

E2SSB 5116 - H AMD 610

By Representative DeBolt

NOT ADOPTED 04/11/2019

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 19.285.030 and 2017 c 315 s 1 are each amended to
4 read as follows:

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

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

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

14 (3)(a) "Biomass energy" includes: (i) Organic by-products of
15 pulping and the wood manufacturing process; (ii) animal manure; (iii)
16 solid organic fuels from wood; (iv) forest or field residues; (v)
17 untreated wooden demolition or construction debris; (vi) food waste
18 and food processing residuals; (vii) liquors derived from algae;
19 (viii) dedicated energy crops; and (ix) yard waste.

20 (b) "Biomass energy" does not include: (i) Wood pieces that have
21 been treated with chemical preservatives such as creosote,
22 pentachlorophenol, or copper-chrome-arsenic; (ii) wood from old
23 growth forests; or (iii) municipal solid waste.

24 (4) "Coal transition power" has the same meaning as defined in
25 RCW 80.80.010.

26 (5) "Commission" means the Washington state utilities and
27 transportation commission.

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

31 (7) "Cost-effective" has the same meaning as defined in RCW
32 80.52.030.

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

3 (9) "Customer" means a person or entity located in Washington
4 state that purchases electricity for ultimate consumption and not for
5 resale.

6 (10) "Department" means the department of commerce or its
7 successor.

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

12 (12) "Eligible renewable resource" means:

13 (a) Electricity from a generation facility powered by a renewable
14 resource other than freshwater that commences operation after March
15 31, 1999, where: (i) The facility is located in the (~~Pacific~~
16 ~~Northwest~~) western interconnection; or (ii) the electricity from the
17 facility is delivered into Washington state on a real-time basis
18 without shaping, storage, or integration services;

19 (b) Incremental electricity produced as a result of efficiency
20 improvements completed after March 31, 1999, to hydroelectric
21 generation projects owned by a qualifying utility and located in the
22 (~~Pacific Northwest~~) western interconnection where the additional
23 generation does not result in new water diversions or impoundments;

24 (c) Hydroelectric generation from a project completed after March
25 31, 1999, where the generation facility is located in irrigation
26 pipes, irrigation canals, water pipes whose primary purpose is for
27 conveyance of water for municipal use, and wastewater pipes located
28 in Washington where the generation does not result in new water
29 diversions or impoundments;

30 (d) Qualified biomass energy;

31 (e) For a qualifying utility that serves customers in other
32 states, electricity from a generation facility powered by a renewable
33 resource other than freshwater that commences operation after March
34 31, 1999, where: (i) The facility is located within a state in which
35 the qualifying utility serves retail electrical customers; and (ii)
36 the qualifying utility owns the facility in whole or in part or has a
37 long-term contract with the facility of at least twelve months or
38 more; (~~or~~)

39 (f) (i) Incremental electricity produced as a result of a capital
40 investment completed after January 1, 2010, that increases, relative

1 to a baseline level of generation prior to the capital investment,
2 the amount of electricity generated in a facility that generates
3 qualified biomass energy as defined under subsection (18)(c)(ii) of
4 this section and that commenced operation before March 31, 1999.

5 (ii) Beginning January 1, 2007, the facility must demonstrate its
6 baseline level of generation over a three-year period prior to the
7 capital investment in order to calculate the amount of incremental
8 electricity produced.

9 (iii) The facility must demonstrate that the incremental
10 electricity resulted from the capital investment, which does not
11 include expenditures on operation and maintenance in the normal
12 course of business, through direct or calculated measurement;

13 (g) Beginning January 1, 2019, the portion of incremental
14 electricity produced as a result of efficiency improvements completed
15 after March 31, 1999, attributable to a qualifying utility's share of
16 electricity output from hydroelectric generation projects whose
17 energy output is marketed by the Bonneville power administration,
18 where the additional generation does not result in new water
19 diversions or impoundments; or

20 (h) The environmental attributes, including renewable energy
21 credits, from (g) of this subsection transferred to investor-owned
22 utilities pursuant to the Bonneville power administration's
23 residential exchange program.

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

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

29 (15)(a) "Nonpower attributes" means all environmentally related
30 characteristics, exclusive of energy, capacity reliability, and other
31 electrical power service attributes, that are associated with the
32 generation of electricity from a renewable resource, including but
33 not limited to the facility's fuel type, geographic location,
34 vintage, qualification as an eligible renewable resource, and avoided
35 emissions of pollutants to the air, soil, or water, and avoided
36 emissions of carbon dioxide and other greenhouse gases.

37 (b) "Nonpower attributes" does not include any aspects, claims,
38 characteristics, and benefits associated with the on-site capture and
39 destruction of methane or other greenhouse gases at a facility
40 through a digester system, landfill gas collection system, or other

1 mechanism, which may be separately marketable as greenhouse gas
2 emission reduction credits, offsets, or similar tradable commodities.
3 However, these separate avoided emissions may not result in or
4 otherwise have the effect of attributing greenhouse gas emissions to
5 the electricity.

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

10 (17) "Public facility" has the same meaning as defined in RCW
11 39.35C.010.

12 (18) "Qualified biomass energy" means electricity produced from a
13 biomass energy facility that: (a) Commenced operation before March
14 31, 1999; (b) contributes to the qualifying utility's load; and (c)
15 is owned either by: (i) A qualifying utility; or (ii) an industrial
16 facility that is directly interconnected with electricity facilities
17 that are owned by a qualifying utility and capable of carrying
18 electricity at transmission voltage.

