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**SUBSTITUTE SENATE BILL 6052**

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**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Senate Environment, Energy & Technology (originally sponsored by Senators Nguyen, Conway, Hasegawa, Keiser, Kuderer, Lias, Pedersen, Saldaña, Stanford, and Valdez; by request of Office of the Governor)

READ FIRST TIME 01/31/24.

1 AN ACT Relating to petroleum products supply and pricing;  
2 amending RCW 19.86.140 and 42.56.330; adding a new chapter to Title  
3 19 RCW; creating a new section; prescribing penalties; and declaring  
4 an emergency.

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

6 NEW SECTION. **Sec. 1.** (1) The state of Washington finds and  
7 declares that during an energy transition away from reliance on  
8 fossil fuels, but until that transition is complete, petroleum-based  
9 transportation fuels are of critical importance to the people and  
10 businesses of the state. The legislature further finds and declares  
11 that the Washington state government requires: A complete and  
12 thorough understanding of the transportation fuels market, to enable  
13 it to respond to possible shortages, price shocks, oversupplies, or  
14 other disruptions. The legislature also finds that access to timely  
15 data collection, analysis, evaluation, and reporting to serve  
16 information and policy development needs of the governor, the  
17 legislature, public agencies, market participants, and the public is  
18 essential.

19 (2) Washington consumers, state and local agencies, businesses,  
20 and policymakers, planners, and enforcement agencies lack access to  
21 sufficient pricing and operational information held by refinery

1 operators, fuel suppliers, and others in the supply chain for  
2 transportation fuels. Such pricing and operational information is  
3 critical to understanding the relationship between the price and the  
4 cost of production, identifying price and market manipulation, and  
5 protecting Washington state consumers, government entities, and  
6 businesses. Similar information is already available for other  
7 critical fuels, such as electricity.

8 (3) To protect consumers, Washington state must collect detailed  
9 pricing and operational information from refineries, fuel suppliers,  
10 and others in the transportation fuels supply chain, analyze the  
11 data, and provide summarized reports to the public and lawmakers to  
12 expose relevant cost and pricing practices in the industry, and to  
13 identify market manipulation, unfair or deceptive practices, and any  
14 other manner by which market participants act to harm competition or  
15 act contrary to the best interests of consumers in the state.

16 (4) Furthermore, to ensure that the market for transportation  
17 fuels is free of anticompetitive and predatory conduct, the  
18 legislature finds that additional legal consequences are needed to  
19 ensure that transportation fuels industry practices do not harm  
20 consumers.

21 NEW SECTION. **Sec. 2.** The definitions in this section apply  
22 throughout this chapter unless the context clearly requires  
23 otherwise.

24 (1) "Commission" means the utilities and transportation  
25 commission.

26 (2) "Division" means the division of petroleum market oversight  
27 established in section 3 of this act.

28 (3) "Export" means the sale or distribution of transportation  
29 fuels outside of this state by a means of conveyance other than the  
30 fuel supply tank of a motor vehicle.

31 (4) "Import" means to bring transportation fuels into this state  
32 by a means of conveyance other than the fuel supply tank of a motor  
33 vehicle.

34 (5) "Major marketer" means any person who sells transportation  
35 fuels or crude oil intended in amounts determined by the commission  
36 as having a major effect on transportation fuel supplies in  
37 Washington.

38 (6) "Oil terminal operator" means a person who owns, operates, or  
39 otherwise controls a terminal in this state.

1 (7) "Person" means any individual, partnership, association,  
2 public or private corporation, limited liability company, or any  
3 other type of legal or commercial entity, including their members,  
4 managers, partners, directors, or officers.

5 (8) "Planned maintenance" means regular, periodic maintenance or  
6 repair of one or more pieces of equipment within a refinery that  
7 reduces output of transportation fuels at a level that may affect  
8 market supply.

9 (9) "Refinery" means any industrial plant, regardless of  
10 capacity, processing crude oil feedstock and manufacturing  
11 transportation fuels in Washington.

12 (10) "Spot market transaction" means a single, bulk transaction  
13 of at least 5,000 barrels, involving a maximum of one product and one  
14 delivery, with title transfer occurring within one year.

15 (11) "Terminal" means a fuel storage and distribution facility  
16 that has been assigned a terminal control number by the internal  
17 revenue service.

18 (12)(a) "Transportation fuels" means gasoline, gasoline blending  
19 components, and diesel.

20 (b) "Transportation fuels" does not include jet fuels and  
21 maritime fuels.

22 (13)(a) "Turnaround" means a planned, periodic shutdown, total or  
23 partial, of a refinery process unit or plant to perform maintenance,  
24 overhaul, and repair operations and to inspect, test, and replace  
25 process materials and equipment.

26 (b) "Turnaround" does not include:

27 (i) Unplanned maintenance; or

28 (ii) Planned maintenance.

29 (14) "Unbranded," as applied to fuel, means gasoline and diesel  
30 fuel sold for wholesale or retail distribution to consumers without  
31 proprietary additives or marketing under a brand name or trademark  
32 owned or controlled by an independent refiner or an integrated  
33 refining and marketing company.

34 (15) "Unplanned maintenance" means any maintenance or repair that  
35 requires the shutdown of any part of the refinery that exceeds 72  
36 hours oil out, oil in and was not scheduled as turnaround or planned  
37 maintenance.

38 NEW SECTION. **Sec. 3.** (1)(a) The division of petroleum market  
39 oversight is established within the commission.

1 (b) The division must operate with authority independent of the  
2 commission's authority.

3 (c) The division must be led by a director, who is appointed by  
4 the governor and holds office at the pleasure of the governor.

5 (d) The director of the division must employ and prescribe the  
6 duties of other staff members as necessary to carry out the  
7 provisions of this chapter. The staff must include, without  
8 limitation, economists, individuals with expertise in transportation  
9 fuels markets, and investigative staff with legal training.

