

SSB 6001 - S AMD 174

By Senator Pridemore

ADOPTED AS AMENDED 03/10/2007

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

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

4 (a) Washington is especially vulnerable to climate change because
5 of the state's dependence on snow pack for summer stream flows and
6 because the expected rise in sea levels threatens our coastal
7 communities. Extreme weather, a warming Pacific Northwest, reduced
8 snow pack, and sea level rise are four major ways that climate change
9 is disrupting Washington's economy, environment, and communities;

10 (b) Washington's greenhouse gas emissions are continuing to
11 increase, despite international scientific consensus that worldwide
12 emissions must be reduced significantly below current levels to avert
13 catastrophic climate change;

14 (c) Washington has been a leader in actions to reduce the increase
15 of emissions, including the adoption of clean car standards, stronger
16 appliance energy efficiency standards, increased production and use of
17 renewable liquid fuels, and increased renewable energy sources by
18 electrical utilities;

19 (d) Washington has participated with other Western states in
20 designing regional approaches to reduce greenhouse gas emissions, and
21 a regional cap and trade mechanism will be more effective than if
22 implemented separately in each state;

23 (e) While these actions are significant, there is a need to assess
24 the trend of emissions statewide over the next several decades, and to
25 take sufficient actions so that Washington meets its responsibility to
26 contribute to the global actions needed to reduce the impacts and the
27 pace of global warming;

28 (f) Actions to reduce greenhouse gas emissions will spur technology
29 development and increase efficiency, thus resulting in benefits to
30 Washington's economy and businesses; and

1 (g) Numerous states and nations have adopted emission reduction
2 goals to assist emission sources with planning for changes in practices
3 and technologies.

4 (2) The legislature further finds that companies that generate
5 greenhouse gas emissions or manufacture products that generate such
6 emissions are purchasing carbon credits from landowners and from other
7 companies in order to provide carbon credits. Companies that are
8 purchasing carbon credits would benefit from a program to trade and to
9 bank carbon credits. Washington forests are one of the most effective
10 resources that can absorb carbon dioxide from the atmosphere. Forests,
11 and other planted lands and waters, provide carbon storage and mitigate
12 greenhouse gas emissions. Washington contains the most productive
13 forests in the world and both public and private landowners could
14 benefit from a carbon storage trading and banking program. The
15 legislature further finds that catastrophic forest fires are a major
16 source of greenhouse gas emissions, and that federal and state forest
17 land management should seek to manage forests to reduce the risk of
18 such fires.

19 (3) The legislature intends by this act to establish goals for the
20 statewide reduction in greenhouse gas emissions and reduction in
21 petroleum use, and to adopt the governor's mechanism in Executive Order
22 No. 07-02 to design and recommend a comprehensive set of measures to
23 accomplish the goals. The legislature further intends by this act to
24 authorize immediate actions in the electric power generation sector for
25 the reduction of greenhouse gas emissions and to accelerate efficiency
26 in the transportation sector.

27 NEW SECTION. **Sec. 2.** The following greenhouse gas emissions
28 reduction and clean energy economy goals are established for Washington
29 state:

30 (1) By 2020, reduce greenhouse gas emissions in the state to 1990
31 levels;

32 (2) By 2035, reduce greenhouse gas emissions in the state to
33 twenty-five percent below 1990 levels;

34 (3) By 2050, the state will do its part to reach global climate
35 stabilization levels by reducing emissions to fifty percent below 1990
36 levels or seventy percent below the state's expected emissions that
37 year;

1 (4) By 2020, increase the number of clean energy sector jobs to
2 twenty-five thousand from the eight thousand four hundred jobs the
3 state had in 2004; and

4 (5) By 2020, reduce expenditures by twenty percent on fuel imported
5 into the state by developing Washington resources and supporting
6 efficient energy use.

7 NEW SECTION. **Sec. 3.** Executive Order No. 07-02 shall provide the
8 mechanisms for identifying the policies and strategies necessary to
9 achieve the economic and emission reduction goals of section 2 of this
10 act.

11 NEW SECTION. **Sec. 4.** By December 31st of each even-numbered year
12 beginning in 2010, the departments of ecology and community, trade, and
13 economic development shall report to the governor and the appropriate
14 committees of the senate and house of representatives the total
15 greenhouse gas emissions for the preceding two years, and totals in
16 each major source sector.

