

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 5910**

67th Legislature  
2022 Regular Session

Passed by the Senate March 9, 2022  
Yeas 49 Nays 0

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**President of the Senate**

Passed by the House March 7, 2022  
Yeas 96 Nays 2

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**Speaker of the House of  
Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5910** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

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**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 5910**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2022 Regular Session

**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senate Environment, Energy & Technology (originally sponsored by Senators Carlyle, Billig, Conway, Hawkins, Hunt, Mullet, Saldaña, and Stanford)

READ FIRST TIME 02/03/22.

1 AN ACT Relating to accelerating the availability and use of  
2 renewable hydrogen in Washington state; amending RCW 82.08.816,  
3 82.12.816, 82.29A.125, 54.04.190, and 35.92.050; adding new sections  
4 to chapter 43.330 RCW; adding a new section to chapter 84.40 RCW;  
5 adding a new section to chapter 80.28 RCW; creating new sections; and  
6 declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** INTENT AND FINDINGS. (1) The legislature  
9 finds that while hydrogen fuel has been used in a variety of  
10 applications in the state, the source of hydrogen has been derived  
11 from fossil fuel feedstocks, such as natural gas. Hydrogen is an  
12 essential building block and energy carrier molecule that is  
13 necessary in the production of conventional and renewable fuels and a  
14 valuable decarbonization tool when used in sectors such as marine,  
15 aviation, steel, aluminum, and cement, as well as surface  
16 transportation including heavy-duty vehicles, such as transit,  
17 trucking, and drayage equipment. Hydrogen can be a carbon-free fuel  
18 with an energy per unit mass that is three to four times greater than  
19 jet fuel, whose energy can be extracted either through thermochemical  
20 (combustion) or electrochemical (fuel cell) processes. In both cases,  
21 the only by-product is water, instead of the greenhouse gases and

1 other conventional and toxic pollutants that are emitted from using  
2 fossil fuels.

3 (2) The legislature further finds that the use of renewable  
4 hydrogen and hydrogen produced from carbon-free feedstocks through  
5 electrolysis is an essential tool to a clean energy ecosystem and  
6 emissions reduction for challenging infrastructure needs. Clean  
7 hydrogen fuel can be produced or "charged" closer to the generation  
8 of the electricity when the electrical supply grid has surplus  
9 energy, at times of low electricity use, such as evenings, then made  
10 available at times of higher need and convenient locations, such as  
11 fueling stations, avoiding the need to build or upgrade larger  
12 electrical infrastructure, including distribution systems, to meet  
13 higher peak demand for electricity.

14 (3) Therefore, the legislature intends by this act to establish  
15 policies and a framework for the state to become a national and  
16 global leader in the production and use of these hydrogen fuels. This  
17 act will create an office of renewable fuels to: Promote partnerships  
18 among industrial, transportation, agriculture, and commercial  
19 interests as well as fuel producers, the technology research sector,  
20 and public sector agencies; identify barriers to and opportunities  
21 for market development; provide greater clarity and certainty in  
22 regulatory and siting standards; provide incentives and financial  
23 assistance in the deployment of hydrogen fuel infrastructure; support  
24 a clean and just energy transition; help create good quality, clean  
25 energy jobs; and improve air quality in degraded areas, particularly  
26 in communities that have borne disproportionate levels of air  
27 pollution from the combustion of fossil fuels.

28

## Part 1

29

### OFFICE OF RENEWABLE FUELS

30 NEW SECTION. **Sec. 101.** A new section is added to chapter 43.330  
31 RCW to read as follows:

32 The definitions in this section apply throughout sections 102,  
33 103, and 104 of this act unless the context clearly requires  
34 otherwise.

35 (1) "Department" means the department of commerce.

36 (2) "Green electrolytic hydrogen" means hydrogen produced through  
37 electrolysis and does not include hydrogen manufactured using steam

1 reforming or any other conversion technology that produces hydrogen  
2 from a fossil fuel feedstock.

3 (3) "Office" means the statewide office of renewable fuels  
4 established in section 102 of this act.

5 (4) "Overburdened communities" has the same meaning as defined in  
6 RCW 70A.02.010.