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

25 (20) "Renewable energy credit" means a tradable certificate of
26 proof of at least one megawatt-hour of an eligible renewable resource
27 where, except as provided in subsection (12)(h) of this section, the
28 generation facility is not powered by freshwater. The certificate
29 includes all of the nonpower attributes associated with that one
30 megawatt-hour of electricity, and the certificate is verified by a
31 renewable energy credit tracking system selected by the department.

32 (21) "Renewable resource" means: (a) Water; (b) wind; (c) solar
33 energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or
34 tidal power; (g) gas from sewage treatment facilities; (h) biodiesel
35 fuel as defined in RCW 82.29A.135 that is not derived from crops
36 raised on land cleared from old growth or first-growth forests where
37 the clearing occurred after December 7, 2006; or (i) biomass energy.

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

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

3 (24) "Carbon reduction investment" means an investment in support
4 of eligible projects or actions that reduce, prevent, or remove from
5 the atmosphere the emissions of greenhouse gases in the state. An
6 eligible project or action includes, but is not limited to,
7 investment in the following: (a) Installation of electric vehicle
8 chargers and related infrastructure and other transportation
9 electrification measures; (b) demand side management of electricity
10 consumption, including energy efficiency, demand response, and
11 changes to codes and standards; (c) energy storage technologies; and
12 (d) carbon sequestration programs, including forest health
13 investments.

14 (25) "Clean energy resource" includes: (a) A resource that emits
15 no greenhouse gas pollution as part of its generation activity; or
16 (b) a renewable resource.

17 (26) "Consumer-owned utility" has the same meaning as defined in
18 RCW 19.29A.010.

19 (27) "Greenhouse gas" means carbon dioxide, methane, nitrogen
20 trifluoride, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons,
21 perfluorocarbons, and other fluorinated greenhouse gases.

22 (28) "New energy or capacity need" means any electricity
23 generation needed to serve Washington retail electric customers by an
24 electric utility, as the term "electric utility" is defined in RCW
25 19.29A.010, to meet any of the following:

26 (a) Electricity load growth;

27 (b) Changes in capacity needs;

28 (c) Changes in ancillary services needs;

29 (d) Changes in reliability needs;

30 (e) Changes in flexibility needs;

31 (f) Needs arising due to replacing electricity generation; or

32 (g) Needs arising due to replacing expiring electricity resource
33 contracts.

34 (29) "North American electric reliability corporation" means the
35 electricity reliability organization designated by the federal energy
36 regulatory commission to ensure legal compliance with mandatory
37 electricity reliability standards in accordance with the energy
38 policy act of 2005 (119 Stat. 941; 16 U.S.C. Sec. 824o).

39 (30) "Utility-scale renewable resource" means a renewable
40 generation resource or energy storage device that delivers

1 electricity onto an electric utility's system at transmission
2 voltage.

3 (31) "Western interconnection" means the geographic area spanning
4 the western United States in which the operation of bulk power system
5 components is synchronized for the purpose of maintaining
6 reliability.

7 **Sec. 2.** RCW 19.285.040 and 2017 c 315 s 2 are each amended to
8 read as follows:

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

11 (a) By January 1, 2010, using methodologies consistent with those
12 used by the Pacific Northwest electric power and conservation
13 planning council in the most recently published regional power plan
14 as it existed on June 12, 2014, or a subsequent date as may be
15 provided by the department or the commission by rule, each qualifying
16 utility (~~shall~~) must identify its achievable cost-effective
17 conservation potential through 2019. Nothing in the rule adopted
18 under this subsection precludes a qualifying utility from using its
19 utility specific conservation measures, values, and assumptions in
20 identifying its achievable cost-effective conservation potential. At
21 least every two years thereafter, the qualifying utility (~~shall~~)
22 must review and update this assessment for the subsequent ten-year
23 period.

24 (b) Beginning January 2010, each qualifying utility (~~shall~~)
25 must establish and make publicly available a biennial acquisition
26 target for cost-effective conservation consistent with its
27 identification of achievable opportunities in (a) of this subsection,
28 and meet that target during the subsequent two-year period. At a
29 minimum, each biennial target must be no lower than the qualifying
30 utility's pro rata share for that two-year period of its cost-
31 effective conservation potential for the subsequent ten-year period.

32 (c) (i) Except as provided in (c) (ii) and (iii) of this
33 subsection, beginning on January 1, 2014, cost-effective conservation
34 achieved by a qualifying utility in excess of its biennial
35 acquisition target may be used to help meet the immediately
36 subsequent two biennial acquisition targets, such that no more than
37 twenty percent of any biennial target may be met with excess
38 conservation savings.

1 (ii) Beginning January 1, 2014, a qualifying utility may use
2 single large facility conservation savings in excess of its biennial
3 target to meet up to an additional five percent of the immediately
4 subsequent two biennial acquisition targets, such that no more than
5 twenty-five percent of any biennial target may be met with excess
6 conservation savings allowed under all of the provisions of this
7 section combined. For the purposes of this subsection (1)(c)(ii),
8 "single large facility conservation savings" means cost-effective
9 conservation savings achieved in a single biennial period at the
10 premises of a single customer of a qualifying utility whose annual
11 electricity consumption prior to the conservation savings exceeded
12 five average megawatts.

13 (iii) Beginning January 1, 2012, and until December 31, 2017, a
14 qualifying utility with an industrial facility located in a county
15 with a population between ninety-five thousand and one hundred
16 fifteen thousand that is directly interconnected with electricity
17 facilities that are capable of carrying electricity at transmission
18 voltage may use cost-effective conservation from that industrial
19 facility in excess of its biennial acquisition target to help meet
20 the immediately subsequent two biennial acquisition targets, such
21 that no more than twenty-five percent of any biennial target may be
22 met with excess conservation savings allowed under all of the
23 provisions of this section combined.