10 (2) The division has the powers and duties to:

11 (a) Provide independent analysis and evaluation of the  
12 transportation fuels markets for the protection of consumers by  
13 identifying price manipulation, market manipulation, monopolistic  
14 behaviors, and any other manner by which market participants act to  
15 unfairly constrain the supply of transportation fuels or otherwise  
16 harm competition;

17 (b) Provide guidance and recommendations to the commission  
18 relating to the development of the assessment required by section 14  
19 of this act and the transportation fuels transition plan described in  
20 section 15 of this act;

21 (c) Provide guidance and recommendations to the governor, members  
22 of the commission, and other divisions of the commission on issues  
23 related to transportation fuels pricing and supply in Washington;

24 (d) Report its findings and recommendations to improve market  
25 performance at least annually to the legislature, the governor, the  
26 commission, the attorney general, the department of ecology, the  
27 energy resilience and emergency management office of the department  
28 of commerce, and the department of licensing;

29 (e) Subpoena witnesses, compel their attendance and testimony,  
30 administer oaths and affirmations, take evidence and require by  
31 subpoena the production of any books, papers, records, or other items  
32 material to the performance of the division's duties or exercise of  
33 its powers including, but not limited to, current and historical  
34 pricing and sales data and contracts with other petroleum industry  
35 participants; and

36 (f) Refer potential violations of this chapter to the attorney  
37 general confidentially at any time.

38 NEW SECTION. **Sec. 4.** (1) Beginning January 1, 2026, a refinery  
39 must submit the following information to the division monthly:

1 (a) The refinery's acquisition cost of crude oil, by volume and  
2 country of origin;

3 (b) Imports of transportation fuels and ethanol, by acquisition  
4 cost and volume;

5 (c) Exports of transportation fuels and ethanol, by volume and  
6 sale price;

7 (d) Refinery outputs of transportation fuels, by volume,  
8 including all gasoline sold unbranded;

9 (e) Refinery capacity, and utilization and method of  
10 transportation of refinery receipts and distributions; and

11 (f) Washington weighted average prices and sales volumes of  
12 transportation fuels sold through company-operated retail outlets, to  
13 wholesale customers, and to other end-users.

14 (2) Beginning January 1, 2026, an oil terminal operator must  
15 submit the following information to the division monthly:

16 (a) The acquisition cost of transportation fuels by volume, sales  
17 by volume, including fees, surcharges, and taxes on transportation  
18 fuels;

19 (b) The volume and sale price of transportation fuels;

20 (c) Imports of transportation fuels, by volume and acquisition  
21 cost; and

22 (d) Exports of transportation fuels, by volume and sale price.

23 (3) Beginning January 1, 2026, a major marketer must submit the  
24 following information to the division monthly:

25 (a) The acquisition cost of transportation fuels by volume, sales  
26 by volume, including fees, surcharges, and taxes on transportation  
27 fuels;

28 (b) Facility capacity, methods of transportation and  
29 distribution, and sale of transportation fuels by volume and price;

30 (c) Imports of transportation fuels, by volume and acquisition  
31 cost; and

32 (d) Exports of transportation fuels, by volume and sale price.

33 (4) A refinery, oil terminal operator, or major marketer  
34 submitting information under this section must include the full names  
35 of all persons or entities that directly or indirectly own 10 percent  
36 or more of the refiner, oil terminal operator, or major marketer  
37 submitting the information.

1        NEW SECTION.    **Sec. 5.**    (1) Beginning January 1, 2026, a refinery,  
2 major marketer, or oil terminal operator must retain for division  
3 review, for at least three years:

4        (a) Copies of all contracts or agreements entered into and any  
5 amendments to such contracts or agreements, with another refinery,  
6 oil terminal operator, major marketer, or other entity that trades in  
7 transportation fuels; and

8        (b) Records of each transaction made under the contracts or  
9 agreements in (a) of this subsection and the prices charged for those  
10 transactions.

11       (2) Other entities, including, without limitation, proprietary  
12 storage companies, that commercially trade in transportation fuels  
13 must retain for division review, for at least three years:

14       (a) Copies of monthly transportation fuels inventory volume  
15 records by type for each position holder by name of company; and

16       (b) Copies of all contracts or agreements entered into with any  
17 refinery, oil terminal operator, major marketer, or other entity that  
18 trades in transportation fuels.

19       (3) The requirements of this section apply regardless of whether  
20 the entity takes possession of the transportation fuels, as  
21 designated by the commission by rule.

22       NEW SECTION.    **Sec. 6.**    Beginning January 1, 2026, a refinery, oil  
23 terminal operator, major marketer, or other entity that trades in  
24 transportation fuels, completing a spot market transaction for  
25 transportation fuels must submit the following information, for each  
26 transaction, to the division monthly:

27       (1) The identity of the spot market;

28       (2) Whether the transaction was reported to the oil price  
29 information service, or any other price reporting service, and the  
30 time of the reporting;

31       (3) The date;

32       (4) The contract identification number;

33       (5) The position sequence number;

34       (6) The contract position identification number;

35       (7) The name, or nonanonymized identification, of the executing  
36 trader;

37       (8) The counterparty, including company name and name or  
38 nonanonymized identification of the executing trader;

39       (9) Whether the reporting entity is the seller or buyer;

- 1 (10) The broker, including company name and name or nonanonymized  
2 identification of the executing broker;
- 3 (11) The type of transportation fuel bought or sold;
- 4 (12) The product name for each type of transportation fuel;
- 5 (13) The volume in thousands of barrels, or other specified unit  
6 of measurement if unable to be indicated in thousands of barrels;
- 7 (14) The invoiced volume in thousands of barrels, or other  
8 specified unit of measurement if unable to be indicated in thousands  
9 of barrels;
- 10 (15) The date and time the transportation fuels are scheduled to  
11 be delivered or were delivered;
- 12 (16) The delivery location specified in the contract and the  
13 actual delivery location;
- 14 (17) The method of transportation for the delivery, such as  
15 pipeline, marine vessel, or truck, and the name of the transport;
- 16 (18) The actual title transfer date;
- 17 (19) The contract subcycle, including descriptors such as "any,"  
18 "L3," "FH," "BH," "C1," "C2," "C3," or "C4";
- 19 (20) The type of pricing method, including exchange of futures  
20 for physical, fixed price, fixed date range, floating date range,  
21 reference formula, oil price information service close, event-related  
22 date range, such as seven days on and around delivery or discharge,  
23 or any other utilized method of pricing;
- 24 (21) The contract price formula, including the differential from  
25 any contract formula and the unit of measurement for any price  
26 differential;
- 27 (22) The pricing start and end dates for each contract;
- 28 (23) The price value of the contract; and
- 29 (24) For exchange of futures for physical contracts, the name of  
30 the futures product, the contract month of the futures product  
31 expressed as the two-digit month and the two-digit year (MM-YY), and  
32 the price value of the futures product.

