13 March 1 ((of)), 1994, except that the local air pollution control  
14 authorities may adopt by rule an earlier date on which fees are to be  
15 due and payable. The section 5, chapter 252, Laws of 1993 amendments  
16 to RCW 70.94.161 do not have the effect of terminating, or in any way  
17 modifying, any liability, civil or criminal, incurred pursuant to the  
18 provisions of RCW 70.94.161 (15) and (17) as they existed prior to July  
19 25, 1993.

20 (16) For sources or source categories not required to obtain  
21 permits under subsection (4) of this section, the department or local  
22 authority may establish by rule control technology requirements. If  
23 control technology rule revisions are made by the department or local  
24 authority under this subsection, the department or local authority  
25 shall consider the remaining useful life of control equipment  
26 previously installed on existing sources before requiring technology  
27 changes. The department or any local air authority may issue a general  
28 permit, as authorized under the federal clean air act, for such  
29 sources.

30 (17) Emissions of greenhouse gases as defined in section 2 of this  
31 act must be reported as required by RCW 70.94.151. The reporting  
32 provisions of RCW 70.94.151 shall not apply to any other emissions from  
33 any permit program source after the effective date of United States  
34 environmental protection agency approval of the state operating permit  
35 program.

36 NEW SECTION. Sec. 7. (1) The department shall expend two million

1 dollars to designate a total of four new sites for water storage, two  
2 in western Washington and two in eastern Washington, including, but not  
3 limited to:

- 4 (a) Identification of proper sites for water storage;
- 5 (b) Development of plans for water storage at those sites; and
- 6 (c) The formulation of a preliminary design for the water storage  
7 sites.

8 (2) The department shall also assess decommissioned mine shafts for  
9 purposes of water storage.

10 NEW SECTION. **Sec. 8.** Within eighteen months of the next and each  
11 successive global or national assessment of climate change science, the  
12 department shall consult with the climate impacts group at the  
13 University of Washington regarding the science on human-caused climate  
14 change and provide a report to the legislature summarizing that science  
15 and make recommendations for further reducing emissions of greenhouse  
16 gases.

17 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.330 RCW  
18 to read as follows:

19 (1) The legislature establishes a comprehensive green economy jobs  
20 growth initiative based on the goal of, by 2020, increasing the number  
21 of green economy jobs to twenty-five thousand from the eight thousand  
22 four hundred green economy jobs the state had in 2004.

23 (2) The department, in consultation with the employment security  
24 department, the state workforce training and education coordinating  
25 board, the state board of community and technical colleges, the higher  
26 education coordinating board, and the department of ecology, shall  
27 develop a defined list of terms, consistent with current workforce and  
28 economic development terms, associated with green economy industries  
29 and jobs.

30 (3)(a) The employment security department, in consultation with the  
31 department, the state workforce training and education coordinating  
32 board, the state board for community and technical colleges, the higher  
33 education coordinating board, and the Washington State University  
34 extension energy program, shall conduct labor market research to  
35 analyze the current labor market and projected job growth in the green  
36 economy, the current and projected recruitment and skill requirement of



1 green economy industry employers, the wage and benefits ranges of jobs  
2 within green economy industries, and the education and training  
3 requirements of entry-level and incumbent workers in those industries.

4 (b) The University of Washington business and economic development  
5 center shall: Analyze the current opportunities for and participation  
6 in the green economy by minority and women-owned business enterprises  
7 in Washington; identify existing barriers to their successful  
8 participation in the green economy; and develop strategies with  
9 specific policy recommendations to improve their successful  
10 participation in the green economy. The research may be informed by  
11 the research of the Puget Sound regional council prosperity  
12 partnership, as well as other entities. The University of Washington  
13 business and economic development center shall report to the  
14 appropriate committees of the house of representatives and the senate  
15 on their research, analysis, and recommendations by December 1, 2008.