17 NEW SECTION. **Sec. 5.** (1) The legislature finds that:

18 (a) The United Nation's intergovernmental panel on climate change
19 report, released February 2, 2007, states that evidence of the
20 climate's warming "is unequivocal, as is now evident from observations
21 of increases in global average air and ocean temperatures, widespread
22 melting of snow and ice, and rising global mean sea level";

23 (b) Global warming will have serious adverse consequences on the
24 economy, health, and environment of Washington;

25 (c) During the last several years, the state has taken significant
26 strides towards implementing an environmentally and economically sound
27 energy policy through reliance on energy efficiency, conservation, and
28 renewable energy resources in order to promote a sustainable energy
29 future that ensures an adequate and reliable energy supply at
30 reasonable and stable prices;

31 (d) The governor, in Executive Order No. 07-02, has called for the
32 reduction of Washington's emission of greenhouse gases to 1990 levels
33 by 2020;

34 (e) To the extent energy efficiency and renewable resources are
35 unable to satisfy increasing energy and capacity needs, the state will

1 rely on clean and efficient fossil fuel fired generation and will
2 encourage the development of cost-effective, highly efficient, and
3 environmentally sound supply resources to provide reliability and
4 consistency with the state's energy priorities;

5 (f) It is vital to ensure all electric utilities internalize the
6 significant and underrecognized cost of emissions and to reduce
7 Washington's exposure to costs associated with future regulation of
8 these emissions;

9 (g) A greenhouse gases emissions performance standard for new long-
10 term financial commitments to electric generating resources will reduce
11 potential exposure of Washington's consumers to future reliability
12 problems in electricity supplies;

13 (h) The state of California recently enacted a law establishing a
14 greenhouse gases emissions performance standard for electric utility
15 procurement of baseload electric generation that is based on the
16 emissions of a combined-cycle thermal electric generation facility
17 fueled by natural gas;

18 (i) The legislature recognizes that state or federal legislation
19 may be enacted and federal regulation may occur that would provide
20 standards or programs that would preempt, make inconsistent, or render
21 unnecessary emission standards or schedules established in this act;
22 and

23 (j) The state of Washington has an obligation to provide clear
24 guidance for the procurement of baseload electric generation to
25 alleviate regulatory uncertainty while addressing risks that can affect
26 the ability of electric utilities to make necessary and timely
27 investments to ensure an adequate, reliable, and cost-effective supply
28 of electricity.

29 (2) The legislature declares that:

30 (a) A greenhouse gases emissions performance standard for new
31 long-term financial commitments for baseload electric generation should
32 reduce financial risk to electric utilities and their customers from
33 future pollution-control costs, without jeopardizing the state's
34 commitment to lowest reasonable cost resources and the need to maintain
35 a reliable regional electric system.

36 (b) A greenhouse gases emissions performance standard will
37 complement the state's carbon dioxide mitigation policy for

1 fossil-fueled thermal electric generation facilities under chapter
2 80.70 RCW.

3 (c) The need for long-term financial commitments for new baseload
4 electric generation can be reduced over time through the deployment by
5 electric utilities of technologies that improve the efficiency of
6 electricity production, transmission, distribution, and consumption.

7 NEW SECTION. **Sec. 6.** The definitions in this section apply
8 throughout this chapter unless the context clearly requires otherwise.

9 (1) "Attorney general" means the Washington state office of the
10 attorney general.

11 (2) "Auditor" means: (a) The Washington state auditor's office or
12 its designee for qualifying utilities under its jurisdiction that are
13 not investor-owned utilities; or (b) an independent auditor selected by
14 a qualifying utility that is not under the jurisdiction of the state
15 auditor and is not an investor-owned utility.

16 (3) "Baseload electric generation" means electric generation from
17 a power plant that is designed and intended to provide electricity at
18 an annualized plant capacity factor of at least sixty percent.

19 (4) "Cogeneration facility" means a power plant in which the heat
20 or steam is also used for industrial or commercial heating or cooling
21 purposes and that meets federal energy regulatory commission standards
22 for qualifying facilities under the public utility regulatory policies
23 act of 1978 (16 U.S.C. Sec. 824a-3), as amended.

24 (5) "Combined-cycle natural gas thermal electric generation
25 facility" means a power plant that employs a combination of one or more
26 gas turbines and steam turbines in which electricity is produced in the
27 steam turbine from otherwise lost waste heat exiting from one or more
28 of the gas turbines.