33 NEW SECTION. **Sec. 7.** (1) Beginning January 1, 2026, a refinery  
34 must report quarterly all the following information, at a minimum,  
35 regarding planned maintenance, unplanned maintenance, or turnaround  
36 completed during the previous quarter:

- 37 (a) A brief description of the completed work;
- 38 (b) The start and return-to-service dates;
- 39 (c) The individual process units involved;

1 (d) The name and operational capacity of each process unit  
2 involved;

3 (e) The daily decrease in output of transportation fuels;

4 (f) The quantity of contractual supply obligations for  
5 transportation fuels due during the planned maintenance or  
6 turnaround;

7 (g) The drawdown of inventory levels of transportation fuels  
8 produced by the process unit that are controlled by the refinery on-  
9 site and at other storage locations in this state during the planned  
10 maintenance event or turnaround, and the levels of such inventories  
11 immediately before the planned maintenance or turnaround began; and

12 (h) Imports of transportation fuels produced by the process unit  
13 in preparation for or during the planned maintenance or turnaround.

14 (2) For unplanned maintenance, a refinery must submit the  
15 following additional information:

16 (a) The name and operational capacity of each process unit  
17 involved in the unplanned outage;

18 (b) The daily decrease in output of transportation fuels from  
19 each process unit affected by the unplanned outage;

20 (c) The inventory levels of transportation fuels produced by the  
21 process unit affected by the unplanned maintenance that is controlled  
22 by the refinery on-site and at other storage locations in this state  
23 during the unplanned maintenance;

24 (d) A description of the reason for the unplanned maintenance;

25 (e) The duration of production reduction;

26 (f) The return-to-service date;

27 (g) The total decreased output of transportation fuels from each  
28 affected process unit;

29 (h) The total increased output of transportation fuels from other  
30 process units, by type of product, to partially compensate for the  
31 reduced output from the process units affected by the unplanned  
32 maintenance or outage;

33 (i) The amount of material obtained from other sources that  
34 compensated for the decrease described in (g) of this subsection and  
35 enabled the refinery to cover the loss of that production; and

36 (j) The drawdown of inventory levels of transportation fuels  
37 produced by the process unit that are controlled by the refinery on-  
38 site and at other storage locations in this state during the  
39 unplanned maintenance event.



1 (3) The division may request additional information from a  
2 refinery, as necessary, to assess the effect of the planned  
3 maintenance, unplanned maintenance, or turnaround on the prices of  
4 transportation fuels in this state.

5 (4) Information required under this section must be reported no  
6 later than 30 days after the end of each quarter.

7 (5) Information collected under this section is confidential  
8 information exempt from public disclosure, as provided in section 18  
9 of this act and RCW 42.56.330, and must comply with the cybersecurity  
10 requirements in section 17 of this act.

11 NEW SECTION. **Sec. 8.** A refinery, oil terminal operator, or  
12 major marketer required to submit information under this chapter may  
13 instead, submit a report made to any other governmental agency if:

14 (1) The alternative report or reports contain all the information  
15 or data required under this chapter; and

16 (2) The reporting entity clearly identifies the specific  
17 provision of this chapter to which the alternate report is  
18 responsive.

19 NEW SECTION. **Sec. 9.** (1) The division, utilizing its own staff  
20 and other support staff having expertise and experience in, or with,  
21 the petroleum industry, and in consultation with the energy  
22 resilience and emergency management office of the department of  
23 commerce, must gather, analyze, and interpret the information  
24 submitted to it under this chapter and other information relating to  
25 the supply and price of transportation fuels, including, but not  
26 limited to, all of the following:

27 (a) The nature, cause, and extent of any transportation fuels  
28 shortage or condition affecting supply;

29 (b) The economic and environmental impacts of any transportation  
30 fuels shortage or condition affecting supply;

31 (c) Transportation fuels demand and supply forecasting  
32 methodologies utilized by the transportation fuels industry in  
33 Washington;

34 (d) The prices, including sales to unbranded retail markets, and  
35 any significant changes in prices charged by the transportation fuels  
36 industry for transportation fuels sold in Washington and the reasons  
37 for those changes;

1 (e) The profits, both before and after taxes, of the industry as  
2 a whole and of major firms within it, and where in the supply chain  
3 these profits are realized, including a comparison with other major  
4 industry groups and major firms within them as to profits, return on  
5 equity and capital, and price-earnings ratio;

6 (f) The emerging trends relating to supply, demand, and prices of  
7 transportation fuels; and

8 (g) The nature and extent of efforts of the transportation fuels  
9 industry to expand refinery capacity and to make acquisitions of  
10 additional supplies of transportation fuels.

11 (2) The commission must analyze the impacts of state and federal  
12 laws and policies upon the supply and prices of transportation fuels.

13 (3) The division must quarterly prepare and make available to the  
14 public a summary report based on the data collected under this  
15 chapter. The division must aggregate information used in a report  
16 prepared under this subsection to the extent necessary to maintain  
17 confidentiality of all specific confidential information exempt from  
18 public disclosure and protected as confidential under section 18 of  
19 this act and RCW 42.56.330, including critical energy infrastructure  
20 information protected under the cybersecurity requirements  
21 established in section 17 of this act.

22 (4) Within 30 days of the end of each quarter, the commission  
23 must post the following information obtained from the division on its  
24 internet website:

25 (a) The gross transportation fuels refining margin calculated by  
26 the division, separated by month, as a volume-weighted gross refining  
27 margin in aggregate for all the combined refineries in this state;

28 (b) The net transportation fuels refining margin calculated by  
29 the commission, separated by month, as a volume-weighted net refining  
30 margin in aggregate for all the combined refineries in this state;  
31 and

32 (c) The average retail price of gasoline by regional markets  
33 within the state, and a breakdown of that average price into retail  
34 margin and costs, distribution margin (from the rack to the stations)  
35 and costs, wholesale margin (from the refinery to the rack) and  
36 costs, and refinery margin and costs.

37 (5) The definitions in this subsection apply throughout this  
38 section unless the context clearly requires otherwise.

