HOUSE BILL 2652

State of Washington 66th Legislature 2020 Regular Session

By Representatives Doglio, Ramel, Fitzgibbon, Shewmake, Blake, and Santos

Read first time 01/16/20. Referred to Committee on Rural Development, Agriculture, & Natural Resources.

- 1 AN ACT Relating to renewable ammonia; adding a new section to 2 chapter 42.56 RCW; adding a new chapter to Title 15 RCW; and
- 3 prescribing penalties.

renewable ammonia.

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 NEW SECTION. Sec. 1. (1) The legislature recognizes a public 6 benefit in establishing standards governing the production, labeling, 7 and advertising of ammonia produced using renewable resources. 8 Ammonia fertilizers provide approximately fifty percent of 9 world's food production. The production of ammonia for fertilizers 10 represents between one and two percent of global energy consumption 11 vear. When ammonia is produced using fossil fuels, the 12 production of one ton of ammonia emits two and nine-tenths tons of 13 carbon dioxide. Globally, the production of ammonia using fossil 14 fuels emits approximately four hundred fifty million tons of carbon dioxide annually. Washington has low-cost and curtailed electrical 15 16 power from hydropower sources that lacks a market for a portion of 17 the annual production capacity, especially during the spring runoff 18 season. Renewable ammonia costs more to produce than fossil fuel-19 based ammonia and consumers need assurance that they are buying a 20 truly renewable product if they are going to pay a premium for

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(2) The purpose of this chapter is to create a certification and labeling program for renewable ammonia and to allow manufacturers of renewable ammonia, and processors of products that are made using renewable ammonia, to label and market their products as renewable ammonia or as made with renewable ammonia.

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- NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Certification" or "certified" means a determination documented by a certificate of renewable operation made by the department that an ammonia production or handling operation is in compliance with the renewable ammonia certification program established pursuant to section 6 of this act.
 - (2) "Department" means the state department of agriculture.
- 15 (3) "Director" means the director of the department or the 16 director's designee.
 - (4) "Green ammonia" means ammonia that is produced using only renewable resources for both source material and for process energy. For purposes of this chapter, "green ammonia" has the same meaning as "renewable ammonia" and "sustainable ammonia."
- 21 (5) "Label" means a display of written, printed, or graphic 22 material on the immediate container of ammonia or any such material 23 affixed to a bulk container containing ammonia.
 - (6) "Labeling" includes all written, printed, or graphic material accompanying a container of ammonia at any time or written, printed, or graphic material about the ammonia displayed at retail stores.
- 27 (7) "Manufacturer" means a person that produces renewable 28 ammonia.
- 29 (8) "Person" means any natural person, firm, partnership, 30 exchange, association, trustee, receiver, corporation, and any 31 member, officer, or employee thereof or assignee for the benefit of 32 creditors.
 - (9) "Processor" means a person that makes a product that includes renewable ammonia as one of its ingredients.
- 35 (10) "Producer" means a person who produces an agricultural crop 36 using renewable ammonia.
- 37 (11) "Registrant" means a manufacturer, processor, or producer 38 who has received certification under this chapter and who has

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registered one or more products under the registry established under section 6 of this act.

- (12) "Renewable ammonia" means ammonia that is produced using only renewable resources for both source material and for process energy. For purposes of this chapter, "renewable ammonia" has the same meaning as "green ammonia" and "sustainable ammonia."
- (13) "Renewable hydrogen" means hydrogen produced using renewable resources both as the source for the hydrogen and the source for the energy input into the production process.
- (14) "Renewable natural gas" means a gas consisting of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters.
- (15) "Renewable resource" includes: (a) Water; (b) air; (c) wind;
 (d) solar energy; (e) geothermal energy; (f) renewable natural gas;
 (g) renewable hydrogen; (h) wave, ocean, or tidal power; (i)
 biodiesel fuel that is not derived from crops raised on land cleared
 from old growth or first growth forests; (j) hydroelectric power; or
 (k) biomass energy.
 - (16) "Represent" means to hold out as or to advertise.
- 21 (17) "Sale" means selling, offering for sale, holding for sale, 22 preparing for sale, trading, bartering, offering a gift as an 23 inducement for sale of, and advertising for sale in any media.
 - (18) "Sustainable ammonia" means ammonia that is produced using only renewable resources for both source material and for process energy. For purposes of this chapter, "sustainable ammonia" has the same meaning as "green ammonia" and "renewable ammonia."
 - NEW SECTION. Sec. 3. (1) To be labeled, sold, or represented as "renewable ammonia," "green ammonia," or "sustainable ammonia" in this state, a product must be produced under standards established in this chapter or rules adopted pursuant to this chapter. A manufacturer or processor may not represent, sell, or offer for sale any ammonia with the representation that the product is "renewable ammonia," "green ammonia," or "sustainable ammonia" if the manufacturer or processor knows, or has reason to know, that the product has not been produced, processed, or handled in accordance with standards established in this chapter or rules adopted pursuant to this chapter.

