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HOUSE BILL 1372

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State of Washington

65th Legislature

2017 Regular Session

By Representatives Farrell, Pollet, Peterson, Doglio, Appleton, Frame, Stanford, Cody, Gregerson, Macri, Pettigrew, Goodman, Tarleton, Ormsby, and Ortiz-Self

Read first time 01/18/17. Referred to Committee on Environment.

1 AN ACT Relating to updating the framework for reducing greenhouse  
2 gas emissions in Washington based upon best available climate  
3 science; and amending RCW 70.235.005, 70.235.010, 70.235.020, and  
4 70.235.050.

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

6 **Sec. 1.** RCW 70.235.005 and 2008 c 14 s 1 are each amended to  
7 read as follows:

8 (1) The legislature finds that Washington has long been a  
9 national and international leader on energy conservation and  
10 environmental stewardship, including air quality protection,  
11 renewable energy development and generation, emission standards for  
12 fossil-fuel based energy generation, energy efficiency programs,  
13 natural resource conservation, vehicle emission standards, and the  
14 use of biofuels. Washington is also unique among most states in that  
15 in addition to its commitment to reduce emissions of greenhouse  
16 gases, it has established goals to grow the clean energy sector and  
17 reduce the state's expenditures on imported fuels.

18 (2) The legislature further finds that Washington should continue  
19 its leadership on climate change policy by creating accountability  
20 for achieving the emission reductions established in RCW 70.235.020,  
21 participating in the design of a regional multisector market-based

1 system to help achieve those emission reductions, assessing other  
2 market strategies to reduce emissions of greenhouse gases, and  
3 ensuring the state has a well trained workforce for our clean energy  
4 future.

5 (3) It is the intent of the legislature that the state will: (a)  
6 Limit and reduce emissions of greenhouse gas consistent with the  
7 emission reductions established in RCW 70.235.020; (b) minimize the  
8 potential to export pollution, jobs, and economic opportunities; and  
9 (c) reduce emissions at the lowest cost to Washington's economy,  
10 consumers, and businesses.

11 (4) In the event the state elects to participate in a regional  
12 multisector market-based system, it is the intent of the legislature  
13 that the system will become effective by January 1, 2012, after  
14 authority is provided to the department for its implementation. By  
15 acting now, Washington businesses and citizens will have adequate  
16 time and opportunities to be well positioned to take advantage of the  
17 low-carbon economy and to make necessary investments in low-carbon  
18 technology.

19 (5) It is also the intent of the legislature that the regional  
20 multisector market-based system recognize Washington's unique  
21 emissions portfolio, including the state's hydroelectric system, the  
22 opportunities presented by Washington's abundant forest resources and  
23 agriculture land, and the state's leadership in energy efficiency and  
24 the actions it has already taken that have reduced its generation of  
25 greenhouse gas emissions and that entities receive appropriate credit  
26 for early actions to reduce greenhouse gases.

27 (6) If any revenues that accrue to the state are created by a  
28 market system, they must be used to further the state's efforts to  
29 achieve the ~~((goals))~~ minimum reductions established in RCW  
30 70.235.020, address the impacts of global warming on affected  
31 habitats, species, and communities, and increase investment in the  
32 clean energy economy particularly for communities and workers that  
33 have suffered from heavy job losses and chronic unemployment and  
34 underemployment.

35 (7) It is also the intent of the legislature that the greenhouse  
36 gas emissions reductions established in RCW 70.235.020 preserve,  
37 protect, and enhance air quality for current and future generations  
38 and safeguard the fundamental and inalienable right of the people of  
39 the state to live in a healthful and pleasant environment and to  
40 benefit from the proper development and use of its natural resources.

1       **Sec. 2.** RCW 70.235.010 and 2010 c 146 s 1 are each amended to  
2 read as follows:

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

5       (1) "Carbon dioxide equivalents" means a metric measure used to  
6 compare the emissions from various greenhouse gases based upon their  
7 global warming potential.

8       (2) "Climate advisory team" means the stakeholder group formed in  
9 response to executive order 07-02.

10       (3) "Climate impacts group" means the University of Washington's  
11 climate impacts group.