39 (a) "Gross transportation fuels refining margin" means the  
40 difference, expressed in dollars per barrel, between the volume-

1 weighted average price of wholesale transportation fuels sold by a  
2 refinery in this state and the average price of crude oil received by  
3 the refinery.

4 (b) "Net transportation fuels refining margin" means the  
5 difference, expressed in dollars per barrel, between the gross  
6 transportation fuels refining margin and the refinery's operational  
7 costs.

8 (c) "Operational costs" means costs, expressed in dollars per  
9 barrel, necessarily incurred by the refinery to produce  
10 transportation fuels meeting Washington specifications including,  
11 without limitation, costs of labor, electricity, natural gas,  
12 chemicals, maintenance, hydrogen, and other intermediate crude oil  
13 products, federal renewable identification numbers, obligation costs,  
14 logistics costs, taxes and fees, and additive costs.

15 NEW SECTION. **Sec. 10.** (1) The division, in consultation with  
16 the department of ecology, must adopt a methodology for refiners to  
17 use to provide separate quantification of the volume-weighted fees or  
18 estimated valuations of costs embedded in all wholesale sales of  
19 transportation fuels associated with the Washington clean fuels  
20 program established under chapter 70A.535 RCW and the Washington cap  
21 and invest program established under chapter 70A.65 RCW, for each  
22 volume-weighted average price for:

- 23 (a) Unbranded rack sales;
- 24 (b) Branded rack sales;
- 25 (c) Bulk sales;
- 26 (d) Spot pipeline sales; and
- 27 (e) Dealer tankwagon sales.

28 (2) The division must provide an opportunity for public input  
29 regarding the development of the methodology.

30 (3) Beginning 60 days after the division adopts the methodology,  
31 the quantification must be included in the reports required in  
32 section 9 of this act.

33 NEW SECTION. **Sec. 11.** (1) By January 1, 2027, and quarterly  
34 thereafter, the division must publish and submit to the governor and  
35 the legislature a summary, an analysis, and an interpretation of the  
36 information submitted to it under this chapter, consistent with the  
37 confidentiality requirements of section 18 of this act and RCW  
38 42.56.330, and the cybersecurity requirements of section 17 of this

1 act. Any person may submit comments in writing regarding the accuracy  
2 or sufficiency of the information submitted.

3 (2) The division must prepare a biennial assessment of the  
4 information provided under this chapter.

5 (3) The division may use reasonable means necessary and available  
6 to it to seek and obtain any facts, figures, and other information  
7 from any source for the purpose of preparing and providing reports to  
8 the governor and the legislature. The commission must specifically  
9 include in the reports its analysis of any unsuccessful attempts in  
10 obtaining information from potential sources, including the lack of  
11 cooperation or refusal to provide information.

12 (4) Whenever the commission fails to provide any report required  
13 under this section within the specified time, it must provide to all  
14 members of the legislature and the governor, within five days of the  
15 specified time, a detailed written explanation of the cause of any  
16 delay.

17 NEW SECTION. **Sec. 12.** (1) By August 1, 2024, the commission  
18 must post on its internet website information about transportation  
19 fuels including, but not limited to:

20 (a) A comparison between the retail price of Washington gasoline  
21 and diesel, the retail price of Oregon gasoline and diesel, the  
22 retail price of California gasoline and diesel, and the national  
23 average retail price of gasoline and diesel over time for the past  
24 two decades;

25 (b) The relationship between the price of Washington  
26 transportation fuels and the price of crude oil for the past two  
27 decades;

28 (c) A comparison between the cost components of a gallon of  
29 Washington retail gasoline and the cost components of the national  
30 average price of retail gasoline including, but not limited to,  
31 taxes, crude oil, refining margin, and rack-to-retail margin;

32 (d) A description of how transportation fuels are produced and  
33 distributed in Washington including, but not limited to, an  
34 explanation of crude oil and the global crude oil market,  
35 transportation networks for the import, export, and movement of crude  
36 oil and refined products; and

37 (e) A description of the major factors affecting gasoline prices  
38 in Washington.

1 (2) The information provided on the website must be designed and  
2 displayed in a manner that facilitates understanding by the general  
3 public and must include, to the extent practicable, visual  
4 representations of data and plain language descriptions.

5 (3) The information contained on the website must be drawn from  
6 publicly available data and secondary sources and must be  
7 appropriately referenced.

8 NEW SECTION. **Sec. 13.** (1) The commission must notify those  
9 persons who have failed to timely provide the information specified  
10 and required by the division under this chapter. If, within five  
11 business days after being notified of the failure to provide the  
12 specified information, the person willfully fails to supply the  
13 specified information, the person is subject to a civil penalty of  
14 not less than \$5,000 nor more than \$20,000 per day for each day the  
15 submission of information is refused or delayed, up to a maximum  
16 penalty of \$500,000 per submission.

17 (2) A person who willfully makes any false statement,  
18 representation, or certification in any record, report, plan, or  
19 other document filed with the commission is subject to a civil  
20 penalty not to exceed \$40,000, as well as all other civil and  
21 criminal liability provided under applicable law.

22 (3) The administration of civil penalties under this section is  
23 subject to the procedures provided in section 19 of this act, and to  
24 the procedures for judicial review under the administrative procedure  
25 act, chapter 34.05 RCW.

26 (4) In addition to any civil penalty provided for by this  
27 section, if a person fails to timely provide the information  
28 specified and required by the commission under this act, the  
29 commission may petition a court for an order compelling the person to  
30 provide that information.

31 (5) For purposes of this section, "person" means, in addition to  
32 the definition contained in section 2 of this act, any responsible  
33 corporate officer.