7 (5) "Renewable fuel" means fuel produced using renewable  
8 resources and includes renewable hydrogen.

9 (6) "Renewable hydrogen" has the same meaning as defined in RCW  
10 54.04.190.

11 (7) "Renewable resource" has the same meaning as defined in RCW  
12 19.405.020.

13 NEW SECTION. **Sec. 102.** A new section is added to chapter 43.330  
14 RCW to read as follows:

15 (1) The statewide office of renewable fuels is established within  
16 the department. The office shall report to the director of the  
17 department. The office may employ staff as necessary to carry out the  
18 office's duties as prescribed by this act, subject to the  
19 availability of amounts appropriated for this specific purpose.

20 (2) The purpose of the office is to leverage, support, and  
21 integrate with other state agencies to:

22 (a) Accelerate comprehensive market development with assistance  
23 along the entire life cycle of renewable fuel projects;

24 (b) Support research into and development and deployment of  
25 renewable fuel and the production, distribution, and use of renewable  
26 and green electrolytic hydrogen and their derivatives, as well as  
27 product engineering and manufacturing relating to the production and  
28 use of such hydrogen and its derivatives;

29 (c) Drive job creation, improve economic vitality, and support  
30 the transition to clean energy;

31 (d) Enhance resiliency by using renewable fuels and green  
32 electrolytic hydrogen to support climate change mitigation and  
33 adaptations; and

34 (e) Partner with overburdened communities to ensure communities  
35 equitably benefit from renewable and clean fuels efforts.

36 NEW SECTION. **Sec. 103.** A new section is added to chapter 43.330  
37 RCW to read as follows:

38 (1) The office shall:

1 (a) Coordinate with federally recognized tribes, local  
2 government, state agencies, federal agencies, private entities, the  
3 state's public four-year institutions of higher education, labor  
4 unions, and others to facilitate and promote multi-institution  
5 collaborations to drive research, development, and deployment efforts  
6 in the production, distribution, and use of renewable fuels  
7 including, but not limited to, green electrolytic hydrogen;

8 (b) Review existing renewable fuels and green electrolytic  
9 hydrogen initiatives, policies, and public and private investments;

10 (c) Consider funding opportunities that provide for the  
11 coordination of public and private funds for the purposes of  
12 developing and deploying renewable fuels and green electrolytic  
13 hydrogen;

14 (d) Assess opportunities for and barriers to deployment of  
15 renewable fuels and green electrolytic hydrogen in hard to  
16 decarbonize sectors of the state economy;

17 (e) Request recommendations from the Washington state association  
18 of fire marshals regarding fire and other safety standards adopted by  
19 the United States department of energy and recognized national and  
20 international fire and safety code development authorities regarding  
21 renewable fuels and green electrolytic hydrogen;

22 (f) By December 1, 2023, develop a plan and recommendations for  
23 consideration by the legislature and governor on renewable fuels and  
24 green electrolytic hydrogen policy and public funding including, but  
25 not limited to, project permitting, state procurement, and pilot  
26 projects; and

27 (g) Encourage new and support existing public-private  
28 partnerships to increase coordinated planning and deployment of  
29 renewable fuels and green electrolytic hydrogen.

30 (2) The office may take all appropriate steps to seek and apply  
31 for federal funds for which the office is eligible, and other grants,  
32 and accept donations, and must deposit these funds in the renewable  
33 fuels accelerator account created in section 104 of this act.

34 (3) In carrying out its duties, the office must collaborate with  
35 the department, the department of ecology, the department of  
36 transportation, the utilities and transportation commission, electric  
37 utilities in Washington state, the Washington State University  
38 extension energy program, and all other relevant state agencies. The  
39 office must also consult with and seek to involve federally  
40 recognized tribes, project developers, labor and industry trade

1 groups, and other interested parties, in the development of policy  
2 analysis and recommended programs or projects.

3 (4) The office may cooperate with other state agencies in  
4 compiling data regarding the use of renewable fuels and green  
5 electrolytic hydrogen in state operations, including motor vehicle  
6 fleets, the state ferry system, and nonroad equipment.