24 (d) In meeting its conservation targets, a qualifying utility may
25 count high-efficiency cogeneration owned and used by a retail
26 electric customer to meet its own needs. High-efficiency cogeneration
27 is the sequential production of electricity and useful thermal energy
28 from a common fuel source, where, under normal operating conditions,
29 the facility has a useful thermal energy output of no less than
30 thirty-three percent of the total energy output. The reduction in
31 load due to high-efficiency cogeneration (~~shall~~) must be: (i)
32 Calculated as the ratio of the fuel chargeable to power heat rate of
33 the cogeneration facility compared to the heat rate on a new and
34 clean basis of a best-commercially available technology
35 combined-cycle natural gas-fired combustion turbine; and (ii) counted
36 towards meeting the biennial conservation target in the same manner
37 as other conservation savings.

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

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

3 (2)(a) Except as provided in (j) of this subsection, each
4 qualifying utility (~~shall~~) must use eligible renewable resources or
5 acquire equivalent renewable energy credits, or any combination of
6 them, to meet the following annual targets:

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

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

11 (iii) At least fifteen percent of its load by January 1, 2020,
12 and each year thereafter.

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

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

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

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

36 (f) In complying with the targets established in (a) of this
37 subsection, a qualifying utility may not count:

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

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

4 (g) Where fossil and combustible renewable resources are cofired
5 in one generating unit located in the (~~Pacific Northwest~~) western
6 interconnection where the cofiring commenced after March 31, 1999,
7 the unit (~~shall be~~) is considered to produce eligible renewable
8 resources in direct proportion to the percentage of the total heat
9 value represented by the heat value of the renewable resources.

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

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

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

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

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

29 (j)(i) Beginning January 1, 2016, only a qualifying utility that
30 owns or is directly interconnected to a qualified biomass energy
31 facility may use qualified biomass energy to meet its compliance
32 obligation under this subsection.

33 (ii) A qualifying utility may no longer use electricity and
34 associated renewable energy credits from a qualified biomass energy
35 facility if the associated industrial pulping or wood manufacturing
36 facility ceases operation other than for purposes of maintenance or
37 upgrade.

38 (k) An industrial facility that hosts a qualified biomass energy
39 facility may only transfer or sell renewable energy credits
40 associated with qualified biomass energy generated at its facility to

1 the qualifying utility with which it is directly interconnected with
2 facilities owned by such a qualifying utility and that are capable of
3 carrying electricity at transmission voltage. The qualifying utility
4 may only use an amount of renewable energy credits associated with
5 qualified biomass energy that are equivalent to the proportionate
6 amount of its annual targets under (a)(ii) and (iii) of this
7 subsection that was created by the load of the industrial facility. A
8 qualifying utility that owns a qualified biomass energy facility may
9 not transfer or sell renewable energy credits associated with
10 qualified biomass energy to another person, entity, or qualifying
11 utility.

12 (1) Beginning January 1, 2019, a qualifying utility may use
13 eligible renewable resources as identified under RCW 19.285.030(12)
14 (g) and (h) to meet its compliance obligations under this subsection
15 (2). A qualifying utility may not transfer or sell these eligible
16 renewable resources to another utility for compliance purposes under
17 this chapter.

18 (m) Renewable energy credits allocated under RCW
19 19.285.030(12)(h) may not be transferred or sold to another
20 qualifying utility for compliance under this chapter.

21 (3) Utilities that become qualifying utilities after December 31,
22 2006, (~~shall~~) must meet the requirements in this section on a time
23 frame comparable in length to that provided for qualifying utilities
24 as of December 7, 2006.

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

27 (1) Subject to sections 4 and 5 of this act, beginning January 1,
28 2029, each electric utility must use clean energy resources to meet
29 any new energy or capacity need for Washington retail electric
30 customers.

31 (2)(a) The requirement established under subsection (1) of this
32 section applies, at a minimum, to: (i) Any new or increased ownership
33 interest in a new or existing electricity generation facility or
34 unit; and (ii) any new or increased contractual commitment that
35 obligates or allows an electric utility to purchase a specified
36 amount of megawatts or megawatt-hours from an electricity generation
37 facility or unit, or a specified percentage of an electricity
38 generation facility or unit.

1 (b) An electric utility may not enter into a contract for
2 electricity generation to meet new energy or capacity needs if the
3 contract does not specify the sources or origins of the electricity
4 generation.

5 (3) Except as provided in RCW 19.285.030(15)(b), any tradable
6 certificate of proof of a clean energy resource, including but not
7 limited to a renewable energy credit, associated with the portion of
8 any resource or resources used to meet new energy or capacity needs
9 under this section must be retired for the purposes of this section
10 and cannot be sold, transferred, or used for other purposes. An
11 electric utility may not use a tradable certificate or proof of a
12 clean energy resource, including but not limited to a renewable
13 energy credit, to meet the requirements of this section if the
14 associated energy or capacity has been sold, transferred, or
15 otherwise used separately.