34 NEW SECTION. **Sec. 14.** (1)(a) On or before July 1, 2026, and  
35 every three years thereafter, the division, in collaboration with the  
36 energy resilience and emergency management office of the department  
37 of commerce, must submit an assessment to the legislature, and to the  
38 governor that:

1 (i) Identifies methods to ensure a reliable supply of affordable  
2 transportation fuels in Washington. The assessment must consider the  
3 potential benefits to Washington transportation fuel consumers of  
4 creating estimates for the level of transportation fuels at the state  
5 level and, to the extent feasible, at regional and local levels, and  
6 individual refineries if relevant, that should be held in reserve by  
7 refiners to prevent shortages that result in sharp increases in the  
8 price of transportation fuels. The assessment must consider all  
9 factors causing price fluctuation in retail transportation fuels  
10 prices when recommending adequate reserve levels. The division must  
11 consider all relevant evidence from any reasonably available source  
12 including, but not limited to, information about imports, by amount,  
13 source, if known, and data received by the commission under existing  
14 laws, economic and business experts, and information from any local,  
15 state, and federal agencies. The energy resilience and emergency  
16 management office of the department of commerce must transmit to the  
17 legislature any proposals it deems appropriate for mandatory reserve  
18 levels and the terms of a program to implement reserve levels;

19 (ii) Evaluates the price of transportation fuels, including  
20 branded and unbranded retail prices, alternate formulations of  
21 transportation fuels with lower carbon impact, and other products  
22 suitable for production from refineries in Washington. This  
23 evaluation must consider the market demand for these products at  
24 three, seven, 10, and 20-year intervals from the date of the  
25 assessment. This evaluation must include both of the following:

26 (A) An examination of whether branded fuel additives have any  
27 impact and, if so, how much on fuel efficiency and vehicle emissions;  
28 and

29 (B) An assessment of the presence and availability of retail  
30 outlets, including monitoring changes in availability of retail  
31 outlets that contribute to increasing retail prices in local and  
32 regional areas;

33 (iii) Considers different levels of supply conditions and  
34 assesses the impact of potential refinery closures in Washington;

35 (iv) Includes an analysis of the impacts on production of  
36 refinery planned maintenance, unplanned maintenance, and turnaround,  
37 utilizing the reports provided by refineries as directed in section 7  
38 of this act. Notwithstanding any other law, the department of labor  
39 and industries must disclose to the division, upon request, any  
40 information the department has received to ensure all aspects of

1 refinery safety are incorporated into the analysis. All information  
2 designated confidential must be treated as confidential by the  
3 division;

4 (v) Evaluates the utility and feasibility of alternative methods  
5 to maintain adequate supplies of transportation fuels, including  
6 delivery alternatives for fuel and components of fuel, such as  
7 delivery by rail, and other solutions beyond the activities of  
8 refineries, oil terminal operators, major marketers, and other  
9 entities; and

10 (vi) Proposes solutions to mitigate any impacts described in the  
11 assessment. The solutions must include an assessment of the  
12 employment impacts and the cost and cost-effectiveness of any  
13 proposal, including cost impacts to all impacted sectors, both public  
14 and private. The assessment must include recommendations and  
15 alternatives.

16 (b) The first assessment must include the evaluation of  
17 transportation fuels refining.

18 (2) The assessment must be developed in a public process. The  
19 assessment must be available to the public within the proceeding  
20 docket and must be approved by a vote of the commission at its  
21 business meeting.

22 (3) The division may enter into contracts to perform the  
23 assessment required in subsection (1) of this section.

24 (4) The division must provide input to and otherwise support the  
25 commission in preparation of the assessment required by subsection  
26 (1) of this section.

27 NEW SECTION. **Sec. 15.** On or before January 1, 2027, the  
28 division and the department of ecology, considering findings of the  
29 assessment conducted under section 14 of this act, must prepare a  
30 transportation fuels transition plan. The commission and the  
31 department of ecology must determine the contents of the plan, but  
32 the plan must include, at a minimum, a discussion of how to ensure  
33 that the supply of transportation fuels is affordable, reliable,  
34 equitable, and adequate to meet demand, and an evaluation of the  
35 readiness of the electrical grid to serve as the main source of  
36 energy for the transportation sector and identify shortcomings where  
37 actions must be taken to strengthen grid reliability. The plan must  
38 be prepared in consultation with a multistakeholder, multiagency work  
39 group convened by the division and the department of ecology to

1 identify mechanisms to plan for and monitor progress toward the  
2 state's reliable, safe, equitable, and affordable transition away  
3 from petroleum fuels in line with declining in-state petroleum  
4 demand, RCW 70A.45.020, and chapter 70A.65 RCW. The work group must  
5 consist of members representing interests that include, but are not  
6 limited to, environmental justice, labor, environmental protection,  
7 land use, and public health, members representing the state's fuel  
8 producers and refiners, and members representing relevant state,  
9 regional, and local agencies.

10 NEW SECTION. **Sec. 16.** (1) In connection with any investigation  
11 or action authorized under this act, the division may:

12 (a) Inspect and copy books, records, and other items described in  
13 (e) of this subsection;

14 (b) Hear complaints;

15 (c) Administer oaths;

16 (d) Certify to all official acts;

17 (e) Issue subpoenas for the attendance of witnesses and the  
18 production of papers, books, accounts, documents, any writing as  
19 defined by the Washington state court rules of evidence, tangible  
20 things, and testimony pertinent or material to any inquiry,  
21 investigation, hearing, proceeding, or action conducted in any part  
22 of the state;

23 (f) Promulgate interrogatories pertinent or material to any  
24 inquiry, investigation, hearing, proceeding, or action;

25 (g) Divulge information or evidence related to the investigation  
26 of unlawful activity discovered from interrogatory answers, papers,  
27 books, accounts, documents, and any other item described in (e) of  
28 this subsection, or testimony, to the attorney general or to any  
29 prosecuting attorney of this state, any other state, or the United  
30 States who has a responsibility for investigating the unlawful  
31 activity investigated or discovered, or to any governmental agency  
32 responsible for enforcing laws related to the unlawful activity  
33 investigated or discovered, if the attorney general, prosecuting  
34 attorney, or agency to which the information or evidence is divulged  
35 agrees to maintain the confidentiality of the information received to  
36 the extent required by this section; and

37 (h) Present information or evidence obtained or developed from  
38 the investigation of unlawful activity to a court or at an  
39 administrative hearing in connection with any action or proceeding.



1 (2) The division must use reasonable means necessary and  
2 available including, but not limited to, the authority under  
3 subsection (1)(e) and (f) of this section, to seek and obtain any  
4 facts, figures, and other information from any source for the purpose  
5 of preparing the assessment under section 14 of this act. The  
6 division must specifically report in the assessment any ongoing or  
7 unsuccessful attempts to obtain information from potential sources,  
8 including the lack of cooperation or refusal to provide information.

