
Transportation Committee

HB 2400

Brief Description: Authorizing the conversion of a diesel powered ferry to the use of liquefied natural gas.

Sponsors: Representatives Tarleton, Hudgins, Chapman and Buys.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Requires the Washington State Department of Transportation to issue a request for proposals to convert a ferry to operate on liquefied natural gas.

Hearing Date: 1/15/18

Staff: Paul Ingiosi (786-7114)

Background:

Washington State Ferries System.

The Washington State Department of Transportation (WSDOT) Ferries Division operates and maintains ferry vessels and terminals, constructs terminals, and acquires vessels. The system serves eight Washington counties and one Canadian province through 22 vessels and 20 terminals. The Washington State Ferries (WSF) also operates a maintenance facility at Eagle Harbor.

Liquefied Natural Gas.

Liquefied natural gas (LNG) is natural gas that has been cooled and liquefied to assist in the storage or transport; LNG takes up 1/600th of its standard gaseous volume. As of April 2017, there were approximately 103 LNG-powered vessels currently in operation worldwide with an additional 97 on order.

Ferry Fuel Conversion.

All vessels in the Washington State ferry system currently operate using a 5 percent biodiesel blend of diesel fuel. The 2012 Transportation Budget directed the WSDOT to issue a request for

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proposal (RFP) to convert up to six state ferries to LNG using private financing. There were no successful bidders that made it through the application process. In the 2014 Transportation Budget, the WSDOT was directed to issue a new RFP to convert the same six vessels to use LNG, with the option for public or private financing, following the United States Coast Guard (USCG) approval of the state's Waterway Suitability Assessment. The WSDOT received USCG approval in February 2016. There were two proposals received, one with private financing and one requiring public financing. The WSDOT selected the apparent successful proposer subject to legislative funding prior to contract award. Funds were not appropriated for the conversion project and the authority for the LNG solicitation expired in July 2017.

Summary of Bill:

The WSDOT must issue a solicitation for a RFP within 30 days of the June 1, 2018, effective date for a contract to design, engineer, and convert a WSF ferry of the WSDOT's choosing to operate on LNG under a fixed-price contract.

The RFP must, at a minimum, include: (1) all requirements and specifications required by the state; (2) a copy of the contract to be signed; (3) a due date for the proposals; (4) a description of information proposers will need to submit regarding their qualifications; (5) a requirement that proposers offer design and engineering specifications in sufficient detail and a time of redelivery of the completed vessel; (6) a requirement that the contract be design-build, finance, and supply and also fixed-price; (7) a requirement that the successful bidder comply with all applicable laws, rules and regulations, including environmental, worker health and safety, and prevailing wages; (8) a requirement that the successful bidder obtains USCG approval regarding vessel safety and regulatory requirements; (9) a requirement that the conversion be accomplished within the boundaries of the Puget Sound and associated waterways and within Washington State; (10) a requirement that all vessel design and engineering specifications and drawings are complete and, when applicable, meet USCG requirements before the start of construction; (11) a requirement that all vessel design and engineering specifications and drawings must be agreed to by the WSDOT before the start of construction; (12) a requirement that the successful bidder supplies a dependable and suitable source of LNG that takes into account the vessel's operating schedule and demands; (13) a requirement that the successful bidder provides public outreach and education regarding the conversion to LNG; and (14) incentives for proposals that include alternative financing arrangements, such as using a long-term fuel payment method.

The WSDOT must supply a condition survey of any nominated vessel constructed before 2007 to each qualified proposer under the RFP process no later than three weeks before the proposals are due. The WSDOT must also make available a complete set of plans and specifications for any nominated vessel no later than three weeks before the proposals are due.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on June 1, 2018.