16 (4) Nothing in this section precludes the use of any of the
17 following resources to meet new energy or capacity needs:

18 (a) Any purchase at any time by a consumer-owned qualifying
19 utility or small utility from the Bonneville power administration up
20 to a designated amount. The designated amount is the same as the
21 consumer-owned qualifying utility's or small utility's contract high
22 water mark amount identified in their Bonneville regional dialogue
23 power sales contract on the effective date of this section. Any new
24 public utility forming after the effective date of this section would
25 still be eligible for this exemption based on the contract high water
26 mark provided to them by the Bonneville power administration;

27 (b) Short-term spot market purchases;

28 (c) Renewal or extension of contracts in effect as of January 1,
29 2020, where the renewal or extension does not lead to any increase in
30 the energy or capacity provided;

31 (d) Coal transition power;

32 (e) Generation resources owned as of the effective date of this
33 section by an electric utility and used by that utility to meet the
34 needs of its customers, until the generation resources are at the end
35 of the facility's useful life, are retired, or cease operations;

36 (f) Increased megawatt-hours from a generation facility that is
37 owned by an electric utility as of the effective date of this section
38 where the utility uses the increased megawatt-hours to serve the
39 utility's customers and where the utility's ownership interest in the
40 facility does not increase;

1 (g) Incremental generation from a utility-scale renewable
2 resource or distributed energy resource that results from additional
3 generation that is achieved from increased efficiency or additions of
4 capacity made on or after the effective date of this section; and

5 (h) Electricity generation that is found by the commission, in
6 accordance with section 3 of this act, or the utility's governing
7 board, in accordance with section 4 of this act, to be required to
8 maintain reliable service and comply with applicable standards of the
9 North American electric reliability corporation or its successor.

10 (5) An electric utility may procure one or more natural gas-fired
11 generation units if such natural gas-fired generation is necessary to
12 avoid potential conflicts with or compromises to the electric
13 utility's obligation to comply with the mandatory and enforceable
14 reliability standards of the North American electric reliability
15 corporation.

16 (6) The definitions in this subsection apply throughout this
17 section unless the context clearly requires otherwise.

18 (a) "Short-term spot market purchase" means: (i) The purchase of
19 energy on the spot market for immediate delivery; or (ii) a contract
20 for the purchase of electricity on the spot market that is for a term
21 of one month or less.

22 (b) "Spot market" means a public financial market in which
23 electricity is bought, sold, or traded for immediate delivery.

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

26 (1) Upon its own motion or at the request of an investor-owned
27 utility, the commission must suspend the requirements of section 3 of
28 this act if:

29 (a) It is likely to result in conflicts with or compromises to
30 the investor-owned utility's obligation to comply with the mandatory
31 and enforceable reliability standards of the North American electric
32 reliability corporation or compromises to the integrity of the
33 investor-owned utility's electrical system; or

34 (b) The utility demonstrates that the cost of compliance with
35 section 3 of this act would result in costs that would exceed the
36 lowest reasonable cost resource by five percent. An investor-owned
37 utility making a request under this subsection must submit an
38 application to the commission that includes:

1 (i) An explanation of the reliability or integrity issue and how
2 a temporary exemption from complying with the requirements of section
3 3 of this act will avoid the reliability or integrity issue; or

4 (ii) An analysis that demonstrates that the cost of compliance
5 with section 3 of this act would exceed the lowest reasonable cost
6 resource by five percent.

7 (2)(a) A suspension of the requirements of section 3 of this act
8 must be granted at the time of the motion for such by the utility.
9 The suspension may not be lifted until such time as the commission
10 determines that none of the conditions for the suspension under
11 subsection (1) of this section apply.

12 (b)(i) As long as a suspension of the requirements in section 3
13 of this act is in place, the investor-owned utility must file a
14 progress report at least annually, or within an amount of time
15 determined to be reasonable by the commission, on achieving full
16 compliance with the requirements of section 3 of this act; and

17 (ii) Directing the investor-owned utility to take specific
18 actions to achieve full compliance with the requirements of section 3
19 of this act.

20 (3) This section does not permanently relieve an investor-owned
21 utility of its obligation to comply with the requirements of section
22 3 of this act.

23 NEW SECTION. **Sec. 5.** A new section is added to chapter 19.285
24 RCW to read as follows:

25 (1) Upon its own motion or at the request of a consumer-owned
26 utility, the governing board of a consumer-owned utility must suspend
27 the requirements of section 3 of this act if:

28 (a) It is likely to result in conflicts with or compromises to
29 the consumer-owned utility's obligation to comply with the mandatory
30 and enforceable reliability standards of the North American electric
31 reliability corporation or compromises to the integrity of the
32 consumer-owned utility's electrical system; or

33 (b) The utility demonstrates that the cost of compliance with
34 section 3 of this act would result in costs that would exceed the
35 lowest reasonable cost resource by five percent. A consumer-owned
36 utility making a request under this subsection must submit an
37 application to the governing board that includes:

1 (i) An explanation of the reliability or integrity issue and how
2 a temporary exemption from complying with the requirements of section
3 3 of this act will avoid the reliability or integrity issue; or

4 (ii) An analysis that demonstrates that the cost of compliance
5 with section 3 of this act would exceed the lowest reasonable cost
6 resource by five percent.

7 (2)(a) A suspension of the requirements of section 3 of this act
8 must be granted at the time of the motion for such by the utility.
9 The suspension may not be lifted until such time as the governing
10 board determines that none of the conditions for the suspension under
11 subsection (1) of this section apply.

12 (b)(i) As long as a suspension of the requirements in section 3
13 of this act is in place, the consumer-owned utility must file a
14 progress report at least annually, or within an amount of time
15 determined to be reasonable by the governing board, on achieving full
16 compliance with the requirements of section 3 of this act; and

17 (ii) Directing the consumer-owned utility to take specific
18 actions to achieve full compliance with the requirements of section 3
19 of this act.

20 (3) This section does not permanently relieve a consumer-owned
21 utility of its obligation to comply with the requirements of section
22 3 of this act.

23 NEW SECTION. **Sec. 6.** (1) This section is the tax preference
24 performance statement for the tax preferences established in sections
25 7 through 12, chapter . . ., Laws of 2019 (sections 7 through 12 of
26 this act). This performance statement is only intended to be used for
27 subsequent evaluation of the tax preferences. It is not intended to
28 create a private right of action by any party or be used to determine
29 eligibility for preferential tax treatment.

