S-4007.2

SENATE BILL 6396

State of Washington 62nd Legislature 2012 Regular Session

By Senators Ranker and Delvin

Read first time 01/20/12. Referred to Committee on Energy, Natural Resources & Marine Waters.

AN ACT Relating to modifying the energy independence act; amending RCW 19.285.030, 19.285.040, 43.325.040, and 43.333.020; reenacting and amending RCW 43.325.040; adding new sections to chapter 19.285 RCW; providing an effective date; and providing an expiration date.

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

Sec. 1. RCW 19.285.030 and 2009 c 565 s 20 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

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

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

(3) "Commission" means the Washington state utilities and transportation commission.

(4) "Conservation" means any reduction in electric power consumption resulting from increases in the efficiency of energy use, production, or distribution.

(5) "Cost-effective" has the same meaning as defined in RCW 80.52.030.

(6) "Council" means the Washington state apprenticeship and training council within the department of labor and industries.

(7) "Customer" means a person or entity that purchases electricity for ultimate consumption and not for resale.

(8) "Department" means the department of commerce or its successor.

(9) "Distributed generation" means an eligible renewable resource where the generation facility or any integrated cluster of such facilities has a generating capacity of not more than five megawatts.

(10) "Eligible renewable resource" means:

(a) Electricity from a generation facility powered by a renewable resource other than freshwater that commences operation after March 31, 1999, where: (i) The facility is located in the Pacific Northwest; or (ii) the electricity from the facility is delivered into Washington state on a real-time basis without shaping, storage, or integration services; ((~~or~~))

(b) Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest ((~~or to hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest~~)), where the additional generation in either case does not result in new water diversions or impoundments~~;~~

(c) Electricity produced from a hydroelectric generation facility that commences operation after March 31, 1999, where: (i) The facility is located in the Pacific Northwest; and (ii) the facility is built in existing impoundments, irrigation pipes and canals, or in water supply and wastewater systems;

(d) Electricity produced from a biomass generating facility that commenced operation before March 31, 1999, provided the biomass generating facility pays a fee to the department as established in section 4 of this act; or

(e) A qualifying utility's proportionate share of incremental electricity produced as a result of efficiency improvements to

equipment completed after March 31, 1999, to hydroelectric generation projects located in the Pacific Northwest, where the electricity is marketed by the Bonneville power administration.

(11) "Investor-owned utility" has the same meaning as defined in RCW 19.29A.010.

(12) "Load" means the amount of kilowatt-hours of electricity delivered in the most recently completed year by a qualifying utility to its Washington retail customers.

(13) "Nonpower attributes" means all environmentally related characteristics, exclusive of energy, capacity reliability, and other electrical power service attributes, that are associated with the generation of electricity from a renewable resource, including but not limited to the facility's fuel type, geographic location, vintage, qualification as an eligible renewable resource, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of carbon dioxide and other greenhouse gases. "Nonpower attributes" does not include any aspects, claims, characteristics, and benefits associated with the on-site capture and destruction of methane or other greenhouse gases at a facility through a digester system, landfill gas collection system, or other mechanism, which may be separately marketable as greenhouse gas emission reduction credits, offsets, or similar tradable commodities.

(14) "Pacific Northwest" has the same meaning as defined for the Bonneville power administration in section 3 of the Pacific Northwest electric power planning and conservation act (94 Stat. 2698; 16 U.S.C. Sec. 839a).

(15) "Public facility" has the same meaning as defined in RCW 39.35C.010.

(16) "Qualifying utility" means an electric utility, as the term "electric utility" is defined in RCW 19.29A.010, that serves more than twenty-five thousand customers in the state of Washington. The number of customers served may be based on data reported by a utility in form 861, "annual electric utility report," filed with the energy information administration, United States department of energy.

(17) "Renewable energy credit" means a tradable certificate of proof of at least one megawatt-hour of an eligible renewable resource where the generation facility is not powered by freshwater, the certificate includes all of the nonpower attributes associated with

that one megawatt-hour of electricity, and the certificate is verified by a renewable energy credit tracking system selected by the department.