7 NEW SECTION. **Sec. 104.** A new section is added to chapter 43.330  
8 RCW to read as follows:

9 The renewable fuels accelerator account is created in the state  
10 treasury. Revenues to the account consist of appropriations made by  
11 the legislature, federal funds, gifts or grants from the private  
12 sector or foundations, and other sources deposited in the account.  
13 Moneys in the account may be spent only after appropriation.  
14 Expenditures from the account may be used only for purposes  
15 designated in sections 102, 103, and 201 of this act. Only the  
16 director or the director's designee may authorize expenditures from  
17 the account.

18 **Part 2**  
19 **FEDERAL FUNDING**

20 NEW SECTION. **Sec. 201.** (1)(a) The legislature finds that the  
21 federal infrastructure investment and jobs act, P.L. 117-58, provides  
22 \$8,000,000,000 over five years to support the development of regional  
23 clean hydrogen hubs. The federal infrastructure investment and jobs  
24 act requires the United States secretary of energy to establish a  
25 program to fund at least four regional hubs to aid in achieving a  
26 hydrogen fuel production carbon intensity standard provided in that  
27 legislation; to demonstrate the production, processing, delivery,  
28 storage, and end use of hydrogen; and that can be developed into a  
29 national network to facilitate a clean hydrogen economy. The federal  
30 infrastructure investment and jobs act requires the secretary of  
31 energy to select regional hubs that demonstrate a diversity of  
32 feedstocks, a diversity of end uses, and a diversity of geographic  
33 regions of the country. The federal infrastructure investment and  
34 jobs act requires the secretary of energy to solicit proposals for  
35 regional hubs by May 15, 2022, and to make selections of the hubs  
36 within one year after the deadline for submission of proposals.

1 (b) The legislature further finds that Washington state is  
2 strongly positioned to develop a regional clean energy hub meeting  
3 the criteria of the federal infrastructure investment and jobs act  
4 because the state:

5 (i) Has adopted a state energy strategy that recognizes hydrogen  
6 as an integral part of the state's decarbonization pathway;

7 (ii) Has an abundance of low cost, low carbon, reliable  
8 electricity as the primary energy resource for production of clean  
9 hydrogen;

10 (iii) Already has under construction the nation's first renewable  
11 hydrogen electrolyzer and has several hydrogen fueling facilities as  
12 well as production facilities in planning and design phases;

13 (iv) Has multiple manufacturers designing, engineering, and  
14 manufacturing fuel cell electric engines and zero-emission vehicles,  
15 vessels, and airplanes;

16 (v) Has numerous industrial, maritime, and freight shipping  
17 concerns that are moving toward cleaner fuels and that would help  
18 provide demand for hydrogen, as well as state and local governments  
19 currently considering hydrogen uses;

20 (vi) Has a demonstrated track record of building partnerships  
21 across the public and private sector to advance clean energy  
22 technologies;

23 (vii) Has policies in place supporting and engaging overburdened  
24 communities, including the healthy environment for all act, which  
25 will facilitate alignment with the justice40 initiative; and

26 (viii) Has policies, including tax incentives, that support high  
27 labor standards in clean energy production.

28 (c) The legislature further finds that the state may help to  
29 promote and strengthen applications for regional hydrogen hub federal  
30 funding through state funding assistance to support a timely and  
31 competitive application to the United States department of energy by  
32 a public-private partnership entity that leverages private sector  
33 leadership and is composed of multiple interests, including public  
34 and private project developers, manufacturers and end users, research  
35 institutions, academia, government, and communities around the state.

36 (2) Subject to amounts appropriated for this specific purpose,  
37 the director of the department of commerce must provide support to a  
38 public-private partnership entity as described in subsection (1)(c)  
39 of this section, which may include department staff support and  
40 direct funding. The entity should:

1 (a) Agree to prepare a timely and responsive application for  
2 federal funding to develop a regional clean hydrogen hub in  
3 Washington state, consistent with the requirements of the federal  
4 application process and the policies and strategy of the state of  
5 Washington;

6 (b) Demonstrate meaningful engagement with a range of entities  
7 across the state, including federally recognized tribes, labor  
8 unions, and communities around the state including overburdened  
9 communities, in the development of a hydrogen hub;

10 (c) Include entities that provide training and expand employment  
11 opportunities for the hydrogen workforce, including labor  
12 organizations, institutions of higher education, community and  
13 technical colleges, and vocational institutions; and

14 (d) Include specific commitments, as required by the federal  
15 application, from industries, transportation agencies, utilities, and  
16 other public and private sector entities to assist in funding the  
17 application and to develop plans to either construct infrastructure  
18 for or to incorporate, or both, the production, distribution, and end  
19 use of renewable hydrogen and green electrolytic hydrogen fuels into  
20 their transition to cleaner energy.