30 (2) The legislature categorizes the tax preferences created under
31 sections 7 through 12, chapter . . ., Laws of 2019 (sections 7
32 through 12 of this act) as intended to induce certain designated
33 behavior by taxpayers, as indicated in RCW 82.32.808(2)(a).

34 (3) It is the legislature's specific public policy objective to
35 reduce the cost of transitioning to electric generation sources that
36 have very low or zero carbon dioxide emissions. It is the intent of
37 the legislature to provide a suite of tax preferences in order to
38 reduce the cost to ratepayers of constructing and operating new
39 renewable energy generation capacity equal to or greater than

1 necessary to serve projected Washington electricity load growth, as
2 measured by projections in the most recently adopted Northwest power
3 and conservation council power plan.

4 (4) The legislature does not intend to extend the expiration date
5 of the tax preferences contained in this act.

6 (5) Because the tax preferences contained in this act are not for
7 the primary purpose of creating or retaining jobs or attracting or
8 attaining businesses, and because the legislature does not intend to
9 extend the expiration of the tax preferences, the legislature does
10 not intend for a review by the joint legislative audit and review
11 committee.

12 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.08
13 RCW to read as follows:

14 (1) A person who has paid tax under RCW 82.08.020 for personal
15 property used for carbon reduction investments at, or to offset the
16 greenhouse gas emissions of, an energy-intensive trade-exposed
17 facility; tangible personal property that will be incorporated as an
18 ingredient or component of buildings or other structures for carbon
19 reduction investments at, or to offset the greenhouse gas emissions
20 of, an energy-intensive trade-exposed facility; or for labor and
21 services rendered with respect to such buildings, structures, or
22 personal property, is eligible for an exemption from the state share
23 of the tax in the form of a credit, as provided in this section. A
24 person claiming an exemption must pay the tax and then take a credit
25 equal to the state share of retail sales tax paid under RCW
26 82.08.020. The person must submit information, in a form and manner
27 prescribed by the department, specifying the amount of qualifying
28 purchases or acquisitions for which the exemption is claimed and the
29 amount of exempted tax.

30 (2) The definitions in this subsection apply throughout this
31 section unless the context clearly requires otherwise.

32 (a) "Carbon reduction investment" means an investment in support
33 of eligible projects or actions that reduce, prevent, or remove from
34 the atmosphere the emissions of greenhouse gases in the state. An
35 eligible project or action includes, but is not limited to,
36 investment in the following: (i) Installation of electric vehicle
37 chargers and related infrastructure and other transportation
38 electrification measures; (ii) demand side management of electricity
39 consumption, including energy efficiency, demand response, and

1 changes to codes and standards; (iii) energy storage technologies;
2 and (iv) carbon sequestration programs, including forest health
3 investments.

4 (b) "Energy-intensive trade-exposed facility" means a facility
5 with a primary North American industry classification system (NAICS)
6 code, as those codes existed as of January 1, 2019, included in the
7 following list:

- 8 (i) 311411: Frozen fruit, juice, and vegetable manufacturing;
- 9 (ii) 311423: Dried and dehydrated food manufacturing;
- 10 (iii) 311611: Animal (except poultry) slaughtering;
- 11 (iv) 322110: Pulp mills;
- 12 (v) 322121: Paper (except newsprint) mills;
- 13 (vi) 322122: Newsprint mills;
- 14 (vii) 322130: Paperboard mills;
- 15 (viii) 325188: All other basic inorganic chemical manufacturing;
- 16 (ix) 325199: All other basic organic chemical manufacturing;
- 17 (x) 325311: Nitrogenous fertilizer manufacturing;
- 18 (xi) 327211: Flat glass manufacturing;
- 19 (xii) 327213: Glass container manufacturing;
- 20 (xiii) 327310: Cement manufacturing;
- 21 (xiv) 327410: Lime manufacturing;
- 22 (xv) 327420: Gypsum product manufacturing;
- 23 (xvi) 327992: Ultra high purity silicon manufacturing;
- 24 (xvii) 331111: Iron and steel mills;
- 25 (xviii) 331312: Primary aluminum production;
- 26 (xix) 331315: Aluminum sheet, plate, and foil manufacturing;
- 27 (xx) 331419: Primary smelting and refining of nonferrous metal
28 (except copper and aluminum);
- 29 (xxi) 334413: Semiconductor and related device manufacturing;
- 30 (xxii) 336411: Aircraft manufacturing;
- 31 (xxiii) 336413: Other aircraft parts and auxiliary equipment
32 manufacturing.

33 (c) "Greenhouse gas" includes carbon dioxide, methane, nitrogen
34 trifluoride, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons,
35 perfluorocarbons, and other fluorinated greenhouse gases.

36 (3) A person claiming the tax preference provided in this section
37 must file a complete annual tax performance report with the
38 department under RCW 82.32.534.

39 (4) Credits may not be claimed under this section for taxable
40 events occurring on or after January 1, 2029.

1 NEW SECTION. **Sec. 8.** A new section is added to chapter 82.12
2 RCW to read as follows:

3 (1) A person who is subject to tax under RCW 82.12.020 for
4 personal property used for carbon reduction investments at, or to
5 offset the greenhouse gas emissions of, an energy-intensive trade-
6 exposed facility, or for tangible personal property that will be
7 incorporated as an ingredient or component of buildings or other
8 structures for carbon reduction investments at, or to offset the
9 greenhouse gas emissions of, an energy-intensive trade-exposed
10 facility, or for labor and services rendered with respect to such
11 buildings, structures, or personal property, is eligible for an
12 exemption from the state share of the tax in the form of a credit, as
13 provided in this section. The amount of the credit equals the state
14 share of use tax computed to be due under RCW 82.12.020. The person
15 must submit information, in a form and manner prescribed by the
16 department, specifying the amount of qualifying purchases or
17 acquisitions for which the exemption is claimed and the amount of
18 exempted tax.