(18) "Renewable resource" means: (a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or tidal power; (g) gas from sewage treatment facilities; (h) biodiesel fuel as defined in RCW 82.29A.135 that is not derived from crops raised on land cleared from old growth or first-growth forests where the clearing occurred after December 7, 2006; ((~~and~~)) (i) spent pulping liquors and liquors derived from algae and other sources; and (j) biomass energy based on animal waste, food waste, yard waste or solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include (i) wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; (ii) ((~~black liquor by-product from paper production; (iii)~~)) wood from old growth forests; or ((~~(iv)~~)) (iii) municipal solid waste.

(19) "Rule" means rules adopted by an agency or other entity of Washington state government to carry out the intent and purposes of this chapter.

(20) "Year" means the twelve-month period commencing January 1st and ending December 31st.

Sec. 2. RCW 19.285.040 and 2007 c 1 s 4 are each amended to read as follows:

(1) Each qualifying utility shall pursue all available conservation that is cost-effective, reliable, and feasible.

(a) By January 1, 2010, using methodologies consistent with those used by the Pacific Northwest electric power and conservation planning council in its most recently published regional power plan, each qualifying utility shall identify its achievable cost-effective conservation potential through 2019. At least every two years thereafter, the qualifying utility shall review and update this assessment for the subsequent ten-year period.

(b) Beginning January 2010, each qualifying utility shall establish and make publicly available a biennial acquisition target for cost-effective conservation consistent with its identification of achievable opportunities in (a) of this subsection, and meet that target during

the subsequent two-year period. At a minimum, each biennial target must be no lower than the qualifying utility's pro rata share for that two-year period of its cost-effective conservation potential for the subsequent ten-year period. Any conservation achieved by a qualifying utility in excess of its biennial acquisition target may be used to meet its subsequent biennial target.

(c) In meeting its conservation targets, a qualifying utility may count high-efficiency cogeneration owned and used by a retail electric customer to meet its own needs. High-efficiency cogeneration is the sequential production of electricity and useful thermal energy from a common fuel source, where, under normal operating conditions, the facility ((~~has a useful thermal energy output of no less than thirty-three percent of the total energy output~~)) is designed to have a projected overall thermal conversion efficiency of at least seventy percent. For the purposes of this subsection, "overall thermal conversion efficiency" means the output of electricity plus usable heat divided by fuel input. The reduction in load due to high-efficiency cogeneration shall be: (i) Calculated as the ((~~ratio of the fuel chargeable to power heat rate of the cogeneration facility compared to the heat rate on a new and clean basis of a best-commercially available technology combined-cycle natural gas-fired combustion turbine~~)) difference between the overall thermal conversion efficiency of the cogeneration facility and the average overall thermal conversion efficiency of cogeneration facilities operating in Washington that are not high efficiency; and (ii) counted towards meeting the biennial conservation target in the same manner as other conservation savings.

(d) The commission may determine if a conservation program implemented by an investor-owned utility is cost-effective based on the commission's policies and practice.

(e) The commission may rely on its standard practice for review and approval of investor-owned utility conservation targets.

(2)((~~(a)~~)) Each qualifying utility shall use eligible renewable resources or acquire equivalent renewable energy credits, or a combination of both, to meet the following annual targets:

((~~(i)~~)) (a) At least three percent of its load by ((~~January 1~~)) December 31, 2012, and each year thereafter through December ((~~31, 2015~~)) 30, 2016;

((~~(ii)~~)) (b) At least nine percent of its load by ((~~January 1~~)) December 31, 2016, and each year thereafter through December ((~~31, 2019~~)) 30, 2020; and

((~~(iii)~~)) (c) At least fifteen percent of its load by ((~~January 1~~)) December 31, 2020((~~, and each year thereafter~~)).

((~~(b)~~)) (3) After December 31, 2020, an annual target of twenty percent is established for each qualifying utility that must be met with eligible renewable resources, equivalent renewable energy credits, or a combination of both, to satisfy any increase in its load in excess of the load to which the fifteen percent target on December 31, 2020, applies.

(4)(a) A qualifying utility may count distributed generation at double the facility's electrical output if the utility: (i) Owns or has contracted for the distributed generation and the associated renewable energy credits; or (ii) has contracted to purchase the associated renewable energy credits.