21 (3) In addition to the assistance in applying for federal funding  
22 provided through subsection (2) of this section, the legislature  
23 intends that the state fully support a regional clean energy hub in  
24 the state, including further direct financial assistance in  
25 developing the hub and the acquisition of hydrogen fuels for state  
26 agency and local government uses.

27 **Part 3**

28 **VALUATION OF PROPERTY RELATED TO RENEWABLE ENERGY**

29 NEW SECTION. **Sec. 301.** A new section is added to chapter 84.40  
30 RCW to read as follows:

31 (1) It is the policy of this state to promote the development of  
32 renewable energy projects to support the state's renewable energy  
33 goals.

34 (2) The department must publish guidance, in cooperation with  
35 industry stakeholders, to advise county assessors when appraising  
36 renewable energy facilities for determining true and fair value, in  
37 accordance with RCW 84.40.030. This guidance must include a cost-  
38 based appraisal method, and the development of industry-specific



1 valuation tables for the following types of renewable energy  
2 property:

3 (a) A cost-based appraisal method and industry-specific valuation  
4 tables for equipment used to generate solar power must be published  
5 by January 1, 2023, for property taxes levied for collection in  
6 calendar year 2024;

7 (b) A cost-based appraisal method and industry-specific valuation  
8 tables for equipment used to generate wind power must be published by  
9 January 1, 2023, for property taxes levied for collection in calendar  
10 year 2024; and

11 (c) A cost-based appraisal method and industry-specific valuation  
12 tables for equipment used to store electricity must be published by  
13 January 1, 2024, for property taxes levied for collection in calendar  
14 year 2025.

15 (3) County assessors must refer to this guidance, including cost-  
16 based appraisal method and industry-specific valuation tables, when  
17 valuing renewable energy property but may also consider one or more  
18 additional valuation methods in determining the true and fair value  
19 of a property when there is a compelling reason to do so.

20 (4) For the purposes of this section, "renewable energy property"  
21 means property that uses solar or wind energy as the sole fuel source  
22 for the generation of at least one megawatt of nameplate capacity,  
23 alternating current, and all other equipment and materials that  
24 comprise the property, including equipment used to store electricity  
25 from the property to be released at a later time. "Renewable energy  
26 property" does not include any equipment or materials attached to a  
27 single-family residential building.

28

#### **Part 4**

29

### **EXPANDING THE PRODUCTION, DISTRIBUTION, AND USE OF HYDROGEN NOT**

30

### **PRODUCED FROM A FOSSIL FUEL FEEDSTOCK**

31 **Sec. 401.** RCW 82.08.816 and 2019 c 287 s 11 are each amended to  
32 read as follows:

33 (1) The tax imposed by RCW 82.08.020 does not apply to:

34 (a) The sale of batteries or fuel cells for electric vehicles,  
35 including batteries or fuel cells sold as a component of an electric  
36 bus at the time of the vehicle's sale;

1 (b) The sale of or charge made for labor and services rendered in  
2 respect to installing, repairing, altering, or improving electric  
3 vehicle batteries or fuel cells;

4 (c) The sale of or charge made for labor and services rendered in  
5 respect to installing, constructing, repairing, or improving battery  
6 or fuel cell electric vehicle infrastructure, including hydrogen  
7 fueling stations;

8 (d) The sale of tangible personal property that will become a  
9 component of battery or fuel cell electric vehicle infrastructure  
10 during the course of installing, constructing, repairing, or  
11 improving battery or fuel cell electric vehicle infrastructure; and

12 (e) The sale of zero emissions buses.

