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## ENGROSSED SECOND SUBSTITUTE HOUSE BILL 3216

## State of Washington 60th Legislature 2008 Regular Session

By House Appropriations Subcommittee on General Government & Audit Review (originally sponsored by Representatives Seaquist, Morris, Upthegrove, Hudgins, Loomis, Kelley, Morrell, VanDeWege, Ericks, Hankins, and Eddy)

READ FIRST TIME 02/12/08.

- AN ACT Relating to hydrokinetic energy; creating new sections; and providing an expiration date.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. (1) The legislature finds that the global 4 5 energy economy is undergoing significant changes creating a situation where energy prices are increasingly more expensive and the sources of 6 7 energy increasingly less secure. Additionally, the legislature finds 8 that there is growing concern about the consequences associated with greenhouse gas emissions from conventional sources of energy and the 9 10 need for action to address the threats of climate change. The legislature finds ocean and tidal resources, as well as other forms of 11 12 hydrokinetic energy, will play an important role in providing clean, carbon-free, reliable, and affordable energy to the citizens of 13 The legislature finds that the development of wave and 14 tidal energy technologies in Washington will create more highly valued 15 green jobs in the state. 16
- 17 (2) It is the intent of the legislature to facilitate the 18 development of clean, carbon-free, reliable, and affordable power 19 sources for the energy needs of Washington's growing economy. Also, it

- is the intent of the legislature to help catalyze the emergence of a 1 2 new water-power industry that is able to export technology and expertise to the rest of the country and the world. In addition, the 3 legislature finds that hydrokinetic energy technologies are in their 4 5 infancy and care must be taken to properly design and site these facilities in order to avoid impacts on the marine environment. 6 7 achieve these goals, the legislature intends to establish a publicprivate organization that will support a sustainable approach to 8 9 hydrokinetic energy development aimed at economic development, 10 environmental protection, and community stability.
  - (3)(a) It is the intent of the legislature for state agencies to explore a streamlined approach to environmental permit decision making for wave and tidal power projects.
  - (b) To optimize the development and siting process for wave and tidal power systems and to provide environmental protection, the legislature finds that state regulatory and natural resource agencies, public and private sector interests, tribes, local and regional governments, and applicable federal agencies must work cooperatively to establish common goals, minimize project siting delays, develop consistency in the application of environmental standards, and eliminate duplicative processes through assigned responsibilities of selected permit drafting and compliance activities between state agencies.
- NEW SECTION. Sec. 2. The definitions in this section apply throughout this act unless the context clearly requires otherwise.
- 26 (1) "Center" means the Washington state center for excellence in 27 hydrokinetic energy.
  - (2) "Council" means the energy facility site evaluation council.
- 29 (3) "Department" means the department of community, trade, and 30 economic development.
- 31 (4) "Hydrokinetic energy" means hydroelectric generation from ocean 32 waves, tides, and currents, from free-flowing rivers and streams, and 33 from water discharges.
- 34 (5) "Water discharges" means water discharges from agricultural, 35 industrial, and commercial operations, wastewater treatment plants, or 36 residential properties.

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- NEW SECTION. Sec. 3. The department and the council shall convene and cochair a work group to develop the Washington state center for excellence in hydrokinetic energy and to explore mechanisms to streamline and make more efficient current permitting processes for wave and tidal power projects.
- 6 <u>NEW SECTION.</u> **Sec. 4.** (1) The work group created under section 3 of this act consists of, but is not limited to, representatives from:
  - (a) The department of natural resources;
- 9 (b) The department of ecology;

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- (c) The department of fish and wildlife;
- 11 (d) The utilities and transportation commission;
- 12 (e) A wave energy company or tidal energy company, or both;
- 13 (f) A wave energy industry association or tidal energy industry 14 association, or both;
- 15 (g) Either a state or private university researching wave energy or 16 a state or private university researching tidal energy, or both;
  - (h) The Northwest Indian fisheries commission;
- 18 (i) An electrical utility;
- 19 (j) A local government;
- 20 (k) A commercial fishing association;
- 21 (1) A conservation group with expertise in energy-related issues;
- 22 (m) A conservation group with expertise in marine ecology; and
- 23 (n) A marine recreation group.
- (2) State agencies under subsection (1) of this section that are members of the council under RCW 80.50.030 shall provide their existing designee members to serve on the work group in carrying out the responsibilities of this act.
- NEW SECTION. Sec. 5. (1) In developing the center, the work group created in section 3 of this act shall ensure that the center is a public-private entity and that the center supports a sustainable approach to hydrokinetic energy development aimed at economic development, environmental protection, and community stability.
- 33 (2) The work group created in section 3 of this act shall make 34 recommendations to the legislature to include, but not be limited to, 35 the following:

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- 1 (a) How the center will conduct and support research and 2 demonstrations of wave and tidal energy technologies in order to 3 facilitate the deployment and commercialization of these technologies 4 in Washington;
  - (b) How the center will establish and operate wave and tidal energy test ranges that allow developers to demonstrate their wave and tidal energy technologies;
  - (c) How the center will maintain processes to assist developers in permitting their wave and tidal energy technologies;
- 10 (d) How the center will collect, manage, and disseminate data 11 necessary to assess statewide wave and tidal resources;
- (e) How the center will promote Washington as the optimal location for the development of and deployment of wave and tidal energy technologies;
- 15 (f) What the public-private governance structure of the center will be, considering the life sciences discovery fund as a model;
- 17 (g) How the center will coordinate with other governmental wave and 18 tidal institutions and initiatives in the Pacific Northwest economic 19 region;
  - (h) How the center will be funded through either state, federal, or private sources of funding, or a combination of these funding sources;
  - (i) How the center will assist the state and various other entities in reducing greenhouse gas emissions;
  - (j) How the center will assist other forms of hydrokinetic energy technologies in addition to wave and tidal energy;
    - (k) How the center will identify and develop protocols to manage issues involving competing uses of water space; and
- 28 (1) What types of review and data are necessary to ensure that 29 hydrokinetic energy will be designed and sited so as to avoid negative 30 impacts on marine ecosystems.
- NEW SECTION. Sec. 6. The work group created in section 3 of this act shall provide a report to the appropriate committees of the legislature containing its recommendations under section 5 of this act, as well as draft legislation implementing its recommendations, by December 1, 2008.

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- <u>NEW SECTION.</u> **Sec. 7.** (1)(a) The work group created in section 3 of this act shall explore mechanisms to streamline and make more efficient permitting processes for wave and tidal power projects. work group may recommend development of a permit process which allows for concurrent public review, consolidated appeals, and other mechanisms which result in permit process efficiency. In making these recommendations, the work group will ensure that there is adequate environmental review of the full range of potential impacts from this technology and that meaningful public involvement opportunities are preserved. The work group shall also identify and make recommendations of any potential barriers to the streamlining.
  - (b) The work group shall consider and make recommendations regarding research relating to the marine environment. In making the recommendations, the work group shall consider how future marine research would add value to the existing understanding of the overall marine environment and provide guidance on future research with the goal of eliminating redundant research activities.
  - (2) The work group created in section 3 of this act, in developing recommendations for permit streamlining, shall consider additional issues that may be associated with permitting a wave or tidal energy project, which include, but are not limited to:
- 22 (a) Disturbance or destruction of marine life, including acoustic 23 impacts;
  - (b) Toxic releases from leaks or accidental spills of liquids used in those systems with working hydraulic fluids;
    - (c) Possible threat to navigation from collisions;

- (d) Interference of mooring and anchorage lines with commercial and sport fishing;
- (e) Tidal power plants that dam estuaries that can impede sea life migration and build up silt behind such facilities, impacting local ecosystems; and
- (f) Potential impacts of tidal power on tides, currents, and flushing.
- (3) By June 30, 2009, the work group created in section 3 of this act shall develop a work plan that details critical issues that need to be resolved to develop efficient, streamlined permitting processes for wave and tidal power projects. The work group shall provide the work plan to the legislature for review every six months. If the work group

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- determines that additional time is required to develop recommendations for the permitting process for wave power projects, the work group shall report to the legislature on the need for additional time and update the work plan accordingly.
  - (4) By June 30, 2010, the work group created in section 3 of this act shall provide a final report to the legislature on its findings and recommendations.
- 8 <u>NEW SECTION.</u> **Sec. 8.** This act expires January 1, 2011.
- 9 <u>NEW SECTION.</u> **Sec. 9.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2008, in the omnibus appropriations act, this act is null and void.

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