16 (4) Based on the findings from subsection (3) of this section, the  
17 employment security department, in consultation with the department and  
18 the department of ecology and taking into account the requirements and  
19 goals of this act and other state clean energy and energy efficiency  
20 policies, shall propose which industries will be considered high-demand  
21 green industries, based on current and projected job creation and their  
22 strategic importance to the development of the state's green economy.  
23 The employment security department and the department shall take into  
24 account which jobs within green economy industries will be considered  
25 high-wage occupations and occupations that are part of career pathways  
26 to the same, based on family-sustaining wage and benefits ranges.  
27 These designations, and the results of the employment security  
28 department's broader labor market research, shall inform the planning  
29 and strategic direction of the department, the state workforce training  
30 and education coordinating board, the state board for community and  
31 technical colleges, and the higher education coordinating board.

32 (5) The department shall identify emerging technologies and  
33 innovations that are likely to contribute to advancements in the green  
34 economy, including the activities in designated innovation partnership  
35 zones established in RCW 43.330.270.

36 (6) The department, consistent with the priorities established by  
37 the state economic development commission, shall:

1 (a) Develop targeting criteria for existing investments, and make  
2 recommendations for new or expanded financial incentives and  
3 comprehensive strategies, to recruit, retain, and expand green economy  
4 industries; and

5 (b) Make recommendations for new or expanded financial incentives  
6 and comprehensive strategies to stimulate research and development of  
7 green technology and innovation, including designating innovation  
8 partnership zones linked to the green economy.

9 (7) For the purposes of this section, "target populations" means  
10 (a) entry-level or incumbent workers in high-demand green industries  
11 who are in, or are preparing for, high-wage occupations; (b) dislocated  
12 workers in declining industries who may be retrained for high-wage  
13 occupations in high-demand green industries; (c) eligible veterans or  
14 national guard members; or (d) anyone eligible to participate in the  
15 state opportunity grant program under RCW 28B.50.271.

16 (8) The legislature directs the state workforce training and  
17 education coordinating board to create and pilot green industry skill  
18 panels. These panels shall consist of business representatives from  
19 industry sectors related to clean energy, state and local veterans  
20 agencies, employer associations, educational institutions, and local  
21 workforce development councils within the region that the panels  
22 propose to operate, and other key stakeholders as determined by the  
23 applicant. Any of these stakeholder organizations are eligible to  
24 receive grants under this section and serve as the intermediary that  
25 convenes and leads the panel. Panel applicants must provide labor  
26 market and industry analysis that demonstrates high demand, or demand  
27 of strategic importance to the development of the state's clean energy  
28 economy as identified in this section, for high-wage occupations, or  
29 occupations that are part of career pathways to the same, within the  
30 relevant industry sector. The panel shall:

31 (a) Conduct labor market and industry analyses, in consultation  
32 with the employment security department, and drawing on the findings of  
33 its research when available;

34 (b) Plan strategies to meet the recruitment and training needs of  
35 the industry; and

36 (c) Leverage and align other public and private funding sources.

37 (9) The green industries jobs training account is created in the  
38 state treasury. Moneys from the account must be utilized to supplement

1 the state opportunity grant program established under RCW 28B.50.271.  
2 All receipts from appropriations directed to the account must be  
3 deposited into the account. Expenditures from the account may be used  
4 only for the activities identified in this subsection. The state board  
5 for community and technical colleges, in consultation with the state  
6 workforce training and education coordinating board, informed by the  
7 research of the employment security department and the strategies  
8 developed in this section, may authorize expenditures from the account.  
9 The state board for community and technical colleges must distribute  
10 grants from the account on a competitive basis.

11 (a)(i) Allowable uses of these grant funds, which should be used  
12 when other public or private funds are insufficient or unavailable, may  
13 include:

14 (A) Curriculum development;

15 (B) Transitional jobs strategies for dislocated workers in  
16 declining industries who may be retrained for high-wage occupations in  
17 green industries;

18 (C) Workforce education to target populations; and

19 (D) Adult basic and remedial education as necessary linked to  
20 occupation skills training.