29 (6) "Commission" means the Washington utilities and transportation
30 commission.

31 (7) "Consumer-owned utility" means a municipal utility formed under
32 Title 35 RCW, a public utility district formed under Title 54 RCW, an
33 irrigation district formed under chapter 87.03 RCW, a cooperative
34 formed under chapter 23.86 RCW, a mutual corporation or association
35 formed under chapter 24.06 RCW, or port district within which an
36 industrial district has been established as authorized by Title 53 RCW,

1 that is engaged in the business of distributing electricity to more
2 than one retail electric customer in the state.

3 (8) "Department" means the department of ecology.

4 (9) "Electrical company" means a company owned by investors that
5 meets the definition of RCW 80.04.010.

6 (10) "Electric utility" means an electrical company or a consumer-
7 owned utility.

8 (11) "Governing board" means the board of directors or legislative
9 authority of a consumer-owned utility.

10 (12) "Greenhouse gases" includes carbon dioxide, methane, nitrous
11 oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

12 (13) "Long-term financial commitment" means:

13 (a) Either a new ownership interest in baseload electric generation
14 or an upgrade to a baseload electric generation facility; or

15 (b) A new or renewed contract for baseload electric generation with
16 a term of five or more years for the provision of retail power or
17 wholesale power to end-use customers in this state.

18 (14) "Output-based methodology" means a greenhouse gases emissions
19 performance standard that is expressed in pounds of greenhouse gases
20 emitted per net megawatt-hour produced, factoring in the electrical
21 equivalent of useful thermal energy employed for purposes other than
22 the generation of electricity.

23 (15) "Plant capacity factor" means the ratio of the electricity
24 produced during a given time period, measured in kilowatt-hours, to the
25 electricity the unit could have produced if it had been operated at its
26 rated capacity during that period, expressed in kilowatt-hours.

27 (16) "Power plant" means a facility for the generation of
28 electricity that includes one or more generating units at the same
29 location.

30 (17) "Upgrade" means any modification made for the primary purpose
31 of increasing the electric generation capacity of a baseload electric
32 generation facility. "Upgrade" does not include routine or necessary
33 maintenance, installation of emission control equipment, installation,
34 replacement, or modification of equipment that improves the heat rate
35 of the facility, or installation, replacement, or modification of
36 equipment for the primary purpose of maintaining reliable generation
37 output capability that does not increase the heat input or fuel usage

1 as specified in existing generation air quality permits but may result
2 in incidental increases in generation capacity.

3 NEW SECTION. **Sec. 7.** (1) Beginning July 1, 2008, the greenhouse
4 gases emissions performance standard for all baseload electric
5 generation for which electric utilities enter into long-term financial
6 commitments on or after such date is the lower of one thousand one
7 hundred pounds of greenhouse gases per megawatt-hour or the rate of
8 emissions of greenhouse gases for a commercially available
9 combined-cycle natural gas thermal electric generation facility that
10 provides baseload electric generation. Even if their actual emissions
11 are higher than the greenhouse gas emissions performance standard, all
12 baseload electric generation facilities in operation as of June 30,
13 2008, are deemed to be in compliance with the greenhouse gas emissions
14 performance standard established under this section until the
15 facilities are the subject of long-term financial commitments. All
16 electric generating facilities or power plants powered by renewable
17 resources, as defined in RCW 19.285.030, are deemed to be in compliance
18 with the greenhouse gas emissions performance standard established
19 under this section. For the purposes of this subsection, "commercially
20 available" means that at least one hundred plants of substantially the
21 same design, specifications, and performance characteristics have been
22 in commercial operation for at least three years. In determining the
23 rate of emissions of greenhouse gases for baseload electric generation,
24 the net emissions resulting from the production of electricity by the
25 baseload electric generation shall be included.

26 (2) The department shall establish an output-based methodology to
27 ensure that the calculation of emissions of greenhouse gases for a
28 cogeneration facility recognizes the total usable energy output of the
29 process, and includes all greenhouse gases emitted by the facility in
30 the production of both electrical and thermal energy. In developing
31 and implementing the greenhouse gases emissions performance standard,
32 the department shall consider and act in a manner consistent with any
33 rules adopted pursuant to the public utilities regulatory policy act of
34 1978 (16 U.S.C. Sec. 824a-3), as amended.

