

# HOUSE BILL REPORT

## HB 1204

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**As Reported by House Committee On:**  
Transportation

**Title:** An act relating to the electrification of transportation.

**Brief Description:** Concerning the electrification of transportation.

**Sponsors:** Representatives Macri, Chopp, Ramos, Kloba, Simmons, Senn, Berry, Fitzgibbon, Ramel, Duerr, Ortiz-Self, Goodman, Slatter, Bateman, Pollet and Harris-Talley.

**Brief History:**

**Committee Activity:**

Transportation: 2/1/21, 2/22/21 [DPS].

**Brief Summary of Substitute Bill**

- Establishes a goal for the state that publicly and privately owned passenger and light-duty vehicles of model year 2030 and later sold, purchased, or registered in Washington be electric vehicles.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Fey, Chair; Wylie, 1st Vice Chair; Bronoske, 2nd Vice Chair; Ramos, 2nd Vice Chair; Berry, Chapman, Duerr, Entenman, Hackney, Lovick, Paul, Ramel, Riccelli, Slatter, Taylor, Valdez and Wicks.

**Minority Report:** Do not pass. Signed by 9 members: Representatives Robertson, Assistant Ranking Minority Member; Dent, Goehner, Griffey, Klicker, McCaslin, Orcutt, Sutherland and Walsh.

**Minority Report:** Without recommendation. Signed by 3 members: Representatives Barkis, Ranking Minority Member; Eslick, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member.

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

**Staff:** Jennifer Harris (786-7143).

**Background:**

Federal Law.

Under the federal Clean Air Act (CAA), most states are restricted from enacting their own emissions standards for new motor vehicles. California is the only state allowed to adopt state standards for vehicle emissions under the CAA. These standards must be at least as protective of public health as federal standards and must be approved by the United States Environmental Protection Agency (EPA). States have the option to implement either federal motor vehicle emissions standards or California motor vehicle emissions standards for specific vehicle model years. The CAA requires a minimum phase-in period of three model years for adoption of the California motor vehicle emissions standards.

California Vehicle Emissions Standards.

The motor vehicle emissions standards established by California contain the following two program components: low-emission vehicle (LEV) and zero-emission vehicle (ZEV) requirements. Low-emission vehicle requirements establish that all vehicles sold in states subject to California's standards must exceed emissions performance standards in certain criteria air pollutants and for greenhouse gases. Specific performance requirements vary depending on the model year, vehicle weight, and vehicle type.

Zero-emission vehicles, including battery-electric vehicles and hydrogen fuel cell engine vehicles, are those that produce zero-exhaust emissions of air pollutants and greenhouse gases. Under the current ZEV program requirements that California adopted and implemented until 2019 (when they were suspended due to the revocation of California's waiver by the EPA), a certain percentage of vehicles delivered for sale in the state by manufacturers must be ZEVs. If this specified percentage is not achieved, manufacturers must obtain credits equal to such percentage. Credits may be earned by either delivering vehicles for sale in the state, purchasing ZEV credits from another manufacturer, or earning credits from ZEV deliveries in other states with ZEV mandates. Manufacturers may receive partial credit towards the ZEV requirements by producing transitional zero-emission vehicles, which includes plug-in hybrids.

Large-volume and intermediate-volume manufacturers must meet requirements for each for production and delivery of ZEVs for sale. Small-volume manufacturers are not subject to the regulation. Zero-emission vehicle credits earned by a manufacturer may be banked and used, with some limitations, to fulfill ZEV obligations in other states that have adopted California's ZEV program. Manufacturers who fail to obtain sufficient credits for a particular model year must make up a deficit by the next model year or may request up to three consecutive model years to make up a deficit. If a manufacturer still fails to comply, it is subject to financial penalties.

In September 2020 an executive order was issued in California directing the State Air Resources Board to develop and propose passenger vehicle and truck regulations (including drayage trucks) that require the number of ZEVs sold in California to increase to achieve a target of all ZEV in-state sales by 2035. Medium- and heavy-duty vehicle regulations were directed to target all ZEV in-state sales by 2045. The Executive Order directs that these regulations be developed in a manner consistent with what is technologically feasible and cost effective.

Litigation challenging the suspension of California's CAA emissions standards waiver is currently underway and before the United States Court of Appeals for the District of Columbia Circuit.

#### Washington Vehicle Emissions Standards.

California Motor Vehicle Emission standards apply in Washington. The Department of Ecology (Ecology) is required to adopt rules to implement these motor vehicle standards, including the ZEV program, and to amend these rules to maintain consistency with California's emission standards and the CAA.