21 (ii) Allowable uses of these grant funds do not include student  
22 assistance and support services available through the state opportunity  
23 grant program under RCW 28B.50.271.

24 (b) Applicants eligible to receive these grants may be any  
25 organization or a partnership of organizations that has demonstrated  
26 expertise in:

27 (i) Implementing effective education and training programs that  
28 meet industry demand; and

29 (ii) Recruiting and supporting, to successful completion of those  
30 training programs carried out under these grants, the target  
31 populations of workers.

32 (c) In awarding grants from the green industries jobs training  
33 account, the state board for community and technical colleges shall  
34 give priority to applicants that demonstrate the ability to:

35 (i) Use labor market and industry analysis developed by the  
36 employment security department and green industry skill panels in the  
37 design and delivery of the relevant education and training program, and  
38 otherwise utilize strategies developed by green industry skills panels;

1 (ii) Leverage and align existing public programs and resources and  
2 private resources toward the goal of recruiting, supporting, educating,  
3 and training target populations of workers;

4 (iii) Work collaboratively with other relevant stakeholders in the  
5 regional economy;

6 (iv) Link adult basic and remedial education, where necessary, with  
7 occupation skills training;

8 (v) Involve employers and, where applicable, labor unions in the  
9 determination of relevant skills and competencies and, where relevant,  
10 the validation of career pathways; and

11 (vi) Ensure that supportive services, where necessary, are  
12 integrated with education and training and are delivered by  
13 organizations with direct access to and experience with the targeted  
14 population of workers.

15 **Sec. 10.** RCW 28B.50.273 and 2007 c 277 s 201 are each amended to  
16 read as follows:

17 The college board, in partnership with business, labor, and the  
18 workforce training and education coordinating board, shall:

19 (1) Identify job-specific training programs offered by qualified  
20 postsecondary institutions that lead to a credential, certificate, or  
21 degree in green industry occupations as established in this act, and  
22 other high demand occupations, which are occupations where data show  
23 that employer demand for workers exceeds the supply of qualified job  
24 applicants throughout the state or in a specific region, and where  
25 training capacity is underutilized;

26 (2) Gain recognition of the credentials, certificates, and degrees  
27 by Washington's employers and labor organizations. The college board  
28 shall designate these recognized credentials, certificates, and degrees  
29 as "opportunity grant-eligible programs of study"; and

30 (3) Market the credentials, certificates, and degrees to potential  
31 students, businesses, and apprenticeship programs as a way for  
32 individuals to advance in their careers and to better meet the needs of  
33 industry.

34 NEW SECTION. **Sec. 11.** A new section is added to chapter 82.16 RCW  
35 to read as follows:

36 (1) A light and power business is allowed a credit against taxes

1 due under this chapter in an amount equal to fifty percent of the cost  
2 of purchasing: (a) Carbon abatement equipment; (b) repair and  
3 replacement parts for carbon abatement equipment; and (c) labor and  
4 services rendered in respect to carbon abatement equipment.

5 (2) The credit under this section is only available to light and  
6 power businesses subject to the annual reporting requirements under RCW  
7 70.94.151(5).

8 (3) Unused tax credit may be carried forward to subsequent tax  
9 reporting periods. No refunds shall be granted for credits under this  
10 section.

11 (4) The definitions in this subsection apply throughout this  
12 section.

13 (a) "Carbon abatement equipment" means control devices, disposal  
14 systems, machinery, equipment, and other tangible personal property  
15 acquired for the primary purpose of reducing or controlling emissions  
16 of greenhouse gases.

17 (b) "Power plant" has the same meaning as defined in RCW 80.80.010.

18 NEW SECTION. **Sec. 12.** A new section is added to chapter 82.08 RCW  
19 to read as follows:

20 (1) The tax levied by RCW 82.08.020 does not apply to the sale of:  
21 (a) Carbon abatement equipment; (b) repair and replacement parts for  
22 carbon abatement equipment; and (c) labor and services rendered in  
23 respect to carbon abatement equipment.