13 (2) Sellers may make tax exempt sales under this section only if  
14 the buyer provides the seller with an exemption certificate in a form  
15 and manner prescribed by the department. The seller must retain a  
16 copy of the certificate for the seller's files.

17 (3) On the last day of January, April, July, and October of each  
18 year, the state treasurer, based upon information provided by the  
19 department, must transfer from the multimodal transportation account  
20 to the general fund a sum equal to the dollar amount that would  
21 otherwise have been deposited into the general fund during the prior  
22 calendar quarter but for the exemption provided in this section.  
23 Information provided by the department to the state treasurer must be  
24 based on the best available data, except that the department may  
25 provide estimates of taxes exempted under this section until such  
26 time as retailers are able to report such exempted amounts on their  
27 tax returns.

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

30 (a) "Battery charging station" means an electrical component  
31 assembly or cluster of component assemblies designed specifically to  
32 charge batteries within electric vehicles, which meet or exceed any  
33 standards, codes, and regulations set forth by chapter 19.28 RCW and  
34 consistent with rules adopted under RCW 19.27.540.

35 (b) "Battery exchange station" means a fully automated facility  
36 that will enable an electric vehicle with a swappable battery to  
37 enter a drive lane and exchange the depleted battery with a fully  
38 charged battery through a fully automated process, which meets or  
39 exceeds any standards, codes, and regulations set forth by chapter  
40 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

1 (c) "Electric vehicle infrastructure" means structures,  
2 machinery, and equipment necessary and integral to support a battery  
3 or fuel cell electric vehicle, including battery charging stations,  
4 rapid charging stations, battery exchange stations, fueling stations  
5 that provide hydrogen for fuel cell electric vehicles, green  
6 electrolytic hydrogen production facilities, and renewable hydrogen  
7 production facilities.

8 (d) "Green electrolytic hydrogen" means hydrogen produced through  
9 electrolysis, and does not include hydrogen manufactured using steam  
10 reforming or any other conversion technology that produces hydrogen  
11 from a fossil fuel feedstock.

12 (e) "Rapid charging station" means an industrial grade electrical  
13 outlet that allows for faster recharging of electric vehicle  
14 batteries through higher power levels, which meets or exceeds any  
15 standards, codes, and regulations set forth by chapter 19.28 RCW and  
16 consistent with rules adopted under RCW 19.27.540.

17 (~~(e)~~) (f) "Renewable hydrogen" means hydrogen produced using  
18 renewable resources both as the source for hydrogen and the source  
19 for the energy input into the production process.

20 (~~(f)~~) (g) "Renewable resource" means (i) water; (ii) wind;  
21 (iii) solar energy; (iv) geothermal energy; (v) renewable natural  
22 gas; (vi) renewable hydrogen; (vii) wave, ocean, or tidal power;  
23 (viii) biodiesel fuel that is not derived from crops raised on land  
24 cleared from old growth or first growth forests; or (ix) biomass  
25 energy.

26 (~~(g)~~) (h) "Zero emissions bus" means a bus that emits no  
27 exhaust gas from the onboard source of power, other than water vapor.

28 (5) This section expires July 1, 2025.

29 **Sec. 402.** RCW 82.12.816 and 2019 c 287 s 12 are each amended to  
30 read as follows:

31 (1) The tax imposed by RCW 82.12.020 does not apply to the use  
32 of:

33 (a) Electric vehicle batteries or fuel cells, including batteries  
34 or fuel cells sold as a component of an electric bus at the time of  
35 the vehicle's sale;

36 (b) Labor and services rendered in respect to installing,  
37 repairing, altering, or improving electric vehicle batteries or fuel  
38 cells;

1 (c) Tangible personal property that will become a component of  
2 battery or fuel cell electric vehicle infrastructure during the  
3 course of installing, constructing, repairing, or improving battery  
4 or fuel cell electric vehicle infrastructure; and

5 (d) Zero emissions buses.

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

8 (a) "Battery charging station" means an electrical component  
9 assembly or cluster of component assemblies designed specifically to  
10 charge batteries within electric vehicles, which meet or exceed any  
11 standards, codes, and regulations set forth by chapter 19.28 RCW and  
12 consistent with rules adopted under RCW 19.27.540.