35 (3) Carbon dioxide that is injected permanently in geological
36 formations, so as to prevent releases into the atmosphere, in

1 compliance with applicable laws and regulations may not be counted as
2 emissions of the power plant in determining compliance with the
3 greenhouse gases emissions performance standard.

4 (4) In adopting and implementing the greenhouse gases emissions
5 performance standard, the department, in consultation with the
6 commission, the Bonneville power administration, the western
7 electricity coordination council, electric utilities, public interest
8 representatives, and consumer representatives shall consider the
9 effects of the greenhouse gases emissions performance standard on
10 system reliability and overall costs to electricity customers.

11 (5) In developing and implementing the greenhouse gases emissions
12 performance standard, the department shall, with assistance of the
13 commission and electric utilities, and to the extent practicable,
14 address long-term purchases of electricity from unspecified sources in
15 a manner consistent with this chapter.

16 (6) The department shall adopt the greenhouse gases emissions
17 performance standard by rule pursuant to chapter 34.05 RCW, the
18 administrative procedure act. The department shall adopt rules to
19 enforce the requirements of this section, and adopt procedures to
20 verify the emissions of greenhouse gases from any baseload electric
21 generation supplied directly or under a contract subject to the
22 greenhouse gases emissions performance standard to ensure compliance
23 with the standard. Enforcement of the greenhouse gases emissions
24 performance standard must begin immediately upon the establishment of
25 the standard.

26 (7) In adopting the rules for implementing this section, the
27 department shall include criteria to be applied in evaluating the
28 carbon sequestration plan. The rules shall include:

29 (a) Provisions for financial assurances, as a condition of plant
30 operation, sufficient to ensure successful implementation of the carbon
31 sequestration plan, including construction and operation of necessary
32 equipment, and any other significant costs;

33 (b) Provisions for geological sequestration to commence within five
34 years of plant operation;

35 (c) Provisions for monitoring the effectiveness of the
36 implementation of the sequestration plan;

37 (d) Penalties for failure to achieve implementation of the plan on
38 schedule; and

1 (e) Provisions for public notice and comment on the carbon
2 sequestration plan.

3 (8) A project under consideration by the energy facility site
4 evaluation council before the adoption of rules in subsection (7) of
5 this section is required to include all of the requirements of
6 subsection (7) of this section in its carbon sequestration plan
7 submitted to the department as part of the energy facility site
8 evaluation council process. The department shall provide for timely
9 hearings and public comment on the carbon sequestration plan.

10 (9) The department shall adopt the rules necessary to implement
11 this section by June 30, 2008.

12 NEW SECTION. **Sec. 8.** (1) No electrical company may enter into a
13 long-term financial commitment unless the baseload electric generation
14 supplied under such a long-term financial commitment complies with the
15 greenhouse gases emissions performance standard established under
16 section 7 of this act.

17 (2) In order to enforce the requirements of this chapter, the
18 commission shall review in a general rate case or as provided in
19 subsection (5) of this section any long-term financial commitment
20 entered into by an electrical company after June 30, 2008, to determine
21 whether the baseload electric generation to be supplied under that
22 long-term financial commitment complies with the greenhouse gases
23 emissions performance standard established under section 7 of this act.

24 (3) In determining whether a long-term financial commitment is for
25 baseload electric generation, the commission shall consider the design
26 of the power plant and its intended use, based upon the electricity
27 purchase contract, if any, permits necessary for the operation of the
28 power plant, and any other matter the commission determines is relevant
29 under the circumstances.

30 (4) Upon application by an electric utility, the commission may
31 provide a case-by-case exemption from the greenhouse gases emissions
32 performance standard to address: (a) Unanticipated electric system
33 reliability needs; or (b) catastrophic events or threat of significant
34 financial harm that may arise from unforeseen circumstances.

35 (5) Upon application by an electrical company, the commission shall
36 make a determination regarding the company's proposed decision to
37 acquire electric generation or enter into a power purchase agreement

1 for electricity that complies with the greenhouse gases emissions
2 performance standard established under section 7 of this act, as to the
3 need for the resource, and the appropriateness of the specific resource
4 selected. The commission shall take into consideration factors such as
5 the company's forecasted loads, need for energy, power plant
6 technology, expected costs, and other associated investment decisions.
7 In addition, the commission shall provide for recovery of the prudently
8 incurred capital and operating cost of these resources and may impose
9 such conditions as it finds necessary to ensure that rates are fair,
10 just, reasonable, and sufficient, coincident with the in-service date
11 of the project or the effective date of the power purchase agreement.