((~~(c)~~)) (b) In meeting the annual targets in ((~~(a) of this~~)) subsection (2) of this section, a qualifying utility shall calculate its annual load based on the average of the utility's load for the previous two years.

((~~(d)~~)) (c)(i) Beginning in 2016, a qualifying utility is considered in compliance with an annual target in subsection (2)(b) and (c) of this section if: (A) The qualifying utility determines that it does not need to acquire additional power resources, net of conservation and excluding spot market purchases, through 2020; and (B) the qualifying utility makes investments of one percent per year of its annual retail revenue requirement within its service territory on any of the following: Eligible renewable resources; renewable energy credits; energy efficiency in excess of an adopted biennial target; low-income weatherization; solar hot water systems; converting homes heated with fuel oil to high-efficiency heat pumps; or electric vehicle infrastructure or electrification efforts to reduce diesel fuel use in its service territory.

(ii) If a qualifying utility determines that it does not need to acquire additional power resources, but then does acquire any additional power resources prior to or after 2020, then the qualifying utility must satisfy the following targets using eligible renewable resources, renewable energy credits, or a combination of both: (A)

Nine percent of its load within four years of acquiring any additional power resources; and (B) fifteen percent of its load within eight years of acquiring any additional power resources.

(d) A qualifying utility that determines it does not need to acquire additional power resources under (c) of this subsection, but then does acquire additional power resources prior to or after 2020, is considered in compliance with the requirements in (c) of this subsection if the utility invested three percent of its total annual retail revenue requirement on the incremental costs of eligible renewable resources, the cost of renewable energy credits, or a combination of both.

(e) A qualifying utility shall be considered in compliance with an annual target in ((~~(a) of this~~)) subsection (2) of this section if: (i) The utility's weather-adjusted load for the previous three years on average did not increase over that time period; (ii) after December 7, 2006, the utility did not commence or renew ownership or incremental purchases of electricity from resources other than renewable resources other than on a daily spot price basis and the electricity is not offset by equivalent renewable energy credits; and (iii) the utility invested at least one percent of its total annual retail revenue requirement that year on eligible renewable resources, renewable energy credits, or a combination of both.

((~~(e)~~)) (f) The requirements of this section may be met for any given year with renewable energy credits produced during that year, the preceding year, or the subsequent year. Each renewable energy credit may be used only once to meet the requirements of this section.

((~~(f)~~)) (g) In complying with the targets established in ((~~(a) of this~~)) subsection (2) of this section, a qualifying utility may not count:

(i) Eligible renewable resources or distributed generation where the associated renewable energy credits are owned by a separate entity; or

(ii) Eligible renewable resources or renewable energy credits obtained for and used in an optional pricing program such as the program established in RCW 19.29A.090.

((~~(g)~~)) (h) Where fossil and combustible renewable resources are cofired in one generating unit located in the Pacific Northwest where the cofiring commenced after March 31, 1999, the unit shall be

considered to produce eligible renewable resources in direct proportion to the percentage of the total heat value represented by the heat value of the renewable resources.

((~~(h)~~)) (i)(i) A qualifying utility that acquires an eligible renewable resource or renewable energy credit may count that acquisition at one and two-tenths times its base value:

(A) Where the eligible renewable resource comes from a facility that commenced operation after December 31, 2005; and

(B) Where the developer of the facility used apprenticeship programs approved by the council during facility construction.

(ii) The council shall establish minimum levels of labor hours to be met through apprenticeship programs to qualify for this extra credit.

((~~(i)~~)) (j) A qualifying utility shall be considered in compliance with an annual target in ((~~(a) of this~~)) subsection (2) of this section if events beyond the reasonable control of the utility that could not have been reasonably anticipated or ameliorated prevented it from meeting the renewable energy target. Such events include weather-related damage, mechanical failure, strikes, lockouts, and actions of a governmental authority that adversely affect the generation, transmission, or distribution of an eligible renewable resource under contract to a qualifying utility.

((~~(3)~~)) (5) Utilities that become qualifying utilities after December 31, 2006, shall meet the requirements in this section on a time frame comparable in length to that provided for qualifying utilities as of December 7, 2006.