24 (2) An exemption is only available to a person subject to the  
25 annual reporting requirements under RCW 70.94.151(5).

26 (3) An exemption is available only when the buyer provides the  
27 seller with an exemption certificate. The seller shall retain a copy  
28 of the certificate for the seller's files.

29 (4) For the purposes of this section, "carbon abatement equipment"  
30 has the meaning as defined in section 11 of this act.

31 NEW SECTION. **Sec. 13.** A new section is added to chapter 82.12 RCW  
32 to read as follows:

33 (1) The provisions of this chapter do not apply in respect to the  
34 use of: (a) Carbon abatement equipment; (b) repair and replacement  
35 parts for carbon abatement equipment; and (c) labor and services  
36 rendered in respect to carbon abatement equipment.

1 (2) The exemption under this section is only available to a person  
2 subject to the annual reporting requirements under RCW 70.94.151(5).

3 (3) For the purposes of this section, "carbon abatement equipment"  
4 has the same meaning as defined in section 11 of this act.

5 NEW SECTION. **Sec. 14.** A new section is added to chapter 84.36 RCW  
6 to read as follows:

7 (1) Carbon abatement equipment, including repair and replacement  
8 parts for the equipment, used by a person subject to the annual  
9 reporting requirements under RCW 70.94.151(5) is exempt from taxation.  
10 To qualify for the exemption, the owner of the equipment shall apply to  
11 the county assessor in which the property is located prior to the  
12 initial installation of the carbon abatement equipment.

13 (2) The exemption is available beginning in the calendar year that  
14 follows the calendar year in which initial application is made. Carbon  
15 abatement equipment is exempt from property tax for twenty years.  
16 Repair and replacement parts acquired after the exemption is first  
17 claimed are subject to the twenty-year requirement applicable to the  
18 initially installed carbon abatement equipment.

19 (3) The application for exemption shall be made to the county  
20 assessor. The application shall be upon forms prescribed by the  
21 department of revenue and supplied by the county assessor. To claim an  
22 exemption for repair or replacement parts for carbon abatement  
23 equipment, an additional application shall be made to the county  
24 assessor.

25 (4) For the purposes of this section, "carbon abatement equipment"  
26 has the same meaning as defined in section 11 of this act.

27 NEW SECTION. **Sec. 15.** A new section is added to chapter 82.04 RCW  
28 to read as follows:

29 (1) A person is allowed a credit against taxes due under this  
30 chapter in an amount equal to fifty percent of the cost of purchasing:  
31 (a) Carbon abatement equipment; (b) repair and replacement parts for  
32 carbon abatement equipment; and (c) labor and services rendered in  
33 respect to carbon abatement equipment.

34 (2) The credit under this section is only available to a person  
35 subject to the annual reporting requirements under RCW 70.94.151(5).

1 (3) Unused tax credit may be carried forward to subsequent tax  
2 reporting periods. No refunds shall be granted for credits under this  
3 section.

4 (4) For the purposes of this section, "carbon abatement equipment"  
5 has the same meaning as defined in section 11 of this act.

6 NEW SECTION. **Sec. 16.** A new section is added to chapter 82.04 RCW  
7 to read as follows:

8 (1) In computing the tax imposed under this chapter, a credit is  
9 allowed to offset the administrative burden of complying with the  
10 annual reporting requirements under RCW 70.94.151(5). The amount of  
11 the credit is equal to the cost of complying with these annual  
12 reporting requirements in the year in which the credit is claimed. A  
13 person may claim a credit under this section only if the person has  
14 submitted a report to the department of ecology or the energy facility  
15 site evaluation council under RCW 70.94.151(5) in the same calendar  
16 year in which the credit is claimed.

17 (2) A credit earned during one calendar year may be carried over to  
18 be credited against taxes incurred in subsequent years. No refunds may  
19 be granted for credits under this section.