9 (3) For purposes of the assessment prepared under section 14 of  
10 this act, the commission may impose a civil penalty whenever a person  
11 fails to timely provide the information specified in that section and  
12 any other information the commission deems necessary to conduct the  
13 assessment. A civil penalty under this subsection will be imposed  
14 under the procedures set forth in section 13 of this act.

15 (4) Section 13 (1) through (3) of this act apply to a person who  
16 willfully submits or makes any false statement to the division.

17 (5) The commission must conduct a public meeting in December of  
18 each year to provide an opportunity for the public to provide input  
19 on transportation fuels prices.

20 NEW SECTION. **Sec. 17.** (1) The requirements in this section  
21 apply to all state agencies that have authorized access to the data  
22 being collected in this chapter. Each agency is responsible for  
23 implementing information technology infrastructure and procedures to  
24 protect critical energy infrastructure information that if  
25 compromised or released, could result in supply disruptions,  
26 negatively affect economic security, national security, or public  
27 health or safety, or result in other potentially negative  
28 consequences, or any combination of those matters.

29 (2) (a) The commission must contract with an independent  
30 consultant with experience in developing information technology  
31 architecture to protect critical energy infrastructure information,  
32 in coordination with the office of cybersecurity within the  
33 consolidated technology services agency created in chapter 43.105 RCW  
34 and the energy resilience and emergency management office of the  
35 department of commerce, to provide recommendations on standards for  
36 each of the authorized state agencies to adopt to secure the critical  
37 energy infrastructure information in this chapter. The standards must  
38 be consistent with federal standards for energy sector data security.

1 (b) In identifying these standards, the consultant must seek  
2 input from the transportation fuels industry to make final  
3 recommendations to the state for implementing information technology  
4 infrastructure and procedures to protect critical energy  
5 infrastructure information.

6 (c) By September 1, 2025, each of the authorized state agencies  
7 must establish the cybersecurity standards necessary to protect the  
8 critical energy infrastructure information in this chapter. These  
9 standards must be reviewed and updated annually to address the  
10 dynamic nature of cybersecurity risks.

11 (3) Each agency with authorized access to the critical energy  
12 infrastructure information in this chapter must implement program  
13 activities, including data governance, information protection,  
14 response, access control and monitoring, system management, and other  
15 necessary requirements, in addition to receive an annual audit.

16 (4) (a) The auditor must coordinate with the office of  
17 cybersecurity within the consolidated technology services agency  
18 created in chapter 43.105 RCW to develop a risk-based compliance  
19 oversight evaluation for state agencies, in coordination with the  
20 energy resilience and emergency management office of the department  
21 of commerce.

22 (b) In developing the risk-based compliance oversight evaluation,  
23 the independent consultant must provide guidance by using existing  
24 federal infrastructure protection audit processes and established  
25 cybersecurity requirements to protect critical energy infrastructure  
26 information.

27 (c) By September 1, 2025, the auditor, in coordination with the  
28 office of cybersecurity within the consolidated technology services  
29 agency created in chapter 43.105 RCW and the energy resilience and  
30 emergency management office of the department of commerce, must  
31 establish the audit requirements necessary to protect the critical  
32 energy infrastructure information in this chapter. The audit  
33 requirements must be reviewed annually and include any updates from  
34 additional standards included in subsection (2) of this section.

35 (5) (a) The auditor must contract with an independent consultant  
36 with experience in maintaining information technology architecture  
37 and programs to protect critical energy infrastructure information,  
38 to conduct an annual audit of each authorized agency's cybersecurity  
39 robustness and must provide a report based on the risk-based  
40 compliance oversight evaluation.

1 (b) The annual audit findings must be provided to the authorized  
2 agencies and the auditor within 60 days of the audit's completion.  
3 The recipient agency has 60 days to respond to the auditor, providing  
4 evidence that any noted deficiencies have been addressed and provide  
5 documentation noting how deficiencies will be addressed in the  
6 future.

7 (6) If an authorized agency is found to have a high-risk  
8 deficiency from the audit and is unable to correct it within 60 days,  
9 the authorized agency must lose access to the critical energy  
10 infrastructure information in this chapter until the independent  
11 consultant returns to review the evidence that the deficiency was  
12 addressed.

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

15 (a) "Auditor" means the office of the state auditor.

16 (b) (i) "Critical energy infrastructure information" means  
17 information related to:

18 (A) Energy assets, systems, and networks that provide functions  
19 necessary for essential services; or

20 (B) A system or asset of the bulk-power system, whether physical  
21 or virtual, refining systems, or transmission and distribution  
22 systems, of any critical energy and electric supply, including,  
23 without limitation, electricity, natural gas, and petroleum sectors,  
24 the incapacity or destruction of which would negatively affect  
25 national security, social or economic security, public health or  
26 safety, or any combination of those matters.

27 (ii) "Critical energy infrastructure information" includes,  
28 without limitation, data meeting the description in (a) and (b) of  
29 this subsection and designated as "category 3 and 4" as defined in  
30 policy established in accordance with RCW 43.105.054.

31 (c) "High-risk deficiency" means risks associated with the loss  
32 of confidentiality, integrity, or availability where there is at  
33 least a credible scenario of cyberattack to cause impacts to  
34 sensitive industry business or stakeholder impact, potential to cause  
35 disruptions, or potential to cause harm to national security.

36 NEW SECTION. **Sec. 18.** (1) Except as provided in subsection (2)  
37 of this section, because public disclosure of information or data  
38 provided under this chapter could result in unfair competitive  
39 disadvantage to the person supplying the information or could

1 adversely affect market competition, information provided, disclosed,  
2 or presented to the division, the commission, or any other state  
3 agency, or otherwise obtained by the division, the commission, or any  
4 other state agency under this act, is confidential and exempt from  
5 public disclosure. This information must be held in confidence or  
6 aggregated to the extent necessary to ensure confidentiality.

7 (2) The division may disclose information deemed confidential  
8 under this chapter to members of the commission, other divisions of  
9 the commission, the attorney general, the department of commerce, the  
10 department of ecology, or the department of licensing if the  
11 receiving entity is in compliance with the cybersecurity requirements  
12 in section 17 of this act and has a data sharing agreement in place  
13 in accordance with section 24 of this act and agrees to keep the  
14 information confidential, except that the attorney general may  
15 present the information to a court or administrative tribunal to  
16 support an enforcement action but must submit confidential  
17 information under seal where permissible. If the attorney general  
18 requests the assistance of the division in connection with any  
19 investigation, the division must provide information to the attorney  
20 general under this subsection and any other assistance that is  
21 feasible.