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#### **Summary of Substitute Bill:**

A goal is established for the state that all publicly and privately owned passenger and light-duty vehicles of model year 2030 and later sold, purchased, or registered in Washington be electric vehicles. This goal does not supersede any other law—any other law that conflicts with it is controlling. A state agency is not permitted to restrict the purchase, sale, or registration of vehicles on the basis of this goal. This goal does not change or affect the directive for Ecology to implement the zero-emission vehicle program.

"Electric vehicles" are vehicles that use energy stored in rechargeable battery packs or in hydrogen and that rely solely on electric motors for propulsion. "Passenger and light-duty vehicles" are on-road motor vehicles with a scale weight of up to 10,000 pounds and three or more wheels. Emergency service vehicles are not considered passenger and light-duty vehicles.

#### **Substitute Bill Compared to Original Bill:**

The substitute bill removes the entirety of the underlying bill. It establishes a goal for the state that publicly and privately owned passenger and light-duty vehicles of model year 2030 and later sold, purchased, or registered in Washington be electric vehicles.

The substitute bill establishes that this goal does not supersede any other law and that any other law that conflicts with it is controlling, and clarifies that a state agency is not

permitted to restrict the purchase, sale, or registration of vehicles on the basis of this goal. It also notes that this goal does not change or affect the directive for Ecology to implement the zero-emission vehicle program.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) The motivation of this bill is the urgent need to address transportation sector emissions' impact on climate change. Having a date certain is critical for the build out of electric vehicle infrastructure. This technology will lower transportation costs for low-income families and create a boon for electric vehicle infrastructure. The bill keeps up with global and national trends.

Greenhouse gas emissions need to be cut in half by 2030. Using cars causes pollution and illness. The amount of petroleum flowing into Puget Sound is the equivalent of a Valdez oil spill every four years. The state is lagging behind on its targets. Other policy options, such as fuel economy standards and mode shifting, are not as effective as a mandate on the types of vehicles that can be used.

Providing a strong market signal is important. Costs are coming down on electric vehicles as research and development costs become spread out over a greater volume of vehicles purchased. Solar panels can be used to power electric vehicles, and electric vehicles will be a valuable resource for grid reliability and demand response. Using electric vehicles in Washington is very cost effective. The state is the United States' biggest exporter of electricity.

This is the fairest, fastest, least costly tool available to bring carbon emissions down fast. The state should not wait until 2035 like California is doing. Washington can inspire other states. An amendment brought forward could delay a court ruling on the issues raised by the bill. Overly cautious legal arguments should not keep this bill from advancing.

(Opposed) This bill does not include an analysis to determine if this ban is achievable or a mechanism if the goal cannot be met. An incentive approach should be used for emissions reduction. This bill will negatively impact motor vehicle fuel tax revenue and bond covenants.

Auto makers oppose vehicle mandates. To achieve emission reduction goals, aggressive

action is needed to develop a market. There is a need for greater electric and hydrogen fueling infrastructure, including in buildings and housing. Purchase incentives are needed to motivate consumers. More research and development is needed.

A mandatory one-fuel approach is inconsistent with a fuel-neutral policy approach. Natural gas is a clean burning alternative fuel that can be used to power vehicles. It is the third most common transportation fuel worldwide. This bill chooses a technology winner, which should be left to the market to do.

(Other) Actions must be based on facts, science, and technology. The timing in this bill approaches wishful thinking. Auto dealers are moving toward supporting a shift to electric vehicles. Volvo, Volkswagen, and General Motors are moving to entirely electric vehicle models.

Demand for electricity is becoming denser at the distribution end and more centralized at the generation end. There is a transition from an old central station model to a grid where electricity is geographically and temporally dispersed. Charging ports are needed for apartments and condominiums. Hydrogen fueling stations can also be a source of electricity to power vehicles. Large investments at all points of the grid are very important. The state's electricity grid must have sufficient capacity.

A robust public input process must occur to develop an implementation plan so that Washington residents have a chance to provide their input. Ecology's input will be needed as well.

**Persons Testifying:** (In support) Representative Macri, prime sponsor; Ruipeng Su, Our Climate; Chad Schwitters, Plug In America; Matthew Metz and Janelle London, Coltura; John Ammondson, Environment Washington; Jorge Isaac Morales; Ryan Mello, Pierce County; Bill Will, Washington Solar Energy Industries Association; and Jay Donnaway, Seattle Electric Vehicles Association.

(Opposed) Mel Sorensen, Pacific Propane Gas Association; Mike Ennis, Association of Washington Business; and Curt Augustine, Alliance for Automotive Innovation.

(Other) Jessica Spiegel, Western States Petroleum Association; Reema Griffith and Carl See, Washington State Transportation Commission; Scott Hazlegrove, Washington State Auto Dealers Association; Dave Warren, Klickitat and Douglas Public Utility Districts and Western States Hydrogen Alliance; and Nicolas Garcia, Washington Public Utility District Association.

**Persons Signed In To Testify But Not Testifying:** None.