

SENATE BILL REPORT

SB 5579

As Reported by Senate Committee On:
Environment, Energy & Technology, February 17, 2023

Title: An act relating to expanding the Department of Ecology's authority to refrain from enforcing chapter 70A.60 RCW to mitigate the effects of supply chain problems or other similar disruptions.

Brief Description: Expanding the Department of Ecology's authority to refrain from enforcing chapter 70A.60 RCW to mitigate the effects of supply chain problems or other similar disruptions.

Sponsors: Senators Braun and Wilson, L..

Brief History:

Committee Activity: Environment, Energy & Technology: 2/14/23, 2/17/23 [DPS-WM].

Brief Summary of First Substitute Bill

- Allows the Department of Ecology to adopt rules that establish a process and criteria for granting variances from hydrofluorocarbon and ozone-depleting substance substitute product and equipment restrictions if it determines that supply chain problems impair the ability of persons to comply with the requirements.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Majority Report: That Substitute Senate Bill No. 5579 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Nguyen, Chair; Lovelett, Vice Chair; MacEwen, Ranking Member; Boehnke, Lovick, Short, Trudeau and Wellman.

Staff: Gregory Vogel (786-7413)

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.

Background: Hydrofluorocarbons (HFCs) are a category of gases used primarily as refrigerants in a variety of commercial and industrial applications. HFCs are among the greenhouse gases (GHGs) identified by the United States Environmental Protection Agency and the Department of Ecology (Ecology) as a result of their capacity to trap heat in the Earth's atmosphere.

In 2019, the Legislature enacted restrictions on the use of HFCs and other ozone-depleting substance (ODS) substitutes in products and equipment. In 2021, the Legislature authorized Ecology to establish a maximum global warming potential (GWP) threshold for ODS substitutes in new stationary air conditioning and stationary refrigeration, and directed Ecology to establish a maximum GWP threshold for new equipment used in ice rinks. The 2021 legislation also directed Ecology to establish a refrigerant management program to address refrigerant emissions from large air conditioning and refrigeration systems, and established other measures to reduce GHG emissions from ODS substitutes.

Summary of Bill (First Substitute): Ecology may adopt rules that establish a process and criteria for granting variances from HFC and ODS substitute product and equipment restrictions if it determines that supply chain problems impair the ability of persons to comply with the requirements.

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

- Removes authorization for Ecology to elect to refrain from or cease administering or enforcing a requirement related to state laws on the use of HFC and other ODS substitutes due to supply chain disruptions, and instead, authorizes Ecology to adopt rules for granting variances from restrictions on HFC and other ODS substitute use in products and equipment if it determines that supply chain problems impair the ability of persons to comply with the restrictions.

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: This bill came out of situations that arose during the pandemic with supply chain issues that occurred. A company that builds insulated pipe used in research facilities and hospitals couldn't get the product they needed built to the customer due to HFC restrictions. Ecology worked with them to provide flexibility to produce the product for a while but they reached a point where they said they

had no more statutory flexibility. The bill gives Ecology a little more flexibility to accommodate product manufacturers when supply chain issues occur.

OTHER: We have recommendations for a small amendment to address some issues. We think the intent of the bill is to give Ecology new authority to grant variances for product prohibitions. However, as written it allows a variance for any of the HFC programs, including the refrigerant management program. The amendment would narrow this to the product restrictions.

Persons Testifying: PRO: Senator John Braun, Prime Sponsor; Mark Johnson, Washington Retail Association; Carolyn Logue, WA Air Conditioning Contractors Association.

OTHER: Joel Creswell, Washington Department of Ecology.

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