NEW SECTION. **Sec. 3.** A new section is added to chapter 19.285 RCW to read as follows:

(1) When requested by a qualifying utility that is not investor-owned or by persons proposing electric generation or conservation resource projects, the Washington State University extension energy program is authorized to and shall provide analysis and an advisory opinion on whether a proposed electric generation project or conservation resource qualifies to meet a target under RCW 19.285.040. The advisory opinion must include a legal analysis. When forming its advisory opinion, the energy program must consult with the technical

and legal staff of the department of commerce. Other experts may also be consulted as needed.

(2) Qualifying utilities that are not investor-owned and persons proposing electric generation or conservation resource projects may apply for an advisory opinion from the Washington State University extension energy program. The application must be in writing and must include information that accurately describes the proposed project or resource. Within ninety days of receiving an application, the energy program must issue a signed advisory opinion on whether the proposed project or resource qualifies to meet a target under RCW 19.285.040. The governing body of the applicant must either adopt or reject the advisory opinion after public notice and hearing. An advisory opinion adopted by the governing body under this subsection is dispositive regarding the eligibility of the proposed project or resource under RCW 19.285.040 and for the purposes of RCW 19.285.060, but only if: (a) The advisory opinion affirmatively qualified the project or resource; and (b) the project or resource is built or acquired as proposed.

(3) The Washington State University extension energy program may require an applicant to pay an application fee to cover the cost of reviewing the project and preparing an advisory opinion.

(4) Nothing in this section is intended to preempt the authority of any governing body of utilities that are not investor-owned from making a determination, independent of the process in subsection (2) of this section, on whether a proposed electric generation project or conservation resource may qualify to meet a target under RCW 19.285.040.

NEW SECTION. **Sec. 4.** A new section is added to chapter 19.285 RCW to read as follows:

(1) Any biomass-fueled electricity generating facility operating in the state and seeking designation as an eligible renewable resource under RCW 19.285.030(10)(d) must pay the department a fee that is calculated based on the thermal efficiency of the facility.

(2) The amount of the fee per megawatt-hour generated must be calculated as follows: One hundred percent minus the overall efficiency of the energy plant divided by seventy percent multiplied by the average value of a renewable energy credit for the prior year, as determined by the department by rule.

(3) The department shall deposit all fees collected under this section in the green energy incentive account established under RCW 43.325.040 to be used for clean energy transportation projects as specified in RCW 43.325.040.

Sec. 5. RCW 43.325.040 and 2009 c 564 s 942 and 2009 c 451 s 5 are each reenacted and amended to read as follows:

(1) The energy freedom account is created in the state treasury. All receipts from appropriations made to the account and any loan payments of principal and interest derived from loans made under the energy freedom account must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for financial assistance for further funding for projects consistent with this chapter or otherwise authorized by the legislature.

(2) The green energy incentive account is created in the state treasury as a subaccount of the energy freedom account. All receipts from appropriations made to the green energy incentive account shall be deposited into the account, and may be spent only after appropriation. Expenditures from the account may be used only for:

(a) Refueling projects awarded under this chapter;

(b) Pilot projects for plug-in hybrids, including grants provided for the electrification program set forth in RCW 43.325.110; and

(c) Demonstration projects developed with state universities as defined in RCW 28B.10.016 and local governments that result in the design and building of a hydrogen vehicle fueling station.

(3) To the extent funds from section 4 of this act are available for this purpose, the department shall administer a grant program to support clean energy transportation projects through the green energy incentive account. In administering the grant program, the department must consult with innovate Washington. Innovate Washington must review applications, prioritize projects, and make recommendations for funding to the department.

(4)(a) The energy recovery act account is created in the state treasury. State and federal funds may be deposited into the account and any loan payments of principal and interest derived from loans made from the energy recovery act account must be deposited into the account. Moneys in the account may be spent only after appropriation.

(b) Expenditures from the account may be used only for loans, loan guarantees, and grants that encourage the establishment of innovative and sustainable industries for renewable energy and energy efficiency technology, including but not limited to:

(i) Renewable energy projects or programs that require interim financing to complete project development and implementation;

(ii) Companies with innovative, near-commercial or commercial, clean energy technology; and

(iii) Energy efficiency technologies that have a viable repayment stream from reduced utility costs.