12 (6) An electrical company may account for and defer for later
13 consideration by the commission costs incurred in connection with the
14 long-term financial commitment, including operating and maintenance
15 costs, depreciation, taxes, and cost of invested capital. The deferral
16 begins with the date on which the power plant begins commercial
17 operation or the effective date of the power purchase agreement and
18 ends on the effective date of the final decision by the commission
19 regarding recovery in rates of these deferred costs. Creation of such
20 a deferral account does not by itself determine whether recovery of any
21 or all of these costs is appropriate.

22 (7) In establishing rates for each electrical company regulated
23 under chapter 80.28 RCW, the commission shall adopt policies allowing
24 an additional return on investments to encourage meeting energy
25 requirements through distributed generation as defined in RCW
26 19.285.030, and to accelerate efficiencies in electric transmission and
27 distribution systems that increase reliability and reduce energy losses
28 or otherwise increase the efficiency of energy delivery to end-use
29 consumers. These policies shall include but are not limited to adding
30 an increment of two percent to the rate of return on common equity
31 permitted on an electrical company's other investments for prudently
32 incurred investments in distributed generation, and in measures that
33 improve, as measured in kilowatt-hour savings, the overall efficiency
34 of transmission, distribution, and end-use consumption of electricity
35 through energy efficiency technologies, including any device,
36 instrument, machine, appliance, or process related to the transmission,
37 distribution, and consumption of electricity to increase energy
38 efficiency, including but not limited to smart grid technology, smart

1 meters, and demand response technologies. The rate of return increment
2 must be allowed for a period, at the commission's discretion, of at
3 least seven but not more than thirty years after the investment is
4 first placed in the rate base. Measures or projects encouraged under
5 this section are those for which construction or installation is begun
6 after July 1, 2007, and before January 1, 2017, and which, at the time
7 they are placed in the rate base, are reasonably expected to save,
8 produce, or generate energy at a total incremental system cost per unit
9 of energy delivered to end use that is less than or equal to the
10 incremental system cost per unit of energy delivered to end use from
11 new baseload or peaking electric generation and that the electrical
12 company could acquire to meet energy demand in the same time period.

13 (8) The commission shall apply the procedures adopted by the
14 department to verify the emissions of greenhouse gases from baseload
15 electric generation under section 7 of this act.

16 (9) The commission shall adopt rules for the enforcement of this
17 section with respect to electrical companies and adopt procedural rules
18 for approving costs incurred by an electrical company under subsection
19 (4) of this section.

20 (10) The commission shall adopt the rules necessary to implement
21 this section by June 30, 2008.

22 NEW SECTION. **Sec. 9.** (1) No consumer-owned utility may enter into
23 a long-term financial commitment unless the baseload electric
24 generation supplied under such a long-term financial commitment
25 complies with the greenhouse gases emissions performance standard
26 established under section 7 of this act.

27 (2) The governing board of a consumer-owned utility shall review
28 and make a determination on any long-term financial commitment by the
29 utility, pursuant to this chapter, to determine whether the baseload
30 electric generation to be supplied under that long-term financial
31 commitment complies with the greenhouse gases emissions performance
32 standard established under section 7 of this act. No consumer-owned
33 utility may enter into a long-term financial commitment unless the
34 baseload electric generation to be supplied under that long-term
35 financial commitment complies with the greenhouse gases emissions
36 performance standard established under section 7 of this act.

1 (3) In confirming that a long-term financial commitment is for
2 baseload electric generation, the governing board shall consider the
3 design of the power plant and the intended use of the power plant based
4 upon the electricity purchase contract, if any, permits necessary for
5 the operation of the power plant, and any other matter the governing
6 board determines is relevant under the circumstances.

7 (4) The governing board may provide a case-by-case exemption from
8 the greenhouse gases emissions performance standard to address: (a)
9 Unanticipated electric system reliability needs; or (b) catastrophic
10 events or threat of significant financial harm that may arise from
11 unforeseen circumstances.