13 (b) "Battery exchange station" means a fully automated facility  
14 that will enable an electric vehicle with a swappable battery to  
15 enter a drive lane and exchange the depleted battery with a fully  
16 charged battery through a fully automated process, which meets or  
17 exceeds any standards, codes, and regulations set forth by chapter  
18 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

19 (c) "Electric vehicle infrastructure" means structures,  
20 machinery, and equipment necessary and integral to support a battery  
21 or fuel cell electric vehicle, including battery charging stations,  
22 rapid charging stations, battery exchange stations, fueling stations  
23 that provide hydrogen for fuel cell electric vehicles, green  
24 electrolytic hydrogen production facilities, and renewable hydrogen  
25 production facilities.

26 (d) "Green electrolytic hydrogen" means hydrogen produced through  
27 electrolysis, and does not include hydrogen manufactured using steam  
28 reforming or any other conversion technology that produces hydrogen  
29 from a fossil fuel feedstock.

30 (e) "Rapid charging station" means an industrial grade electrical  
31 outlet that allows for faster recharging of electric vehicle  
32 batteries through higher power levels, which meets or exceeds any  
33 standards, codes, and regulations set forth by chapter 19.28 RCW and  
34 consistent with rules adopted under RCW 19.27.540.

35 (~~(e)~~) (f) "Renewable hydrogen" means hydrogen produced using  
36 renewable resources both as the source for hydrogen and the source  
37 for the energy input into the production process.

38 (~~(f)~~) (g) "Renewable resource" means (i) water; (ii) wind;  
39 (iii) solar energy; (iv) geothermal energy; (v) renewable natural  
40 gas; (vi) renewable hydrogen; (vii) wave, ocean, or tidal power;

1 (viii) biodiesel fuel that is not derived from crops raised on land  
2 cleared from old growth or first growth forests; or (ix) biomass  
3 energy.

4 ~~((g))~~ (h) "Zero emissions bus" means a bus that emits no  
5 exhaust gas from the onboard source of power, other than water vapor.

6 (3) On the last day of January, April, July, and October of each  
7 year, the state treasurer, based upon information provided by the  
8 department, must transfer from the multimodal transportation account  
9 to the general fund a sum equal to the dollar amount that would  
10 otherwise have been deposited into the general fund during the prior  
11 calendar quarter but for the exemption provided in this section.  
12 Information provided by the department to the state treasurer must be  
13 based on the best available data, except that the department may  
14 provide estimates of taxes exempted under this section until such  
15 time as retailers are able to report such exempted amounts on their  
16 tax returns.

17 (4) This section expires July 1, 2025.

18 **Sec. 403.** RCW 82.29A.125 and 2019 c 287 s 14 are each amended to  
19 read as follows:

20 (1) Leasehold excise tax may not be imposed on leases to tenants  
21 of public lands for purposes of installing, maintaining, and  
22 operating electric vehicle infrastructure.

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

25 (a) "Battery charging station" means an electrical component  
26 assembly or cluster of component assemblies designed specifically to  
27 charge batteries within electric vehicles, which meet or exceed any  
28 standards, codes, and regulations set forth by chapter 19.28 RCW and  
29 consistent with rules adopted under RCW 19.27.540.

30 (b) "Battery exchange station" means a fully automated facility  
31 that will enable an electric vehicle with a swappable battery to  
32 enter a drive lane and exchange the depleted battery with a fully  
33 charged battery through a fully automated process, which meets or  
34 exceeds any standards, codes, and regulations set forth by chapter  
35 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

36 (c) "Electric vehicle infrastructure" means structures,  
37 machinery, and equipment necessary and integral to support an  
38 electric vehicle, including battery charging stations, rapid charging  
39 stations, battery exchange stations, fueling stations that provide

1 hydrogen for fuel cell electric vehicles, green electrolytic hydrogen  
2 production facilities, and renewable hydrogen production facilities.

3 (d) "Green electrolytic hydrogen" means hydrogen produced through  
4 electrolysis, and does not include hydrogen manufactured using steam  
5 reforming or any other conversion technology that produces hydrogen  
6 from a fossil fuel feedstock.