20 NEW SECTION. **Sec. 17.** A new section is added to chapter 82.08 RCW  
21 to read as follows:

22 (1) The tax levied by RCW 82.08.020 does not apply to sales of  
23 passenger vehicles if the purchaser trades in a passenger vehicle that  
24 is more than fifteen years old and the vehicle to be traded in is not  
25 compliant with United States environmental protection agency tier II  
26 emission standards.

27 (2) For the purposes of this section, "passenger vehicle" has the  
28 same meaning as "passenger car" provided in RCW 46.04.382.

29 (3) The exemption is available only if:

30 (a) The passenger vehicle to be traded in has been licensed and  
31 registered for the twenty-four month period immediately preceding the  
32 sale and is in satisfactory operating condition; and

33 (b) The new vehicle purchased has a United States environmental  
34 protection agency highway gasoline mileage rating of at least thirty  
35 miles per gallon.

1 (4) Any trade-in property acquired from a person claiming the  
2 exemption in this section must be destroyed.

3 (5) The total amount that may be taken by all purchasers as an  
4 exemption under this section and section 18 of this act is twenty-five  
5 million dollars per year. If the department determines that at least  
6 twenty-two million dollars has been taken as an exemption under this  
7 section and section 18 of this act, the department shall notify motor  
8 vehicle dealers, in a writing sent by certified mail, that requires  
9 dealers not to provide the exemption to motor vehicle purchasers  
10 beginning two weeks from the date the letter is postmarked.

11 NEW SECTION. **Sec. 18.** A new section is added to chapter 82.12 RCW  
12 to read as follows:

13 (1) The provisions of this chapter do not apply with respect to the  
14 use of passenger vehicles if the purchaser trades in a passenger  
15 vehicle to a motor vehicle dealer that is more than fifteen years old  
16 and the vehicle to be traded in is not compliant with United States  
17 environmental protection agency tier II emission standards.

18 (2) "Passenger vehicle" has the same meaning as defined in section  
19 17 of this act.

20 (3) The exemption is available only if:

21 (a) The passenger vehicle to be traded in has been licensed and  
22 registered for the twenty-four month period immediately preceding the  
23 sale and is in satisfactory operating condition; and

24 (b) The new vehicle purchased has a United States environmental  
25 protection agency highway gasoline mileage rating of at least thirty  
26 miles per gallon.

27 (4) Any trade-in property acquired from a person claiming the  
28 exemption in this section must be destroyed.

29 **Sec. 19.** RCW 19.285.040 and 2007 c 1 s 4 (Initiative Measure No.  
30 937) are each amended to read as follows:

31 (1) Each qualifying utility shall pursue all available conservation  
32 that is cost-effective, reliable, and feasible.

33 (a) By January 1, 2010, using methodologies consistent with those  
34 used by the Pacific Northwest electric power and conservation planning  
35 council in its most recently published regional power plan, each  
36 qualifying utility shall identify its achievable cost-effective



1 conservation potential through 2019. At least every two years  
2 thereafter, the qualifying utility shall review and update this  
3 assessment for the subsequent ten-year period.

4 (b) Beginning January 2010, each qualifying utility shall establish  
5 and make publicly available a biennial acquisition target for cost-  
6 effective conservation consistent with its identification of achievable  
7 opportunities in (a) of this subsection, and meet that target during  
8 the subsequent two-year period. At a minimum, each biennial target  
9 must be no lower than the qualifying utility's pro rata share for that  
10 two-year period of its cost-effective conservation potential for the  
11 subsequent ten-year period.

12 (c) In meeting its conservation targets, a qualifying utility may  
13 count high-efficiency cogeneration owned and used by a retail electric  
14 customer to meet its own needs. High-efficiency cogeneration is the  
15 sequential production of electricity and useful thermal energy from a  
16 common fuel source, where, under normal operating conditions, the  
17 facility has a useful thermal energy output of no less than thirty-  
18 three percent of the total energy output. The reduction in load due to  
19 high-efficiency cogeneration shall be: (i) Calculated as the ratio of  
20 the fuel chargeable to power heat rate of the cogeneration facility  
21 compared to the heat rate on a new and clean basis of a  
22 best-commercially available technology combined-cycle natural gas-fired  
23 combustion turbine; and (ii) counted towards meeting the biennial  
24 conservation target in the same manner as other conservation savings.