22 (3) For purposes of the division's annual reports under this  
23 chapter, the division must aggregate data or otherwise anonymize and  
24 generalize information as needed to mitigate the risk that public  
25 disclosure of the specific information would result in unfair  
26 competitive disadvantage to the person supplying the information or  
27 would adversely affect market competition, or has the potential to  
28 negatively impact national security.

29 (4) Any person with knowledge of the information collected in  
30 this chapter must report any mishandling, loss, or compromise of  
31 confidential information to the person's supervisor or security  
32 office immediately. Failure to report under this subsection (4) may  
33 result in disciplinary action, monetary fine, loss of employment, or  
34 imprisonment.

35 (5)(a) Any person who knowingly discloses, misuses, or abuses  
36 information determined confidential by the commission is subject to  
37 the following penalties, not to exceed:

- 38 (i) Disciplinary action;
- 39 (ii) A monetary fine of \$10,000;
- 40 (iii) Loss of employment; or

1 (iv) Imprisonment.

2 (b) The penalties in (a) of this subsection must be based on the  
3 confidential information involved, the intended use of the  
4 information, and the harm caused by the mishandling.

5 NEW SECTION. **Sec. 19.** (1) The commission may issue a civil  
6 penalty to any person or entity on whom an administrative civil  
7 penalty may be imposed under this chapter. The notice of appeal must  
8 allege the act or failure to act for which the civil penalty is  
9 proposed, the provision of law authorizing civil liability, and the  
10 civil penalty amount.

11 (2) The notice must be served by personal notice or certified  
12 mail and must inform the party so served that a hearing will be  
13 conducted within 60 days after the party has been served. The hearing  
14 must be before the commission. An appellant may waive the right to a  
15 hearing, in which case the commission may not conduct a hearing.

16 (3) After any hearing, the commission may adopt, with or without  
17 revision, the proposed decision and order of the director.

18 (4) Orders setting an administrative civil penalty are effective  
19 and final upon issuance thereof, and any payment must be made within  
20 30 days. Copies of these orders must be served by personal service or  
21 by registered mail upon the party served with the complaint and upon  
22 other persons who appeared at the hearing and requested a copy.

23 (5) In determining the amount of the administrative civil  
24 penalty, the commission must take into consideration the nature,  
25 circumstance, extent, and gravity of the violation or violations,  
26 whether the violation is susceptible to removal or resolution, the  
27 cost to the state in pursuing the enforcement action, and, with  
28 respect to the violator, the ability to pay, the effect on ability to  
29 continue in business, any voluntary removal or resolution efforts  
30 undertaken, any prior history of violations, the degree of  
31 culpability, economic savings, if any, resulting from the violation,  
32 and such other matters as justice may require.

33 NEW SECTION. **Sec. 20.** (1)(a) It is unlawful for a person to  
34 make deceptive environmental marketing claims, whether explicit or  
35 implied, regarding transportation fuels.

36 (b) It is a defense to any suit or complaint brought under this  
37 section that the person's environmental marketing claims conform to  
38 the standards or are consistent with the examples contained in the

1 guides for the use of environmental marketing claims published by the  
2 federal trade commission.

3 (2) The legislature finds that the practices covered by this  
4 section are matters vitally affecting the public interest for the  
5 purpose of applying the consumer protection act, chapter 19.86 RCW. A  
6 violation of this section is not reasonable in relation to the  
7 development and preservation of business and is an unfair or  
8 deceptive act in trade or commerce and an unfair method of  
9 competition for purposes of applying the consumer protection act,  
10 chapter 19.86 RCW.

11 (3) For the purposes of this section:

12 (a) "Environmental marketing claim" means a claim about the  
13 environmental attributes of a product, package, or service in  
14 connection with the marketing, offering for sale, or sale of such  
15 item or service to individuals, or in business-to-business  
16 transactions.

17 (b) "Environmental marketing claim" includes, without limitation:

18 (i) A claim made in labeling, advertising, promotional materials,  
19 and all other forms of marketing in any medium, whether asserted  
20 directly or by implication, through words, symbols, logos,  
21 depictions, product brand names, or any other means; and

22 (ii) Any claim described as deceptive in the guides for the use  
23 of environmental marketing claims, published by the federal trade  
24 commission, as those guides existed on the effective date of this  
25 section.

26 **Sec. 21.** RCW 19.86.140 and 2021 c 228 s 2 are each amended to  
27 read as follows:

28 Every person who shall violate the terms of any injunction issued  
29 as in this chapter provided, shall forfeit and pay a civil penalty of  
30 not more than \$125,000.

31 Every individual who violates RCW 19.86.030 or 19.86.040 shall  
32 pay a civil penalty of not more than \$180,000. Every person, other  
33 than an individual, who violates RCW 19.86.030 or 19.86.040 shall pay  
34 a civil penalty of not more than \$900,000.

35 Every person who violates RCW 19.86.020 shall forfeit and pay a  
36 civil penalty of not more than \$7,500 for each violation: PROVIDED,  
37 That nothing in this paragraph shall apply to any radio or television  
38 broadcasting station which broadcasts, or to any publisher, printer  
39 or distributor of any newspaper, magazine, billboard or other

1 advertising medium who publishes, prints or distributes, advertising  
2 in good faith without knowledge of its false, deceptive or misleading  
3 character.

4 For unlawful acts or practices that target or impact specific  
5 individuals or communities based on demographic characteristics  
6 including, but not limited to, age, race, national origin,  
7 citizenship or immigration status, sex, sexual orientation, presence  
8 of any sensory, mental, or physical disability, religion, veteran  
9 status, or status as a member of the armed forces, as that term is  
10 defined in 10 U.S.C. Sec. 101, an enhanced penalty of \$5,000 shall  
11 apply. Furthermore, for unlawful acts or practices relating to the  
12 sale of transportation fuels, an enhanced penalty of up to three  
13 times the profit gained or loss avoided as a result of such unlawful  
14 acts or practices shall apply.

15 For the purpose of this section the superior court issuing any  
16 injunction shall retain jurisdiction, and the cause shall be  
17 continued, and in such cases the attorney general acting in the name  
18 of the state may petition for the recovery of civil penalties.