7 (e) "Rapid charging station" means an industrial grade electrical  
8 outlet that allows for faster recharging of electric vehicle  
9 batteries through higher power levels, which meets or exceeds any  
10 standards, codes, and regulations set forth by chapter 19.28 RCW and  
11 consistent with rules adopted under RCW 19.27.540.

12 (~~(e)~~) (f) "Renewable hydrogen" means hydrogen produced using  
13 renewable resources both as the source for hydrogen and the source  
14 for energy input into the production process.

15 (~~(f)~~) (g) "Renewable resource" means (i) water; (ii) wind;  
16 (iii) solar energy; (iv) geothermal energy; (v) renewable natural  
17 gas; (vi) renewable hydrogen; (vii) wave, ocean, or tidal power;  
18 (viii) biodiesel fuel that is not derived from crops raised on land  
19 cleared from old growth or first growth forests; or (ix) biomass  
20 energy.

21 (3) This section expires July 1, 2025.

22 **Sec. 404.** RCW 54.04.190 and 2019 c 24 s 1 are each amended to  
23 read as follows:

24 (1) In addition to any other authority provided by law, public  
25 utility districts are authorized to produce and distribute biodiesel,  
26 ethanol, and ethanol blend fuels, including entering into crop  
27 purchase contracts for a dedicated energy crop for the purpose of  
28 generating electricity or producing biodiesel produced from  
29 Washington feedstocks, cellulosic ethanol, and cellulosic ethanol  
30 blend fuels for use in internal operations of the electric utility  
31 and for sale or distribution.

32 (2) In addition to any other authority provided by law:

33 (a) Public utility districts are authorized to produce renewable  
34 natural gas, green electrolytic hydrogen, and renewable hydrogen and  
35 utilize the renewable natural gas, green electrolytic hydrogen, or  
36 renewable hydrogen they produce for internal operations.

37 (b) Public utility districts may sell renewable natural gas,  
38 green electrolytic hydrogen, or renewable hydrogen that is delivered

1 into a gas transmission pipeline located in the state of Washington  
2 or delivered in pressurized containers:

3 (i) At wholesale;

4 (ii) To an end-use customer; or

5 (iii) If delivered in a pressurized container, or if the end-use  
6 customer takes delivery of the renewable natural gas, green  
7 electrolytic hydrogen, or renewable hydrogen through a pipeline, and  
8 the end-use customer is an eligible purchaser of natural gas from  
9 sellers other than the gas company from which that end-use customer  
10 takes transportation service and:

11 (A) When the sale is made to an end-use customer in the state of  
12 Washington, the sale is made pursuant to a transportation tariff  
13 approved by the Washington utilities and transportation commission;  
14 or

15 (B) When the sale to an end-use customer is made outside of the  
16 state of Washington, the sale is made pursuant to a transportation  
17 tariff approved by the state agency which regulates retail sales of  
18 natural gas.

19 (c) Public utility districts may sell renewable natural gas, green  
20 electrolytic hydrogen, or renewable hydrogen at wholesale or to  
21 an end-use customer through a pipeline directly from renewable  
22 natural gas, green electrolytic hydrogen, or renewable hydrogen  
23 production facilities to facilities that compress, liquefy, or  
24 dispense compressed natural gas, liquefied natural gas, green  
25 electrolytic hydrogen, or renewable hydrogen fuel for end use as a  
26 transportation fuel.

27 (d) Public utility districts may sell green electrolytic hydrogen  
28 or renewable hydrogen at wholesale or to an end-use customer in  
29 pressurized containers directly from green electrolytic hydrogen or  
30 renewable hydrogen production facilities to facilities that utilize  
31 green electrolytic hydrogen or renewable hydrogen as a nonutility  
32 related input for a manufacturing process.

33 (3) Except as provided in subsection (2)(b)(iii) of this section,  
34 nothing in this section authorizes a public utility district to sell  
35 renewable natural gas, green electrolytic hydrogen, or renewable  
36 hydrogen delivered by pipeline to an end-use customer of a gas  
37 company.