12 (5) The governing board shall apply the procedures adopted by the
13 department to verify the emissions of greenhouse gases from baseload
14 electric generation pursuant to section 7 of this act, and may request
15 assistance from the department in doing so.

16 (6) For consumer-owned utilities, the auditor is responsible for
17 auditing compliance with this chapter and rules adopted under this
18 chapter that apply to those utilities and the attorney general is
19 responsible for enforcing that compliance.

20 NEW SECTION. **Sec. 10.** A new section is added to chapter 43.19 RCW
21 to read as follows:

22 (1) During the biennium ending June 30, 2009, the department of
23 general administration is authorized to purchase at least one hundred
24 plug-in electric hybrid vehicles for state agency light duty vehicle
25 uses, when commercially available at comparable life costs to other
26 vehicles. The department of general administration shall assign these
27 vehicles to departments and job functions that on average log the most
28 miles driving light duty vehicles. The vehicles must bear a prominent
29 designation as a plug-in electric hybrid vehicle. The department of
30 general administration shall develop a purchasing contract under which
31 state agencies and local governments may purchase plug-in electric
32 hybrid vehicles.

33 (2) By December 31, 2009, the department of general administration
34 shall provide a report to the transportation and energy committees of
35 the senate and house of representatives on the acquisition of these
36 vehicles and their operational and maintenance performance.

1 NEW SECTION. **Sec. 11.** The legislature finds and declares that
2 greenhouse gases offset contracts, credits, and other greenhouse gases
3 mitigation efforts are a recognized utility purpose that confers a
4 direct benefit on the utility's ratepayers. The legislature declares
5 that sections 1 and 2 of this act are intended to reverse the result of
6 *Okeson v. City of Seattle*, No. 77888-4 (January 18, 2007), by expressly
7 granting municipal utilities, public utility districts, and counties
8 the statutory authority to engage in mitigation activities to offset
9 their utility's impact on the environment.

10 NEW SECTION. **Sec. 12.** A new section is added to chapter 35.92 RCW
11 to read as follows:

12 (1) A city or town authorized to acquire and operate utilities for
13 the purpose of furnishing the city or town and its inhabitants and
14 other persons with water, with electricity for lighting and other
15 purposes, or with service from sewerage, storm water, surface water, or
16 solid waste handling facilities, may develop and make publicly
17 available a plan to reduce its greenhouse gases emissions or achieve
18 no-net emissions from all sources of greenhouse gases that the utility
19 owns, leases, uses, contracts for, or otherwise controls.

20 (2) A city or town authorized to acquire and operate utilities for
21 the purpose of furnishing the city or town and its inhabitants and
22 other persons with water, with electricity for lighting and other
23 purposes, or with service from sewerage, storm water, surface water, or
24 solid waste handling facilities, may, as part of its utility operation,
25 mitigate the environmental impacts, such as greenhouse gases emissions,
26 of its operation, including any power purchases. The mitigation may
27 include, but is not limited to, those greenhouse gases mitigation
28 mechanisms recognized by independent, qualified organizations with
29 proven experience in emissions mitigation activities. Mitigation
30 mechanisms may include the purchase, trade, and banking of greenhouse
31 gases offsets or credits. If a state greenhouse gases registry is
32 established, a utility that has purchased, traded, or banked greenhouse
33 gases mitigation mechanisms under this section shall receive credit in
34 the registry.

35 NEW SECTION. **Sec. 13.** A new section is added to chapter 36.01 RCW
36 to read as follows:

1 (1) A county may develop and make publicly available a plan for the
2 county to reduce its greenhouse gases emissions or achieve no-net
3 emissions from all sources of greenhouse gases it owns, operates,
4 leases, uses, contracts for, or otherwise controls.

5 (2) Any county may reduce or mitigate the environmental impacts of
6 its operations, such as emissions of greenhouse gases. The mitigation
7 may include, but is not limited to, all greenhouse gases mitigation
8 mechanisms recognized by independent, qualified organizations with
9 proven experience in emissions mitigation activities. Mitigation
10 mechanisms may include the purchase, trade, and banking of carbon
11 offsets or credits. Ratepayer funds, fees, or other revenue dedicated
12 to a particular function performed by a county may be spent to reduce
13 or mitigate the environmental impact of greenhouse gases emitted as a
14 result of that function. If a state greenhouse gases registry is
15 established, the county that has purchased, traded, or banked
16 greenhouse gases mitigation mechanisms under this section shall receive
17 credit in the registry.

