

**ESSB 6001** - H AMD TO APP COMM AMD (H-3312.1) **486**  
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 the cogeneration credit.

37 (a) Through rule making, the council may adjust the rate per  
38 ton biennially as long as any increase or decrease does not exceed  
39 fifty percent of the current rate. The department or authority

1 shall use the adjusted rate established by the council pursuant to  
2 this subsection for fossil-fueled thermal electric generation  
3 facilities subject to the provisions of this chapter.

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

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

10 (a) Under the lump sum payment option, the payment amount is  
11 determined by (~~multiplying the total carbon dioxide emissions by~~  
12 ~~the twenty percent mitigation requirement under subsection (4) of~~  
13 ~~this section and~~) calculating the difference between the total  
14 carbon dioxide emissions and one thousand one hundred pounds of  
15 greenhouse gases per megawatt-hour or the average available  
16 greenhouse gases emissions output as determined under section 7 of  
17 this act, whichever is lower, multiplied by the per ton mitigation  
18 rate established under subsection (5) of this section.

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

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

37 Renumber the sections consecutively and correct any internal  
38 references.

**EFFECT:** Applies the greenhouse gases emissions performance standard to the formula for calculating the lump sum mitigation payment option related to the carbon dioxide mitigation program under chapter 80.70 RCW.