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- 1 (2) The department may conduct evaluations in retail 2 establishments to verify compliance with renewable ammonia labeling 3 and advertising requirements of this chapter and rules adopted 4 pursuant to this chapter.
- NEW SECTION. Sec. 4. (1) The director shall adopt rules, in conformity with chapter 34.05 RCW, as the director believes are appropriate for the proper administration of this chapter.
- 8 (2)(a) The director shall issue orders to manufacturers and 9 processors whom the director finds are violating section 3 or 7 of 10 this act, or rules adopted pursuant to this chapter, to cease their 11 violations and desist from future violations.
- 12 (b) Whenever the director finds that a manufacturer or processor 13 has committed a violation, the director shall impose on and collect 14 from the violator a civil fine not exceeding the total of:
- 15 (i) The state's estimated costs of investigating and taking 16 appropriate administrative and enforcement actions in respect to the 17 violation; and
- 18 (ii) One thousand dollars.
- NEW SECTION. Sec. 5. (1) The department is authorized to take such actions, conduct proceedings, and enter orders as permitted or contemplated for a state renewable ammonia certification program, including the inspection of renewable ammonia manufacturing facilities, renewable ammonia processing facilities, and other facilities as necessary to carry out the certification program created in this chapter.
 - (2) The director may deny, suspend, or revoke a certification provided for in this chapter if the director determines that an applicant, manufacturer, or processor has violated this chapter or rules adopted pursuant to this chapter.
- 30 (3) The department shall adopt rules necessary to implement this section.
- NEW SECTION. Sec. 6. (1) The director may adopt rules establishing a program for certifying manufacturers and processors as meeting state standards for renewable ammonia.
- 35 (2) The rules:

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(a) May govern, but are not limited to governing:

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- 1 (i) The number and scheduling of on-site visits, both announced 2 and unannounced, by certification personnel;
 - (ii) Recordkeeping requirements; and

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- 4 (iii) The submission of product samples for chemical or other 5 analysis;
- 6 (b) Must include a fee schedule that provides for the recovery of 7 the full cost of the program; and
- 8 (c) Must include the creation of a registry, in a manner and 9 format that is readily accessible by the public, of manufacturers, 10 processors, producers, and products that have received certification 11 under this chapter.
- 12 (3) All fees collected under this chapter must be deposited in an 13 account within the agricultural local fund. The revenue from the fees 14 must be used solely for carrying out the provisions of this chapter 15 and no appropriation is required for disbursement from the fund.
- 16 (4) The director may employ such personnel as are necessary to 17 carry out the provisions of this chapter.
- NEW SECTION. Sec. 7. (1) It is unlawful for any person to sell, offer for sale, or process any ammonia product within this state with a "renewable ammonia," "green ammonia," or "sustainable ammonia" label unless that person is certified under this chapter by the department.
- 23 (2) Subsection (1) of this section does not apply to final 24 retailers of renewable ammonia products that are not also 25 manufacturers or processors of renewable ammonia.
- NEW SECTION. Sec. 8. (1) Except as provided in subsection (2) of this section, the department shall keep confidential any business-related information obtained under this chapter concerning an entity certified under this chapter or concerning an applicant for such certification, and the information is exempt from public inspection and copying under chapter 42.56 RCW.
- 32 (2) Applications for certification under this chapter must be 33 available for public inspection and copying.
- NEW SECTION. Sec. 9. A new section is added to chapter 42.56 RCW to read as follows:
- All records that relate to any business-related information obtained by the department of agriculture under chapter 15.--- RCW

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- 1 (the new chapter created in section 10 of this act) concerning an
- 2 entity certified under chapter 15.--- RCW (the new chapter created in
- 3 section 10 of this act) or concerning an applicant for such
- 4 certification are exempt from disclosure under this chapter.
- 5 <u>NEW SECTION.</u> **Sec. 10.** Sections 1 through 8 of this act
- 6 constitute a new chapter in Title 15 RCW.

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