18 NEW SECTION. **Sec. 14.** A new section is added to chapter 54.04 RCW
19 to read as follows:

20 (1) A public utility district may develop and make publicly
21 available a plan for the district to reduce its greenhouse gases
22 emissions or achieve no-net emissions from all sources of greenhouse
23 gases that the district owns, leases, uses, contracts for, or otherwise
24 controls.

25 (2) A public utility district may, as part of its utility
26 operation, mitigate the environmental impacts, such as greenhouse gases
27 emissions, of its operation and any power purchases. Mitigation may
28 include, but is not limited to, those greenhouse gases mitigation
29 mechanisms recognized by independent, qualified organizations with
30 proven experience in emissions mitigation activities. Mitigation
31 mechanisms may include the purchase, trade, and banking of greenhouse
32 gases offsets or credits. If a state greenhouse gases registry is
33 established, a public utility district that has purchased, traded, or
34 banked greenhouse gases mitigation mechanisms under this section shall
35 receive credit in the registry.

1 NEW SECTION. **Sec. 15.** For the purposes of sections 5 through 9 of
2 this act, the department and the commission shall review the greenhouse
3 gases emission performance standard established in this chapter to
4 determine need, applicability, and effectiveness no less than every
5 five years following the effective date of this section, or upon
6 implementation of a federal or state law or rule regulating carbon
7 dioxide emissions of electrical utilities, and report to the
8 legislature.

9 NEW SECTION. **Sec. 16.** (1) The office of Washington state
10 climatologist is created.

11 (2) The office of Washington state climatologist consists of the
12 director of the office, who is the state climatologist, and appropriate
13 staff and administrative support as necessary to carry out the powers
14 and duties of the office as enumerated in section 17 of this act.

15 (3) The director of the office of Washington state climatologist
16 must be appointed jointly by the president of Washington State
17 University and the president of the University of Washington. The
18 office of Washington state climatologist is administered as determined
19 jointly by these two presidents.

20 NEW SECTION. **Sec. 17.** The office of Washington state
21 climatologist has the following powers and duties:

22 (1) To serve as a credible and expert source of climate and weather
23 information for state and local decision makers and agencies working on
24 drought, flooding, climate change, and other related issues;

25 (2) To gather and disseminate, and where practicable archive, in
26 the most cost-effective manner possible, all climate and weather
27 information that is or could be of value to policy and decision makers
28 in the state;

29 (3) To act as the representative of the state in all climatological
30 and meteorological matters, both within and outside of the state, when
31 requested by the legislative or executive branches of the state
32 government;

33 (4) To prepare, publish, and disseminate climate summaries for
34 those individuals, agencies, and organizations whose activities are
35 related to the welfare of the state and are affected by climate and
36 weather;

1 (5) To supply critical information for drought preparedness and
2 emergency response as needed to implement the state's drought
3 contingency response plan maintained by the department of ecology under
4 RCW 43.83B.410, and to serve as a member of the state's drought water
5 supply and emergency response committees as may be formed in response
6 to a drought event;

7 (6) To conduct and report on studies of climate and weather
8 phenomena of significant socioeconomic importance to the state; and

9 (7) To evaluate the significance of natural and man-made changes in
10 important features of the climate affecting the state, and to report
11 this information to those agencies and organizations in the state who
12 are likely to be affected by these changes.

13 NEW SECTION. **Sec. 18.** Sections 1 through 4 of this act constitute
14 a new chapter in Title 43 RCW.

15 NEW SECTION. **Sec. 19.** Sections 5 through 9 and 15 of this act
16 constitute a new chapter in Title 80 RCW.

17 NEW SECTION. **Sec. 20.** Sections 16 and 17 of this act constitute
18 a new chapter in Title 43 RCW."

SSB 6001 - S AMD
By Senator Pridemore

ADOPTED AS AMENDED 03/10/2007

19 On page 1, line 1 of the title, after "change;" strike the
20 remainder of the title and insert "adding a new section to chapter
21 43.19 RCW; adding a new section to chapter 35.92 RCW; adding a new
22 section to chapter 36.01 RCW; adding a new section to chapter 54.04
23 RCW; adding new chapters to Title 43 RCW; adding a new chapter to Title
24 80 RCW; and creating a new section."

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