19 (2) For the purposes of this section, the terms "energy-intensive
20 trade-exposed facility," "carbon reduction investment," and
21 "greenhouse gas" have the same meaning as provided in section 7 of
22 this act.

23 (3) A person reporting under the tax rate provided in this
24 section must file a complete annual tax performance report with the
25 department under RCW 82.32.534.

26 (4) Credits may not be claimed under this section for taxable
27 events occurring on or after January 1, 2029.

28 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.08
29 RCW to read as follows:

30 (1) A person who has paid tax under RCW 82.08.020 for machinery
31 and equipment used to reduce the greenhouse gas emissions associated
32 with the transportation of gas through a gas pipeline, or to sales of
33 or charges made for labor and services rendered in respect to
34 installing such machinery and equipment, is eligible for an exemption
35 from the state share of the tax in the form of a credit, as provided
36 in this section. A person claiming an exemption must pay the tax and
37 then take a credit equal to the state share of retail sales tax paid
38 under RCW 82.08.020. The person must submit information, in a form
39 and manner prescribed by the department, specifying the amount of

1 qualifying purchases or acquisitions for which the exemption is
2 claimed and the amount of exempted tax.

3 (2) The definitions in this subsection apply throughout this
4 section and section 10 of this act unless the context clearly
5 requires otherwise.

6 (a) "Gas" means natural gas, flammable gas, or toxic or corrosive
7 gas.

8 (b)(i) "Gas pipeline" means all parts of a pipeline facility
9 through which gas moves in transportation, including, but not limited
10 to, line pipe, valves, and other appurtenances connected to line
11 pipe, compressor units, metering stations, regulator stations,
12 delivery stations, holders, and fabricated assemblies.

13 (ii) "Gas pipeline" does not include any pipeline facilities,
14 other than a master meter system, owned by a consumer or consumers of
15 the gas, located exclusively on the consumer or consumers' property,
16 and none of the gas leaves that property through a pipeline.

17 (c) "Greenhouse gas" includes carbon dioxide, methane, nitrogen
18 trifluoride, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons,
19 perfluorocarbons, and other fluorinated greenhouse gases.

20 (d)(i) "Machinery and equipment" includes fixtures, devices, and
21 support facilities that are integral and necessary to the
22 transportation of gas through a gas pipeline.

23 (ii) "Machinery and equipment" does not include: (A) Hand-powered
24 tools; (B) property with a useful life of less than one year; (C)
25 repair parts required to restore machinery and equipment to normal
26 working order; (D) replacement parts that do not increase
27 productivity, improve efficiency, reduce greenhouse gas emissions, or
28 extend the useful life of machinery and equipment; (E) buildings; or
29 (F) building fixtures that are not integral and necessary to the
30 transportation of gas that are permanently affixed to and become a
31 physical part of a building.

32 (3) A person claiming the tax preference provided in this section
33 must file a complete annual tax performance report with the
34 department under RCW 82.32.534.

35 (4) Credits may not be claimed under this section for taxable
36 events occurring on or after January 1, 2029.

37 NEW SECTION. **Sec. 10.** A new section is added to chapter 82.12
38 RCW to read as follows:

1 (1) A person who has paid tax under RCW 82.12.020 for machinery
2 and equipment used to reduce the greenhouse gas emissions associated
3 with the transportation of gas through a gas pipeline, or to sales of
4 or charges made for labor and services rendered in respect to
5 installing such machinery and equipment, is eligible for an exemption
6 from the state share of the tax in the form of a credit, as provided
7 in this section. A person claiming an exemption must pay the tax and
8 then take a credit equal to the state share of use tax paid under RCW
9 82.12.020. The person must submit information, in a form and manner
10 prescribed by the department, specifying the amount of qualifying
11 purchases or acquisitions for which the exemption is claimed and the
12 amount of exempted tax.

13 (2) A person reporting under the tax rate provided in this
14 section must file a complete annual tax performance report with the
15 department under RCW 82.32.534.

16 (3) Credits may not be claimed under this section for taxable
17 events occurring on or after January 1, 2029.

18 (4) The definitions in section 9 of this act apply to this
19 section.

20 **Sec. 11.** RCW 82.16.055 and 1980 c 149 s 3 are each amended to
21 read as follows:

22 (1) In computing tax under this chapter there ~~((shall be))~~ is
23 deducted from the gross income:

24 (a) An amount equal to the cost of production at the plant for
25 consumption within the state of Washington of:

26 (i) Electrical energy produced or generated from ~~((cogeneration))~~
27 combined heat and power as defined in RCW ~~((82.35.020))~~ 19.280.020;
28 and

29 (ii) Electrical energy or gas produced or generated from
30 renewable ~~((energy))~~ resources ~~((such as solar energy, wind energy,~~
31 ~~hydroelectric energy, geothermal energy, wood, wood wastes, municipal~~
32 ~~wastes, agricultural products and wastes, and end-use waste heat))~~ as
33 defined in RCW 19.285.030; and

34 (b) Those amounts expended to improve consumers' efficiency of
35 energy end use or to otherwise reduce the use of electrical energy or
36 gas by the consumer.

37 (2) This section applies only to the following facilities:

38 (a) New facilities for the production or generation of energy
39 from ~~((cogeneration or renewable energy resources))~~ combined heat and

1 power or renewable resources or measures to improve the efficiency of
2 energy end use on which construction or installation is begun after
3 June 12, 1980, and before January 1, 1990; and

4 (b) New facilities for the production or generation of
5 electricity from renewable resources on which construction or
6 installation is begun after January 1, 2020, and before January 1,
7 2028.

