

ESSB 6001 - H AMD TO APP COMM AMD (H-3312.1) **487**
By Representative Morris

OUT OF ORDER 4/12/2007

1 On page 10, beginning after line 37, insert the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (5) If the certificate holder or order of approval holder
31 chooses to pay a third party to provide the mitigation, the
32 mitigation rate shall be one dollar and sixty cents per metric ton
33 of carbon dioxide to be mitigated. For a cogeneration plant, the
34 monetary amount is based on the difference between twenty percent
35 of the total carbon dioxide emissions and the cogeneration credit.

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

1 this subsection for fossil-fueled thermal electric generation
2 facilities subject to the provisions of this chapter.

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

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

9 (a) Under the lump sum payment option, the payment amount is
10 determined by multiplying the total carbon dioxide emissions by the
11 twenty percent mitigation requirement under subsection (4) of this
12 section and by the per ton mitigation rate established under
13 subsection (5) of this section.

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

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

32 (7)(a) All electric utilities that enter into long-term
33 financial commitments for baseload generation located outside the
34 state shall meet the greenhouse gases emissions performance
35 standard under chapter 80.-- RCW (sections 1 through 7 and 9
36 through 11 of this act). Electric utilities shall provide
37 mitigation for greenhouse gases emissions in excess of the
38 greenhouse gases emissions standard established in section 6 of
39 this act.

1 (b) The electric utility shall choose one or a combination of
2 the following carbon dioxide mitigation options to mitigate for
3 carbon dioxide emissions:
4 (i) Payment to a third party to provide mitigation;
5 (ii) Direct purchase of permanent carbon credits as specified
6 under RCW 80.70.030; or
7 (iii) Investment in load-serving utility-controlled carbon
8 dioxide mitigation projects, including combined heat and power
9 (cogeneration)."

EFFECT: Extends the carbon dioxide mitigation program requirements under chapter 80.70 RCW to long-term financial commitments by electric utilities for baseload generation located outside the state. Provides electric utilities that enter into long-term financial commitments for baseload generation outside the state with three options to mitigate for carbon dioxide emissions.