
HOUSE BILL 2707

State of Washington

62nd Legislature

2012 Regular Session

By Representative Anderson

Read first time 01/26/12. Referred to Committee on Technology, Energy & Communications.

1 AN ACT Relating to a study of the feasibility of a strategic
2 petroleum reserve and petroleum refinery; creating new sections; and
3 providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that petroleum is a
6 vital part of our state's economy. In light of ongoing volatility and
7 increasing demand in the world market for petroleum, it is important
8 for our state to diversify its resources. Therefore, it is the intent
9 of the legislature to examine the feasibility of creating a strategic
10 petroleum reserve and petroleum refinery to ensure that the state has
11 continued and reliable access to such an important resource.

12 NEW SECTION. **Sec. 2.** (1)(a) The joint legislative task force on
13 a Washington strategic petroleum reserve is established, with nine
14 members as provided in this subsection:

15 (i) The majority leader of the senate shall appoint one member from
16 each of the two largest caucuses of the senate;

17 (ii) The speaker of the house of representatives shall appoint one

1 member from each of the two largest caucuses of the house of
2 representatives; and

3 (iii) The governor shall appoint five members from the executive
4 branch including, but not limited to, representation from the energy
5 facility site evaluation council, the utilities and transportation
6 commission, the department of natural resources, and the state energy
7 office within the department of commerce.

8 (b) The majority leader of the senate and the speaker of the house
9 of representatives shall jointly appoint the cochair of the task force
10 from among the legislative members of the task force. The cochair
11 shall convene the initial meeting of the task force. A steering
12 committee consisting of the legislative members of the task force shall
13 advise the cochair on the meetings and other activities of the task
14 force.

15 (2) The task force shall study the feasibility of establishing a
16 strategic petroleum reserve and a state-owned petroleum refinery.

17 (a) In studying the feasibility of establishing a strategic
18 petroleum reserve, the task force shall consider and make
19 recommendations on, but not be limited to, the following:

20 (i) The amount of strategic petroleum reserves necessary to supply
21 refineries in Washington to meet thirty days of state demand of
22 gasoline, diesel fuel, aviation fuel, and home heating oil;

23 (ii) Above ground storage and underground storage options in
24 geologically stable parts of the state;

25 (iii) Petroleum infrastructure requirements to deliver strategic
26 petroleum reserves to privately owned and state-owned refineries for
27 processing;

28 (iv) A forecast of the annual costs to operate the strategic
29 petroleum reserve;

30 (v) The circumstances that would authorize the governor to access
31 the strategic petroleum reserves; and

32 (vi) The licensing, permitting, or other regulatory costs
33 associated with the construction and operation of a strategic petroleum
34 reserve.

35 (b) In studying the feasibility of establishing a state-owned
36 petroleum refinery, the task force shall consider and make
37 recommendations on, but not be limited to, the following:

1 (i) The location of the state-owned refinery in relationship to the
2 strategic petroleum reserve;

3 (ii) The licensing, permitting, or other regulatory costs
4 associated with the construction and operation of a state-owned
5 petroleum refinery to supply the daily needs. As part of this
6 forecast, a comparison must be presented on the costs and benefits to
7 the state of operating the refinery versus the state contracting with
8 a private entity to operate the refinery; and

9 (iii) The circumstances that would authorize the governor to
10 activate operations of the state-owned petroleum refinery.

11 (3) Staff support for the task force will be provided by senate
12 committee services and the house of representatives office of program
13 research. The task force may hire additional staff with specific
14 technical expertise if such expertise is necessary to carry out the
15 mandates of this study, and only if an appropriation is specifically
16 provided for this purpose.

17 (4) Legislative members of the task force shall be reimbursed for
18 travel expenses in accordance with RCW 44.04.120. Nonlegislative
19 members, except those representing an employer or organization, are
20 entitled to be reimbursed for travel expenses in accordance with RCW
21 43.03.050 and 43.03.060.

22 (5) The expenses of the task force must be paid jointly by the
23 senate and house of representatives. Task force expenditures are
24 subject to approval by the senate facilities and operations committee
25 and the house of representatives executive rules committee, or their
26 successor committees.

27 (6) The task force shall report its findings and recommendations to
28 the legislature by December 1, 2012.

29 (7) This section expires July 1, 2013.

--- END ---