8 (3) Deductions under subsection (1)(a) of this section (~~shall~~
9 ~~be~~) are allowed for a period not to exceed thirty years after the
10 project is placed in operation.

11 (4) Measures or projects encouraged under this section (~~shall~~)
12 at the time they are placed in service must be reasonably expected to
13 save, produce, or generate energy at a total incremental system cost
14 per unit of energy delivered to end use which is less than or equal
15 to the incremental system cost per unit of energy delivered to end
16 use from similarly available conventional energy resources which
17 utilize nuclear energy or fossil fuels and which the gas or electric
18 utility could acquire to meet energy demand in the same time period.

19 (5) The department of revenue, after consultation with the
20 utilities and transportation commission in the case of investor-owned
21 utilities and the governing bodies of locally regulated utilities,
22 (~~shall~~) must determine the eligibility of individual projects and
23 measures for deductions under this section.

24 (6) This section expires January 1, 2029.

25 NEW SECTION. Sec. 12. A new section is added to chapter 82.16
26 RCW to read as follows:

27 (1) The definitions in this subsection apply throughout this
28 section unless the context clearly requires otherwise.

29 (a) "Carbon reduction investment" means an investment in support
30 of eligible projects or actions that reduce, prevent, or remove from
31 the atmosphere the emissions of greenhouse gases in the state. An
32 eligible project or action includes, but is not limited to,
33 investment in the following: (i) Installation of electric vehicle
34 chargers and related infrastructure and other transportation
35 electrification measures; (ii) demand side management of electricity
36 consumption; (iii) energy storage technologies; and (iv) carbon
37 sequestration programs, including forest health investments.

1 (b) "Greenhouse gas" means carbon dioxide, methane, nitrogen
2 trifluoride, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons,
3 perfluorocarbons, and other fluorinated greenhouse gases.

4 (2) In computing the tax imposed under this chapter, a credit is
5 authorized for persons who reduce their own greenhouse gas emissions
6 through carbon reduction investment projects.

7 (3) (a) The credit is equal to the total amount of carbon
8 reduction investment project expenditures of a person.

9 (b) Credit may be earned by a person for multiple carbon
10 reduction investment projects.

11 (c) Credit earned under this section may equal or exceed the tax
12 otherwise due under this chapter for the tax reporting period. Any
13 unused credit may be accrued and carried over until it is used.

14 (4) No application is necessary for the tax credit. The person
15 must keep records necessary for the department to verify eligibility
16 under this section. The person is subject to all of the requirements
17 of chapter 82.32 RCW. No refunds may be granted for credits under
18 this section.

19 (5) If at any time the department finds that a person is not
20 eligible for the tax credit under this section, the amount of taxes
21 for which a credit has been claimed is immediately due. The
22 department must assess interest, but not penalties, on the taxes for
23 which the person is not eligible. The interest must be assessed at
24 the rate provided for delinquent excise taxes under chapter 82.32
25 RCW, is retroactive to the date the tax credit was taken, and accrues
26 until the taxes for which a credit has been used are repaid.

27 (6) A person claiming the credit under this section must file a
28 complete annual report with the department under RCW 82.32.534.

29 (7) The total statewide amount of credit allowed under this
30 section must not exceed fifty million dollars.

31 (8) This section expires January 1, 2029.

32 NEW SECTION. **Sec. 13.** A new section is added to chapter 82.04
33 RCW to read as follows:

34 (1) A person who is subject to tax under this chapter on gross
35 income from sales of natural or manufactured gas, timber, timber
36 products, wood products, or agricultural products, or an energy-
37 intensive trade-exposed business, is allowed a credit against the tax
38 due under this chapter for forest fire risk reduction activities, as
39 provided in this section. The credit equals fifteen dollars

1 multiplied by the forest fire risk reduction factor, as determined by
2 this section.

3 (2) Credits are available on a first-in-time basis. The
4 department must keep a running total of all credits allowed under
5 this section and section 14 of this act during each fiscal year. The
6 department may not allow credits that would cause the total credits
7 taken under this section and section 14 of this act to exceed eight
8 million three hundred thousand dollars in any fiscal year. If all or
9 part of a claim for credit is disallowed under this subsection, the
10 disallowed portion is carried over to the next fiscal year. However,
11 the carryover into the next fiscal year is only permitted to the
12 extent that the limit on total credits for the next fiscal year is
13 not exceeded. Priority must be given to credits carried over from a
14 previous fiscal year. The department must provide written notice to
15 any person who has claimed tax credits in excess of the limitation in
16 this subsection. The notice must indicate the amount of tax due and
17 provide that the tax be paid within thirty days from the date of
18 notice. The department may not assess penalties or interest as
19 provided in chapter 82.32 RCW on the amount due in the initial notice
20 if the amount due is paid by the due date specified in the notice, or
21 any extension thereof.

22 (3) The credit allowed under this section may be used against any
23 tax due under this chapter, and may be carried over until used,
24 except as provided in subsection (2) of this section. No refunds may
25 be granted for credits under this section.

26 (4) Credits earned under this section may be claimed only on
27 returns filed electronically with the department using the
28 department's online tax filing service or other method of electronic
29 reporting as the department may authorize. No application is required
30 to claim the credit, but the taxpayer must keep records necessary for
31 the department to determine eligibility under this section.

32 (5) No person may claim a credit against taxes due under both
33 this chapter and chapter 82.16 RCW for the same forest fire risk
34 reduction activity.

35 (6) The definitions in this subsection apply throughout this
36 section unless the context clearly requires otherwise.