12       (4) "Climate stabilization" means reducing global atmospheric  
13 concentrations of carbon dioxide to below three hundred fifty parts  
14 per million by 2100.

15       (5) "Consumption-based emissions" means the global greenhouse gas  
16 emissions that result from satisfying economic final demand in the  
17 state, including the purchases of goods and services (including  
18 energy) by Washington households and governments, plus inventory and  
19 capital formation by businesses.

20       (6) "Department" means the department of ecology.

21       ~~((+5))~~ (7) "Director" means the director of the department.

22       ~~((+6))~~ (8) "Greenhouse gas" and "greenhouse gases" includes  
23 carbon dioxide, methane, nitrous oxide, hydrofluorocarbons,  
24 perfluorocarbons, sulfur hexafluoride, and any other gas or gases  
25 designated by the department by rule.

26       ~~((+7))~~ (9) "Person" means an individual, partnership, franchise  
27 holder, association, corporation, a state, a city, a county, or any  
28 subdivision or instrumentality of the state.

29       ~~((+8))~~ (10) "Program" means the department's climate change  
30 program.

31       ~~((+9))~~ (11) "Western climate initiative" means the collaboration  
32 of states, Canadian provinces, Mexican states, and tribes to design a  
33 multisector market-based mechanism as directed under the western  
34 regional climate action initiative signed by the governor on February  
35 22, 2007.

36       **Sec. 3.** RCW 70.235.020 and 2008 c 14 s 3 are each amended to  
37 read as follows:

38       (1)(a) The state shall limit emissions of greenhouse gases to  
39 achieve the following emission reductions for Washington state:

1 (i) By 2020, reduce overall emissions of greenhouse gases in the  
2 state to at least ten percent below 1990 levels, and ensure that  
3 emissions of carbon dioxide in the state decrease by at least ten  
4 percent below 1990 levels;

5 (ii) By 2035, reduce overall emissions of greenhouse gases in the  
6 state to (~~twenty-five percent below 1990 levels~~) at least sixty-  
7 eight percent below 1990 levels and ensure that emissions of carbon  
8 dioxide in the state decrease by at least sixty-eight percent below  
9 1990 levels;

10 (iii) By 2050, the state will do its part to reach global climate  
11 stabilization levels by reducing overall emissions (~~to fifty percent~~  
12 ~~below 1990 levels, or seventy percent below the state's expected~~  
13 ~~emissions that year~~) of greenhouse gases in the state to at least  
14 ninety-one percent below 1990 levels and ensure that emissions of  
15 carbon dioxide in the state decrease by at least ninety-one percent  
16 below 1990 levels.

17 (b) By December 1, 2008, the department shall submit a greenhouse  
18 gas reduction plan for review and approval to the legislature,  
19 describing those actions necessary to achieve the emission reductions  
20 in (a) of this subsection by using existing statutory authority and  
21 any additional authority granted by the legislature. Actions taken  
22 using existing statutory authority may proceed prior to approval of  
23 the greenhouse gas reduction plan.

24 (c) Except where explicitly stated otherwise, nothing in chapter  
25 14, Laws of 2008 limits any state agency authorities as they existed  
26 prior to June 12, 2008.

27 (d) Consistent with this directive, the department shall take the  
28 following actions:

29 (i) Develop and implement a system for monitoring and reporting  
30 emissions of greenhouse gases as required under RCW 70.94.151;  
31 (~~and~~)

32 (ii) Track progress toward meeting the emission reductions  
33 established in this subsection, including the results from policies  
34 and rules currently in effect that have been previously adopted by  
35 the state and policies and rules adopted in the future, and report on  
36 that progress by January 1st of each year, beginning in 2018, to the  
37 governor, the appropriate committees of the senate and house of  
38 representatives, and the public;

39 (iii) By December 1, 2017, use its existing authority to adopt  
40 policies and rules establishing annual aggregate emission limits that

1 ensure statewide greenhouse gas emissions are reduced to at least the  
2 emission limits set forth in (a) of this subsection; and

3 (iv) By July 1, 2017, report to the governor, the appropriate  
4 committees of the senate and house of representatives, and the public  
5 regarding the state's silvicultural and agricultural sequestration  
6 capacity and by December 1, 2018, develop and implement a plan to  
7 increase the state's sequestration capacity in order to achieve  
8 Washington's proportionate share of the one hundred gigatons of  
9 carbon dioxide that must be sequestered globally prior to 2100 in  
10 order to achieve climate stability. This sequestration requirement is  
11 in addition to the emission reductions required by this section.

