

# FINAL BILL REPORT

## ESHB 2545

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Synopsis as Enacted

**Brief Description:** Including compressed natural gas, liquefied natural gas, or propane in fuel usage requirements for local governments.

**Sponsors:** House Committee on Technology, Energy & Communications (originally sponsored by Representatives Zeiger, Ladenburg, Dammeier, Seaquist, Angel, Dahlquist, Wilcox, Jinkins, McCune and Kelley).

**House Committee on Technology, Energy & Communications**  
**Senate Committee on Energy, Natural Resources & Marine Waters**

### **Background:**

#### Alternative Fuel Usage Requirements.

In 2007 legislation was enacted setting out alternative fuel usage requirements for state and local governments. These requirements specify that by 2015, all state agencies and local governments, to the extent practicable as determined by the Department of Commerce (Department), must satisfy 100 percent of their fuel needs for all vessels, vehicles, and construction equipment using electricity or biofuel.

In 2009 an interim alternative fuel usage requirement was adopted for state agencies. By June 1, 2015, state agencies, to the extent practicable as determined by the Department, must achieve 40 percent fuel usage from electricity or biofuel for publicly owned vessels, vehicles, and construction equipment. In 2011 legislation was enacted that granted local government subdivisions until June 1, 2018, to comply with the requirement.

#### Rulemaking.

By June 1, 2015, the Department must adopt rules to define practicability and clarify how local government will be evaluated to determine whether they have met associated goals. Although the Department was required to adopt rules by June 1, 2010, to define practicability and clarify how state agencies would be evaluated in determining whether they had met this objective, the agency has not done so.

In developing state and local government compliance rules, the Department must at least consider the following factors: (1) the regional availability of fuels; (2) vehicle costs; (3) differences between types of vehicles, vessels, or equipment; (4) the cost of program

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implementation; and (5) cost differentials in different parts of the state. Also, the Department must develop a schedule for phased-in progress towards meeting the goal and that may include different schedules for different fuel applications or different quantities of biofuel.

**Summary:**

Local governments and state agencies in satisfying their fuel usage requirements may substitute compressed natural gas, liquefied natural gas, and propane for electricity or biofuel, if the Department of Commerce determines that electricity and biofuel are not reasonably available.

Transit agencies using compressed natural gas on June 1, 2018, are exempt from fuel usage requirements.

**Votes on Final Passage:**

House	97	0
Senate	48	1

**Effective:** June 7, 2012