

SENATE BILL REPORT

SB 6622

As Reported by Senate Committee On:
Environment, Energy & Technology, February 6, 2020

Title: An act relating to establishing a comprehensive, statewide photovoltaic module recovery, reuse, recycling, and end-of-life program.

Brief Description: Establishing a comprehensive, statewide photovoltaic module recovery, reuse, recycling, and end-of-life program. [**Revised for 1st Substitute:** Investigating changes to the comprehensive, statewide photovoltaic module recovery, reuse, recycling, and end-of-life program.]

Sponsors: Senators Das, Lovelett, Rolfes, Nguyen, Cleveland, Carlyle, Hobbs, Frockt, Liias, Keiser, Stanford, Randall, Wellman, Salomon, Saldaña, Darneille, Wilson, C., Kuderer, Rivers, Hawkins, Van De Wege and Hunt.

Brief History:

Committee Activity: Environment, Energy & Technology: 2/04/20, 2/06/20 [DPS-WM, w/oRec, DNP].

Brief Summary of First Substitute Bill

- Directs the director of the Department of Ecology (Ecology) to appoint by July 1, 2020, a Photovoltaic (PV) Module Recovery, Reuse, and Recycling Task Force to submit a report to the Legislature by December 1, 2021, on potential methodologies for the management of end-of-life PV modules.
- Requires a manufacturer of a PV module to submit a stewardship plan by July 1, 2022, instead of January 1, 2020.
- Prohibits a manufacturer from selling or offering for sale a PV module in or into the state unless it has submitted a stewardship plan and received Ecology's approval beginning July 1, 2023, instead of January 1, 2021.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Majority Report: That Substitute Senate Bill No. 6622 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Signed by Senators Carlyle, Chair; Lovelett, Vice Chair; Sheldon, Assistant Ranking Member, Energy & Technology; Brown, Das, Hobbs, Liias, McCoy, Nguyen, Rivers, Short, Stanford and Wellman.

Minority Report: That it be referred without recommendation.

Signed by Senator Fortunato, Assistant Ranking Member, Environment.

Minority Report: Do not pass.

Signed by Senator Ericksen, Ranking Member.

Staff: Kimberly Cushing (786-7421)

Background: Solar Module Stewardship and Takeback Program. In 2017, as part of the Renewable Energy Production Incentive Program legislation, the Legislature required the manufacturers of PV modules to finance a takeback and recycling system. The Legislature directed each manufacturer to prepare and submit a stewardship plan to the Department of Ecology (Ecology) by January 1, 2020, or within 30 days of its first sale of a PV module in or into the state. The stewardship plans must accept all PV modules sold in or into the state after July 1, 2017, and include an adequate funding mechanism that ensures PV modules can be delivered to take-back locations without cost to the last owner or holder.

The Legislature directed Ecology to establish a process to develop guidance for a Solar Module Stewardship and Takeback Program (stewardship program) for manufacturers developing PV module stewardship plans. Ecology published its initial *Manufacturer Plan Guidance for the PV Module Stewardship Program* in July 2019, and revised it in January 2020.

Beginning January 1, 2021, no manufacturer may sell or offer for sale a PV module in or into the state unless the manufacturer has submitted a stewardship plan to Ecology and received plan approval. Ecology must approve a stewardship plan if it determines the plan addresses each element outlined in its guidance document.

Ecology must send a written warning to a manufacturer that is not participating in a plan and may assess a penalty of up to \$10,000 for each sale of a PV module in or into Washington by a manufacturer after the initial written warning. Penalties may be appealed to the Superior Court of Thurston County within 180 days of receipt of notice.

A manufacturer may participate in a national program in lieu of preparing a stewardship plan under the state program, if it is substantially equivalent to the intent of the state program.

Summary of Bill (First Substitute): PV Module Recovery, Reuse, and Recycling Task Force. By July 1, 2020, the director of Ecology must appoint and convene a PV Module Recovery, Reuse, and Recycling Task Force (task force) to review and provide recommendations on the potential methodologies for the management of end-of-life PV modules deployed in the state.

The task force must provide a final report to the Legislature by December 1, 2021. The report must include recommendations for financing and managing the recovery, reuse, and

recycling of PV modules and their components and disposing of the remaining end-of-life residual materials. The task force must identify legislation, if any, necessary to implement the recommendations in the report.

The duties of the task force include the following:

- obtaining and reviewing existing data from the Washington State University (WSU) Energy Program about the modules deployed under the state's renewable energy cost recovery incentive program;
- obtaining the expected economically productive life cycle of various types of PV modules currently in use in the state;
- obtaining the past, present, and potential future material and components of PV modules sold in or into the state, including recyclable materials, rare earth elements, and materials that exhibit characteristics of hazardous waste;
- reviewing product stewardship programs in Canada, the European Union, and other countries;
- identifying studies related to PV module recycling and end-of-life programs; and
- analyzing and recommending financing mechanisms.

Task force membership should include members representing certain stakeholder entities, including:

- manufacturers of PV modules;
- a national solar industry group;
- solar installers in the state;
- a utility-scale solar project;
- a nonprofit organization with expertise in waste minimization;
- a city and county solid waste program;
- expertise in PV module recycling;
- a community-based environmental justice group; and
- others with expertise in relevant areas.

The task force must elect a chair or co-chairs from its members at the initial meeting. Participation in the the task force is voluntary and without compensation.

Stewardship Program. A manufacturer must submit a stewardship plan by July 1, 2022, instead of January 1, 2020. A manufacturer must not sell or offer for sale a PV module in or into the state unless it has submitted a stewardship plan and received Ecology's approval beginning July 1, 2023, instead of January 1, 2021.

Annual reporting requirements for manufacturers or a designated stewardship organization to provide information on plan implementation and performance goals to Ecology are delayed two years, from April 1, 2022, to April 1, 2024.

EFFECT OF CHANGES MADE BY ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE (First Substitute):

- Amends the bill title.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: The bill continues the stewardship program for PV modules and avoid disincentivizing solar manufacturers in Washington. Europe already has a program. We had hoped there would be a national program available by the time the enforcement started, but it has not happened. An upfront fee would be good. We need to delay implementation until the task force can work out difficulties. Solar deployment is still small in Washington, and we want to be sure the program does not create a disincentive for PV. The current law only covers modules after 2017 and not utility-scale modules. PV is very different from the other products under product stewardship programs. PV modules are under 25-30 year warranties and will not be going to landfills. These modules will going back into the market to be resold. We want to take a step back and figure out a comprehensive program.

OTHER: The bill makes changes to the current PV module program and requires an additional study. Significant time was already spent on the current guidance. Of the fiscal note, \$400,000 is for a consultant to analyze data. Amendments could be made to address this cost, but as the bill is now we need outside expertise. The concept to have recycling at the end-of-life is very important. There is no national program. This is similar to the state e-waste program. The cost of recycling is super expensive because it is early in the program. The cost is lower in Europe, which will happen in Washington in 25-30 years.

Persons Testifying: PRO: Senator Mona Das, Prime Sponsor; Senator Liz Lovelett, Jeremy Smithson, Solar Installers of Washington; Jeff Gombosky, Solar Energy Industry Association and Tesla; Dave Warren, Silfab Solar, Inc.

OTHER: Laurie Davies, Department of Ecology; Heather Trim, Zero Waste Washington.

Persons Signed In To Testify But Not Testifying: No one.