(c) The director shall establish policies and procedures for processing, reviewing, and approving applications for funding under this section. When developing these policies and procedures, the department must consider the clean energy leadership strategy developed under section 2, chapter 318, Laws of 2009.

(d) The director shall enter into agreements with approved applicants to fix the term and rates of funding provided from this account.

(e) The policies and procedures of this subsection ((~~(3)~~)) (4) do not apply to assistance awarded for projects under RCW 43.325.020(3).

((~~(4)~~)) (5) Any state agency receiving funding from the energy freedom account is prohibited from retaining greater than three percent of any funding provided from the energy freedom account for administrative overhead or other deductions not directly associated with conducting the research, projects, or other end products that the funding is designed to produce unless this provision is waived in writing by the director.

((~~(5)~~)) (6) Any university, institute, or other entity that is not a state agency receiving funding from the energy freedom account is prohibited from retaining greater than fifteen percent of any funding provided from the energy freedom account for administrative overhead or other deductions not directly associated with conducting the research, projects, or other end products that the funding is designed to produce.

((~~(6)~~)) (7) Subsections (2), ((~~(4) and~~)) (5), and (6) of this section do not apply to assistance awarded for projects under RCW 43.325.020(3).

((~~(7)~~)) (8) During the 2009-2011 fiscal biennium, the legislature may transfer from the energy freedom account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 6. RCW 43.325.040 and 2009 c 564 s 942 are each amended to read as follows:

(1) The energy freedom account is created in the state treasury. All receipts from appropriations made to the account and any loan payments of principal and interest derived from loans made under this chapter must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for assistance for projects consistent with this chapter or otherwise authorized by the legislature.

(2) The green energy incentive account is created in the state treasury as a subaccount of the energy freedom account. All receipts from appropriations made to the green energy incentive account shall be deposited into the account, and may be spent only after appropriation. Expenditures from the account may be used only for:

(a) Refueling projects awarded under this chapter;

(b) Pilot projects for plug-in hybrids, including grants provided for the electrification program set forth in RCW 43.325.110; and

(c) Demonstration projects developed with state universities as defined in RCW 28B.10.016 and local governments that result in the design and building of a hydrogen vehicle fueling station.

(3) To the extent funds from section 4 of this act are available for this purpose, the department shall administer a grant program to support clean energy transportation projects through the green energy incentive account. In administering the grant program, the department must consult with innovate Washington. Innovate Washington must review applications, prioritize projects, and make recommendations for funding to the department.

(4) Any state agency receiving funding from the energy freedom account is prohibited from retaining greater than three percent of any funding provided from the energy freedom account for administrative overhead or other deductions not directly associated with conducting the research, projects, or other end products that the funding is designed to produce unless this provision is waived in writing by the director.

((~~(4)~~)) (5) Any university, institute, or other entity that is not a state agency receiving funding from the energy freedom account is prohibited from retaining greater than fifteen percent of any funding provided from the energy freedom account for administrative overhead or other deductions not directly associated with conducting the research, projects, or other end products that the funding is designed to produce.

((~~(5)~~)) (6) Subsections (2) through ((~~(4)~~)) (5) of this section do not apply to assistance awarded for projects under RCW 43.325.020(3).

((~~(6)~~)) (7) During the 2009-2011 fiscal biennium, the legislature may transfer from the energy freedom account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 7. RCW 43.333.020 and 2011 1st sp.s. c 14 s 2 are each amended to read as follows:

(1) The powers of innovate Washington are vested in and shall be exercised by a board of directors consisting of:

(a) The governor of the state of Washington or the governor's designee;

(b)(i) The president of the senate shall appoint one member from each of the two largest caucuses of the senate;

(ii) The speaker of the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives;

(c) The president of the University of Washington or the president's designee;

(d) The president of Washington State University or the president's designee;

(e) The director of the department of commerce or the director's designee;

(f) The chairs of the sector advisory committees created under this chapter shall serve as ex officio voting members; and

(g) Seven members appointed by the governor from among individuals who own or are executives at technology-based and innovative firms in the state; of these members, at least four must be from firms manufacturing in the state. The term of office for each board member appointed by the governor shall be three years except, of the initial

appointees, three shall be appointed for one year and three shall be appointed for two years. Members of the board may be appointed for additional terms.