19 With respect to violations of RCW 19.86.030 and 19.86.040, the  
20 attorney general, acting in the name of the state, may seek recovery  
21 of such penalties in a civil action.

22 By December 1, (~~2022~~) 2026, and every five years thereafter,  
23 the office of the attorney general shall evaluate the efficacy of the  
24 maximum civil penalty amounts established in this section in  
25 deterring violations of the consumer protection act and the  
26 difference, if any, between the current penalty amounts and the  
27 penalty amounts adjusted for inflation, and provide the legislature  
28 with a report of its findings and any recommendations in compliance  
29 with RCW 43.01.036.

30 **Sec. 22.** RCW 42.56.330 and 2017 c 333 s 6 are each amended to  
31 read as follows:

32 The following information relating to public utilities and  
33 transportation is exempt from disclosure under this chapter:

34 (1) Records filed with the utilities and transportation  
35 commission or attorney general under RCW 80.04.095, chapter 19.---  
36 RCW (the new chapter created in section 25 of this act), or RCW  
37 81.77.210 that a court has determined are confidential under RCW  
38 80.04.095 or 81.77.210;

1 (2) The addresses, telephone numbers, electronic contact  
2 information, and customer-specific utility usage and billing  
3 information in increments less than a billing cycle of the customers  
4 of a public utility contained in the records or lists held by the  
5 public utility of which they are customers, except that this  
6 information may be released to the division of child support or the  
7 agency or firm providing child support enforcement for another state  
8 under Title IV-D of the federal social security act, for the  
9 establishment, enforcement, or modification of a support order;

10 (3) The names, residential addresses, residential telephone  
11 numbers, and other individually identifiable records held by an  
12 agency in relation to a vanpool, carpool, or other ride-sharing  
13 program or service. Participants' names, general locations, and point  
14 of contact may be disclosed to other persons who apply for ride-  
15 matching services and who need that information in order to identify  
16 potential riders or drivers with whom to share rides;

17 (4) The personally identifying information of current or former  
18 participants or applicants in a paratransit or other transit service  
19 operated for the benefit of persons with disabilities or elderly  
20 persons;

21 (5) The personally identifying information of persons who acquire  
22 and use transit passes or other fare payment media including, but not  
23 limited to, stored value smart cards and magnetic strip cards, except  
24 that an agency may disclose personally identifying information to a  
25 person, employer, educational institution, or other entity that is  
26 responsible, in whole or in part, for payment of the cost of  
27 acquiring or using a transit pass or other fare payment media for the  
28 purpose of preventing fraud. As used in this subsection, "personally  
29 identifying information" includes acquisition or use information  
30 pertaining to a specific, individual transit pass or fare payment  
31 media.

32 (a) Information regarding the acquisition or use of transit  
33 passes or fare payment media may be disclosed in aggregate form if  
34 the data does not contain any personally identifying information.

35 (b) Personally identifying information may be released to law  
36 enforcement agencies if the request is accompanied by a court order;

37 (6) Any information obtained by governmental agencies that is  
38 collected by the use of a motor carrier intelligent transportation  
39 system or any comparable information equipment attached to a truck,  
40 tractor, or trailer; however, the information may be given to other



1 governmental agencies or the owners of the truck, tractor, or trailer  
2 from which the information is obtained. As used in this subsection,  
3 "motor carrier" has the same definition as provided in RCW 81.80.010;

4 (7) The personally identifying information of persons who acquire  
5 and use transponders or other technology to facilitate payment of  
6 tolls. This information may be disclosed in aggregate form as long as  
7 the data does not contain any personally identifying information. For  
8 these purposes aggregate data may include the census tract of the  
9 account holder as long as any individual personally identifying  
10 information is not released. Personally identifying information may  
11 be released to law enforcement agencies only for toll enforcement  
12 purposes. Personally identifying information may be released to law  
13 enforcement agencies for other purposes only if the request is  
14 accompanied by a court order;

15 (8) The personally identifying information of persons who acquire  
16 and use a driver's license or identicard that includes a radio  
17 frequency identification chip or similar technology to facilitate  
18 border crossing. This information may be disclosed in aggregate form  
19 as long as the data does not contain any personally identifying  
20 information. Personally identifying information may be released to  
21 law enforcement agencies only for United States customs and border  
22 protection enforcement purposes. Personally identifying information  
23 may be released to law enforcement agencies for other purposes only  
24 if the request is accompanied by a court order; and

25 (9) Personally identifying information included in safety  
26 complaints submitted under chapter 81.61 RCW.

27 NEW SECTION. **Sec. 23.** (1) The commission must adopt rules to  
28 implement this chapter.

29 (2) The commission may enter into contracts to implement this  
30 chapter.

31 (3) The commission must provide administrative support, as  
32 necessary, to the division established in section 3 of this act.

33 (4)(a) The commission may, by order or rule, modify the reporting  
34 period for any individual item of information in section 4 of this  
35 act.

36 (b) The commission must adopt rules prescribing the form and  
37 manner of information required under section 4 of this act.

1        NEW SECTION.    **Sec. 24.**    The division, commission, department of  
2 ecology, department of commerce, department of licensing, the  
3 consolidated technology services agency, and the office of the state  
4 auditor are authorized to enter into data-sharing agreements as  
5 necessary to implement this chapter.

6        NEW SECTION.    **Sec. 25.**    Sections 1 through 20, 23, 24, and 29 of  
7 this act constitute a new chapter in Title 19 RCW.

8        NEW SECTION.    **Sec. 26.**    If any provision of this act or its  
9 application to any person or circumstance is held invalid, the  
10 remainder of the act or the application of the provision to other  
11 persons or circumstances is not affected.

12       NEW SECTION.    **Sec. 27.**    If specific funding for the purposes of  
13 this act, referencing this act by bill or chapter number, is not  
14 provided by June 30, 2024, in the omnibus appropriations act, this  
15 act is null and void.

16       NEW SECTION.    **Sec. 28.**    This act is necessary for the immediate  
17 preservation of the public peace, health, or safety, or support of  
18 the state government and its existing public institutions, and takes  
19 effect immediately.

20       NEW SECTION.    **Sec. 29.**    This act may be known and cited as the  
21 oil industry accountability act.

--- END ---