25 (d) The commission may determine if a conservation program  
26 implemented by an investor-owned utility is cost-effective based on the  
27 commission's policies and practice.

28 (e) The commission may rely on its standard practice for review and  
29 approval of investor-owned utility conservation targets.

30 (2)(a) Each qualifying utility shall use eligible renewable  
31 resources or acquire equivalent renewable energy credits, or a  
32 combination of both, to meet the following annual targets:

33 (i) At least three percent of its load by January 1, 2012, and each  
34 year thereafter through December 31, 2015;

35 (ii) At least nine percent of its load by January 1, 2016, and each  
36 year thereafter through December 31, 2019; and

37 (iii) At least fifteen percent of its load by January 1, 2020, and  
38 each year thereafter.

1 (b) A qualifying utility may count distributed generation at double  
2 the facility's electrical output if the utility: (i) Owns or has  
3 contracted for the distributed generation and the associated renewable  
4 energy credits; or (ii) has contracted to purchase the associated  
5 renewable energy credits.

6 (c) In meeting the annual targets in (a) of this subsection, a  
7 qualifying utility shall calculate its annual load based on the average  
8 of the utility's load for the previous two years.

9 (d) A qualifying utility shall be considered in compliance with an  
10 annual target in (a) of this subsection if: (i) The utility's weather-  
11 adjusted load for the previous three years on average did not increase  
12 over that time period; (ii) after December 7, 2006, the utility did not  
13 commence or renew ownership or incremental purchases of electricity  
14 from resources other than renewable resources other than on a daily  
15 spot price basis and the electricity is not offset by equivalent  
16 renewable energy credits; and (iii) the utility invested at least one  
17 percent of its total annual retail revenue requirement that year on  
18 eligible renewable resources, renewable energy credits, or a  
19 combination of both.

20 (e) The requirements of this section may be met with eligible  
21 renewable resources or renewable energy credits obtained for and used  
22 in an optional pricing program such as the program established in RCW  
23 19.29A.090.

24 (f) The requirements of this section may be met for any given year  
25 with renewable energy credits produced during that year, the preceding  
26 year, or the subsequent year. Each renewable energy credit may be used  
27 only once to meet the requirements of this section.

28 ~~((f))~~ (g) In complying with the targets established in (a) of  
29 this subsection, a qualifying utility may not count ~~((~~

30 ~~(i))~~ eligible renewable resources or distributed generation where  
31 the associated renewable energy credits are owned by a separate  
32 entity ~~((~~

33 ~~(ii) Eligible renewable resources or renewable energy credits~~  
34 ~~obtained for and used in an optional pricing program such as the~~  
35 ~~program established in RCW 19.29A.090)).~~

36 ~~((g))~~ (h) Where fossil and combustible renewable resources are  
37 cofired in one generating unit located in the Pacific Northwest where  
38 the cofiring commenced after March 31, 1999, the unit shall be

1 considered to produce eligible renewable resources in direct proportion  
2 to the percentage of the total heat value represented by the heat value  
3 of the renewable resources.

4 ~~((h))~~ (i)(i) A qualifying utility that acquires an eligible  
5 renewable resource or renewable energy credit may count that  
6 acquisition at one and two-tenths times its base value:

7 (A) Where the eligible renewable resource comes from a facility  
8 that commenced operation after December 31, 2005; and

9 (B) Where the developer of the facility used apprenticeship  
10 programs approved by the council during facility construction.

11 (ii) The council shall establish minimum levels of labor hours to  
12 be met through apprenticeship programs to qualify for this extra  
13 credit.