37 (a) "Energy-intensive trade-exposed business" means a business
38 that has a primary North American industry classification system
39 (NAICS) code included in the following list:

40 (i) 311411: Frozen fruit, juice, and vegetable manufacturing;

- 1 (ii) 311423: Dried and dehydrated food manufacturing;
2 (iii) 311611: Animal (except poultry) slaughtering;
3 (iv) 322110: Pulp mills;
4 (v) 322121: Paper (except newsprint) mills;
5 (vi) 322122: Newsprint mills;
6 (vii) 322130: Paperboard mills;
7 (viii) 325188: All other basic inorganic chemical manufacturing;
8 (ix) 325199: All other basic organic chemical manufacturing;
9 (x) 325311: Nitrogenous fertilizer manufacturing;
10 (xi) 327211: Flat glass manufacturing;
11 (xii) 327213: Glass container manufacturing;
12 (xiii) 327310: Cement manufacturing;
13 (xiv) 327410: Lime manufacturing;
14 (xv) 327420: Gypsum product manufacturing;
15 (xvi) 327992: Ultra high purity silicon manufacturing;
16 (xvii) 331111: Iron and steel mills;
17 (xviii) 331312: Primary aluminum production;
18 (xix) 331315: Aluminum sheet, plate, and foil manufacturing;
19 (xx) 331419: Primary smelting and refining of nonferrous metal
20 (except copper and aluminum);
21 (xxi) 334413: Semiconductor and related device manufacturing;
22 (xxii) 336411: Aircraft manufacturing;
23 (xxiii) 336413: Other aircraft parts and auxiliary equipment
24 manufacturing.

25 (b) "Forest fire risk reduction factor" means the percentage of
26 risk reduced by engaging in a forest management, fuel treatment
27 practice, or other forest fire risk reduction activity as determined
28 by the department of natural resources in consultation with the
29 Washington forest protection association and the Washington friends
30 of farms and forests.

31 (7) For the purposes of this section, "timber," "timber
32 products," and "wood products" have the same meanings as provided in
33 RCW 82.04.260.

34 (8) Credits allowed under this section can be earned for tax
35 reporting periods through June 30, 2029. No credits can be claimed
36 after June 30, 2030.

37 NEW SECTION. **Sec. 14.** A new section is added to chapter 82.16
38 RCW to read as follows:

1 (1) A person who is subject to tax under this chapter for sales
2 of natural or manufactured gas or sales of electricity is allowed a
3 credit against the tax due under this chapter for forest fire risk
4 reduction activities, as provided in this section. The credit equals
5 fifteen dollars multiplied by the forest fire risk reduction factor,
6 as determined by this section.

7 (2) Credits are available on a first-in-time basis. The
8 department must keep a running total of all credits allowed under
9 this section and section 13 of this act during each fiscal year. The
10 department may not allow credits that would cause the total credits
11 taken under this section and section 13 of this act to exceed eight
12 million three hundred thousand dollars in any fiscal year. If all or
13 part of a claim for credit is disallowed under this subsection, the
14 disallowed portion is carried over to the next fiscal year. However,
15 the carryover into the next fiscal year is only permitted to the
16 extent that the limit on total credits for the next fiscal year is
17 not exceeded. Priority must be given to credits carried over from a
18 previous fiscal year. The department must provide written notice to
19 any person who has claimed tax credits in excess of the limitation in
20 this subsection. The notice must indicate the amount of tax due and
21 provide that the tax be paid within thirty days from the date of
22 notice. The department may not assess penalties or interest as
23 provided in chapter 82.32 RCW on the amount due in the initial notice
24 if the amount due is paid by the due date specified in the notice, or
25 any extension thereof.

26 (3) The credit allowed under this section may be used against any
27 tax due under this chapter, and may be carried over until used,
28 except as provided in subsection (2) of this section. No refunds may
29 be granted for credits under this section.

30 (4) Credits earned under this section may be claimed only on
31 returns filed electronically with the department using the
32 department's online tax filing service or other method of electronic
33 reporting as the department may authorize. No application is required
34 to claim the credit, but the taxpayer must keep records necessary for
35 the department to determine eligibility under this section.

36 (5) No person may claim a credit against taxes due under both
37 this chapter and chapter 82.04 RCW for the same forest fire risk
38 reduction activity.

39 (6) The definitions in section 13 of this act apply throughout
40 this section.

1 (7) Credits allowed under this section can be earned for tax
2 reporting periods through June 30, 2029. No credits can be claimed
3 after June 30, 2030.

4 NEW SECTION. **Sec. 15.** This act may be known and cited as the
5 carbon free Washington act."

6 Correct the title.

EFFECT: The striking amendment:

Removes all underlying provisions.

Requires each electric utility to use clean energy resources to meet any new energy or capacity need for Washington retail electric customers beginning January 1, 2029.

Allows an electric utility to procure one or more natural gas-fired generation units if such natural gas-fired generation is necessary to avoid potential conflicts with or compromises to the electric utility's obligation to comply with mandatory and enforceable reliability standards.

Provides a sales and use tax exemption for personal property, labor, and services used for carbon reduction investments at, or to offset the greenhouse gas emissions of, an energy-intensive trade-exposed facility.

Provides a sales and use tax exemption for machinery equipment, labor, and services used to reduce greenhouse gas emissions associated with the transportation of gas through a gas pipeline.

Provides a public utility tax deduction for light and power businesses in an amount equal to the cost of production of electrical energy or gas produced from renewable resources generated by new facilities on which construction or installation begins after January 1, 2020, and before January 1, 2028.

Provides a public utility tax credit for persons who reduce their greenhouse gas emissions through carbon reduction investment projects.

Provides a business and occupation tax credit or public utility tax credit for certain energy-intensive trade-exposed businesses and for persons who sell natural or manufactured gas, electricity, timber, timber products, wood products, or agricultural products for forest fire risk reduction activities.

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