38 (4)(a) Except as provided in this subsection (4), nothing in this  
39 section authorizes a public utility district to own or operate

1 natural gas distribution pipeline systems used to serve retail  
2 customers.

3 (b) For the purposes of subsection (2)(b) of this section, public  
4 utility districts are authorized to own and operate interconnection  
5 pipelines that connect renewable natural gas, green electrolytic  
6 hydrogen, or renewable hydrogen production facilities to gas  
7 transmission pipelines.

8 (c) For the purposes of subsection (2)(c) of this section, public  
9 utility districts may own and/or operate pipelines to supply, and/or  
10 compressed natural gas, liquefied natural gas, green electrolytic  
11 hydrogen, or renewable hydrogen facilities to provide, renewable  
12 natural gas, green electrolytic hydrogen, or renewable hydrogen for  
13 end use as a transportation fuel if all such pipelines and facilities  
14 are located in the county in which the public utility district is  
15 authorized to provide utility service.

16 (5) Exercise of the authorities granted under this section to  
17 public utility districts does not subject them to the jurisdiction of  
18 the utilities and transportation commission, except that public  
19 utility districts are subject only to administration and enforcement  
20 by the commission of state and federal requirements related to  
21 pipeline safety and fees payable to the commission that are  
22 applicable to such administration and enforcement.

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

25 (a) "Green electrolytic hydrogen" means hydrogen produced through  
26 electrolysis, and does not include hydrogen manufactured using steam  
27 reforming or any other conversion technology that produces hydrogen  
28 from a fossil fuel feedstock.

29 (b) "Renewable natural gas" means a gas consisting largely of  
30 methane and other hydrocarbons derived from the decomposition of  
31 organic material in landfills, wastewater treatment facilities, and  
32 anaerobic digesters.

33 (~~(b)~~) (c) "Renewable hydrogen" means hydrogen produced using  
34 renewable resources both as the source for the hydrogen and the  
35 source for the energy input into the production process.

36 (~~(e)~~) (d) "Renewable resource" means: (i) Water; (ii) wind;  
37 (iii) solar energy; (iv) geothermal energy; (v) renewable natural  
38 gas; (vi) renewable hydrogen; (vii) wave, ocean, or tidal power;  
39 (viii) biodiesel fuel that is not derived from crops raised on land



1 cleared from old growth or first growth forests; or (ix) biomass  
2 energy.

3 ~~((d))~~ (e) "Gas company" has the same meaning as in RCW  
4 80.04.010.

5 **Sec. 405.** RCW 35.92.050 and 2002 c 102 s 3 are each amended to  
6 read as follows:

7 A city or town may also construct, condemn and purchase,  
8 purchase, acquire, add to, alter, maintain, and operate works,  
9 plants, facilities for the purpose of furnishing the city or town and  
10 its inhabitants, and any other persons, with gas, electricity, green  
11 electrolytic hydrogen as defined in RCW 54.04.190, renewable hydrogen  
12 as defined in RCW 54.04.190, and other means of power and facilities  
13 for lighting, including streetlights as an integral utility service  
14 incorporated within general rates, heating, fuel, and power purposes,  
15 public and private, with full authority to regulate and control the  
16 use, distribution, and price thereof, together with the right to  
17 handle and sell or lease, any meters, lamps, motors, transformers,  
18 and equipment or accessories of any kind, necessary and convenient  
19 for the use, distribution, and sale thereof; authorize the  
20 construction of such plant or plants by others for the same purpose,  
21 and purchase gas, electricity, or power from either within or without  
22 the city or town for its own use and for the purpose of selling to  
23 its inhabitants and to other persons doing business within the city  
24 or town and regulate and control the use and price thereof.

25 **Part 5**

26 **MISCELLANEOUS**

27 NEW SECTION. **Sec. 501.** Sections 104 and 201 of this act are  
28 necessary for the immediate preservation of the public peace, health,  
29 or safety, or support of the state government and its existing public  
30 institutions, and take effect immediately.

31 NEW SECTION. **Sec. 502.** If any provision of this act or its  
32 application to any person or circumstance is held invalid, the  
33 remainder of the act or the application of the provision to other  
34 persons or circumstances is not affected.

