

ESSB 6001 - H AMD TO APP COMM AMD (H-3312.1) **484**
By Representative Morris

OUT OF ORDER 4/12/2007

1 On page 10, after line 37 of the amendment, insert the
2 following:

3 "Sec. 8. RCW 80.70.020 and 2004 c 224 s 2 are each amended to
4 read as follows:

5 (1) The provisions of this chapter apply to:

6 (a) New fossil-fueled thermal electric generation facilities
7 with station-generating capability of three hundred fifty thousand
8 kilowatts or more and fossil-fueled floating thermal electric
9 generation facilities of one hundred thousand kilowatts or more
10 under RCW 80.50.020(14)(a), for which an application for site
11 certification is made to the council after July 1, 2004;

12 (b) New fossil-fueled thermal electric generation facilities
13 with station-generating capability of more than twenty-five
14 thousand kilowatts, but less than three hundred fifty thousand
15 kilowatts, except for fossil-fueled floating thermal electric
16 generation facilities under the council's jurisdiction, for which
17 an application for an order of approval has been submitted after
18 July 1, 2004;

19 (c) Fossil-fueled thermal electric generation facilities with
20 station-generating capability of three hundred fifty thousand
21 kilowatts or more that have an existing site certification
22 agreement and, after July 1, 2004, apply to the council to increase
23 the output of carbon dioxide emissions by fifteen percent or more
24 through permanent changes in facility operations or modification or
25 equipment; and

26 (d) Fossil-fueled thermal electric generation facilities with
27 station-generating capability of more than twenty-five thousand
28 kilowatts, but less than three hundred fifty thousand kilowatts,
29 except for fossil-fueled floating thermal electric generation
30 facilities under the council's jurisdiction, that have an existing
31 order of approval and, after July 1, 2004, apply to the department

1 or authority, as appropriate, to permanently modify the facility so
2 as to increase its station-generating capability by at least
3 twenty-five thousand kilowatts or to increase the output of carbon
4 dioxide emissions by fifteen percent or more, whichever measure is
5 greater.

6 (2)(a) A proposed site certification agreement submitted to the
7 governor under RCW 80.50.100 and a final site certification
8 agreement issued under RCW 80.50.100 shall include an approved
9 carbon dioxide mitigation plan.

10 (b) For fossil-fueled thermal electric generation facilities
11 not under jurisdiction of the council, the order of approval shall
12 require an approved carbon dioxide mitigation plan.

13 (c) Site certification agreement holders or order of approval
14 holders may request, at any time, a change in conditions of an
15 approved carbon dioxide mitigation plan if the council, department,
16 or authority, as appropriate, finds that the change meets all
17 requirements and conditions for approval of such plans.

18 (3) An applicant for a fossil-fueled thermal electric
19 generation facility shall include one or a combination of the
20 following carbon dioxide mitigation options as part of its
21 mitigation plan:

22 (a) Payment to a third party to provide mitigation;

23 (b) Direct purchase of permanent carbon credits; or

24 (c) Investment in applicant-controlled carbon dioxide
25 mitigation projects, including combined heat and power
26 (cogeneration).

27 (4) Fossil-fueled thermal electric generation facilities that
28 receive site certification approval or an order of approval shall
29 provide mitigation for twenty percent of the total carbon dioxide
30 emissions produced by the facility.

31 (5) If the certificate holder or order of approval holder
32 chooses to pay a third party to provide the mitigation, the
33 mitigation rate shall be one dollar and sixty cents per metric ton
34 of carbon dioxide to be mitigated. For a cogeneration plant, the
35 monetary amount is based on(~~(the difference between twenty percent~~
36 ~~of)) the total carbon dioxide emissions (~~and~~) minus one thousand
37 one hundred pounds of greenhouse gases per megawatt-hour or the
38 average available greenhouse gases emissions output as determined~~

1 under section 7 of this act, whichever is lower, minus the
2 cogeneration credit.

3 (a) Through rule making, the council may adjust the rate per
4 ton biennially as long as any increase or decrease does not exceed
5 fifty percent of the current rate. The department or authority
6 shall use the adjusted rate established by the council pursuant to
7 this subsection for fossil-fueled thermal electric generation
8 facilities subject to the provisions of this chapter.

9 (b) In adjusting the mitigation rate the council shall
10 consider, but is not limited to, the current market price of a ton
11 of carbon dioxide. The council's adjusted mitigation rate shall be
12 consistent with RCW 80.50.010(3).

13 (6) The applicant may choose to make to the third party a lump
14 sum payment or partial payment over a period of five years.

15 (a) Under the lump sum payment option, the payment amount is
16 determined by multiplying the total carbon dioxide emissions by the
17 twenty percent mitigation requirement under subsection (4) of this
18 section and by the per ton mitigation rate established under
19 subsection (5) of this section.

20 (b) No later than one hundred twenty days after the start of
21 commercial operation, the certificate holder or order of approval
22 holder shall make a one-time payment to the independent qualified
23 organization for the amount determined under subsection (5) of this
24 section.

25 (c) As an alternative to a one-time payment, the certificate
26 holder or order of approval holder may make a partial payment of
27 twenty percent of the amount determined under subsection (5) of
28 this section no later than one hundred twenty days after commercial
29 operation and a payment in the same amount or as adjusted according
30 to subsection (5)(a) of this section, on the anniversary date of
31 the initial payment in each of the following four years. With the
32 initial payment, the certificate holder or order of approval holder
33 shall provide a letter of credit or other comparable security
34 acceptable to the council or the department for the remaining
35 eighty percent mitigation payment amount including possible changes
36 to the rate per metric ton from rule making under subsection (5)(a)
37 of this section.

1 Renumber the sections consecutively and correct any internal
2 references.

EFFECT: Applies the greenhouse gases emissions performance standard to the formula for calculating the mitigation payment for a cogeneration plant.