(2) The board shall meet at least biannually. The initial meeting of the board must occur before December 31, 2011.

(3) A board member may be removed by the governor for cause under RCW 43.06.070 and 43.06.080. The governor must fill any vacancy on the board by appointment for the remainder of the unexpired term.

(4)(a) The appointed members of the board shall be compensated in accordance with RCW 43.03.240 and may be reimbursed for expenses incurred in the discharge of their duties under this chapter pursuant to RCW 43.03.050 and 43.03.060.

(b) The ex officio members of the board under subsection (1)(a) and (c) through (g) of this section may be reimbursed for expenses incurred in the discharge of their duties under this chapter pursuant to RCW 43.03.050 and 43.03.060.

(c) Legislative members of the board may be reimbursed for expenses incurred in the discharge of their duties under this chapter pursuant to RCW 44.04.120.

(5) A majority of currently serving board members constitutes a quorum.

(6) Meetings of the board shall be held in accordance with the open public meetings act, chapter 42.30 RCW, and at the call of the chair or when a majority of the board members so requests. Meetings of the board may be held at any location within or out of the state, and board members may participate in a meeting of the board by means of a conference telephone or similar communication equipment under RCW 23B.08.200.

(7) The innovate Washington board must:

(a) Develop operating policies for innovate Washington programs;

(b) Appoint, and perform an annual performance review of, an executive director;

(c) Approve an annual operating budget and ensure adequate funding for operations;

(d) Approve a five-year business plan and its updates;

(e) Perform the duties required under chapter 70.210 RCW relating to the investing in innovation program;

(f) Convene representatives of the commercialization and technology transfer offices of private and public research institutions in the state to determine the best methods for:

(i) Integrating existing databases into a single database of in-state technologies and inventions;

(ii) Making the technologies in the integrated database accessible; and

(iii) Promoting the integrated database to entrepreneurs and investors for commercialization and licensing purposes;

(g) Set performance goals for each program or service established; ((~~and~~))

(h) Consult with the department of transportation and regional transportation organizations in making recommendations for funding to the department of commerce under RCW 43.325.040 for clean energy transportation projects; and

(i) Provide a report to the governor and the legislature detailing the fund-raising activities and outcomes, operations, economic impact, and performance of innovate Washington. The report is due by December 1st of every year and the first report is due by December 1, 2012. The report must include measures related to customer satisfaction as well as measures of results derived from assistance provided to businesses, including but not limited to manufacturing facilities established in Washington, job creation inside and outside of Washington, new product development, new markets opened and other export measures, the adoption of new production processes, revenue and sales growth, measures that would be included in a balanced scorecard, and such other outcome-based measures as the board determines is appropriate.

(8) The board may:

(a) Make and execute agreements, contracts, and other instruments with any private, public, or nonprofit entity for the performance, operation, administration, implementation, or advancement of any program in accordance with this chapter;

(b) Employ, contract with, or engage staff, advisors, auditors, other technical or professional assistants, and such other personnel as are necessary or desirable to implement this chapter. Staff support for innovate Washington programs may be provided through cooperative agreements with any public or private institution of higher education;

(c) Solicit and receive gifts, grants, donations, sponsorships, or contributions from any federal, state, or local governmental agency or program or any private source, and expend the same for any purpose consistent with this chapter;

(d) Establish such:

(i) Affiliated organizations, that may not be considered state agencies as defined under chapter 43.88 RCW, to facilitate partnerships and program delivery with the private sector;

(ii) Special funds consistent with the provisions of chapter 43.88 RCW; and

(iii) Controls as it finds convenient for the implementation of this chapter;

(e) Create one or more advisory committees;

(f) Adopt rules consistent with this chapter;

(g) Delegate any of its powers and duties if consistent with the purposes of this chapter; and

(h) Exercise any other power reasonably required to implement the purposes of this chapter.

NEW SECTION. **Sec. 8.** Section 5 of this act expires June 30, 2016.

NEW SECTION. **Sec. 9.** Section 6 of this act takes effect June 30, 2016.

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