14 ~~((i))~~ (j) A qualifying utility shall be considered in compliance  
15 with an annual target in (a) of this subsection if events beyond the  
16 reasonable control of the utility that could not have been reasonably  
17 anticipated or ameliorated prevented it from meeting the renewable  
18 energy target. Such events include weather-related damage, mechanical  
19 failure, strikes, lockouts, and actions of a governmental authority  
20 that adversely affect the generation, transmission, or distribution of  
21 an eligible renewable resource under contract to a qualifying utility.

22 (3) Utilities that become qualifying utilities after December 31,  
23 2006, shall meet the requirements in this section on a time frame  
24 comparable in length to that provided for qualifying utilities as of  
25 December 7, 2006.

26 **Sec. 20.** RCW 19.29A.090 and 2002 c 285 s 6 and 2002 c 191 s 1 are  
27 each reenacted and amended to read as follows:

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

31 (2) Each electric utility must include with its retail electric  
32 customer's regular billing statements, at least quarterly, a voluntary  
33 option to purchase qualified alternative energy resources. The option  
34 may allow customers to purchase qualified alternative energy resources  
35 at fixed or variable rates and for fixed or variable periods of time,  
36 including but not limited to monthly, quarterly, or annual purchase  
37 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 animal waste or solid organic fuels from  
13 wood, forest, or field residues, or dedicated energy crops that do not  
14 include wood pieces that have been treated with chemical preservatives  
15 such as 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 may pursue known, lawful aggregated purchasing of  
31 qualified alternative energy resources with other utilities to the  
32 extent aggregated purchasing can reduce the unit cost of qualified  
33 alternative energy resources, and are encouraged to investigate  
34 opportunities to aggregate the purchase of alternative energy resources  
35 by their customers. Aggregated purchases by investor-owned utilities  
36 must comply with any applicable rules or policies adopted by the  
37 commission related to least-cost planning or the acquisition of  
38 renewable resources.

1       (6) Until December 31, 2018, utilities may promote voluntary  
2 programs to purchase qualified alternative energy resources and may  
3 recover their marketing and administrative costs plus a rate of return  
4 that reflects the amount the market will bear for the qualified  
5 alternative energy resource.

6       (7) Each consumer-owned utility must report annually to the  
7 department and each investor-owned utility must report annually to the  
8 commission beginning October 1, 2002, until October 1, 2012, describing  
9 the option or options it is offering its customers under the  
10 requirements of this section, the rate of customer participation, the  
11 amount of qualified alternative energy resources purchased by  
12 customers, the amount of utility investments in qualified alternative  
13 energy resources, and the results of pursuing aggregated purchasing  
14 opportunities. The department and the commission together shall report  
15 annually to the legislature, beginning December 1, 2002, until December  
16 1, 2012, with the results of the utility reports.

17       NEW SECTION. **Sec. 21.** The joint transportation committee shall  
18 coordinate a study of the feasibility of utilizing magnetic levitation  
19 in the state of Washington in the movement of people and freight. The  
20 majority leaders and minority leaders in the house of representatives  
21 and senate shall select one legislative member from each of their  
22 respective caucuses to work with the joint transportation committee on  
23 the study. The study report must be submitted to the transportation  
24 committees of the house of representatives and senate on or before  
25 December 31, 2008, with findings and recommendations.

26       NEW SECTION. **Sec. 22.** If any provision of this act or its  
27 application to any person or circumstance is held invalid, the  
28 remainder of the act or the application of the provision to other  
29 persons or circumstances is not affected.

30       NEW SECTION. **Sec. 23.** Sections 1 through 3, 7, and 8 of this act  
31 constitute a new chapter in Title 70 RCW.

32       NEW SECTION. **Sec. 24.** If specific funding for the purposes of  
33 this act, referencing this act by bill or chapter number, is not

1 provided by June 30, 2008, in the omnibus appropriations act, this act  
2 is null and void."

3 Correct the title.

--- END ---