12 (2) By December 31st of each even-numbered year beginning in  
13 2010, the department and the department of (~~community, trade, and~~  
14 ~~economic development~~) commerce shall report to the governor and the  
15 appropriate committees of the senate and house of representatives the  
16 total emissions of greenhouse gases for the preceding two years, and  
17 totals in each major source sector. The department shall ensure the  
18 reporting rules adopted under RCW 70.94.151 allow it to develop a  
19 comprehensive inventory of emissions of greenhouse gases from all  
20 significant sectors of the Washington economy, including consumption-  
21 based emissions.

22 (~~(3) Except for purposes of reporting, emissions of carbon~~  
23 ~~dioxide from industrial combustion of biomass in the form of fuel~~  
24 ~~wood, wood waste, wood by products, and wood residuals shall not be~~  
25 ~~considered a greenhouse gas as long as the region's silvicultural~~  
26 ~~sequestration capacity is maintained or increased.))~~

27 **Sec. 4.** RCW 70.235.050 and 2015 c 225 s 110 are each amended to  
28 read as follows:

29 (1) All state agencies shall meet the statewide greenhouse gas  
30 emission limits established in RCW 70.235.020 to achieve the  
31 following, using the estimates and strategy established in  
32 subsections (2) and (3) of this section:

33 (a) By July 1, 2020, reduce emissions by at least fifteen percent  
34 from 2005 emission levels;

35 (b) By 2035, reduce emissions (~~(to thirty-six)~~) by at least  
36 sixty-eight percent below 2005 levels; and

37 (c) By 2050, reduce emissions (~~(to the greater reduction of~~  
38 ~~fifty-seven and one-half)~~) by at least ninety-one percent below 2005

1 levels(~~(, or seventy percent below the expected state government~~  
2 ~~emissions that year)~~)).

3 (2)(a) By June 30, (~~(2010)~~) 2018, all state agencies shall report  
4 estimates of emissions for 2005 to the department, including 2009  
5 levels of emissions, and projected emissions through (~~(2035)~~) 2050.

6 (b) State agencies required to report under RCW 70.94.151 must  
7 estimate emissions from methodologies recommended by the department  
8 and must be based on actual operation of those agencies. Agencies not  
9 required to report under RCW 70.94.151 shall derive emissions  
10 estimates using an emissions calculator provided by the department.

11 (3) By June 30, (~~(2011)~~) 2018, each state agency shall submit to  
12 the department a strategy to meet the requirements in subsection (1)  
13 of this section. The strategy must address employee travel  
14 activities, teleconferencing alternatives, and include existing and  
15 proposed actions, a timeline for reductions, and recommendations for  
16 budgetary and other incentives to reduce emissions, especially from  
17 employee business travel.

18 (4) By October 1st of each even-numbered year beginning in 2012,  
19 each state agency shall report to the department the actions taken to  
20 meet the emission reduction targets under the strategy for the  
21 preceding fiscal biennium. The department may authorize the  
22 department of enterprise services to report on behalf of any state  
23 agency having fewer than five hundred full-time equivalent employees  
24 at any time during the reporting period. The department shall  
25 cooperate with the department of enterprise services and the  
26 department of commerce to develop consolidated reporting  
27 methodologies that incorporate emission reduction actions taken  
28 across all or substantially all state agencies.

29 (5) All state agencies shall cooperate in providing information  
30 to the department, the department of enterprise services, and the  
31 department of commerce for the purposes of this section.

32 (6) The governor shall designate a person as the single point of  
33 accountability for all energy and climate change initiatives within  
34 state agencies. This position must be funded from current full-time  
35 equivalent allocations without increasing budgets or staffing levels.  
36 If duties must be shifted within an agency, they must be shifted  
37 among current full-time equivalent allocations. All agencies,

1 councils, or work groups with energy or climate change initiatives  
2 shall coordinate with this designee.

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