

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1236

Chapter 234, Laws of 2023

68th Legislature
2023 Regular Session

PUBLIC TRANSIT AGENCIES—TRANSPORTATION FUEL

EFFECTIVE DATE: July 23, 2023

Passed by the House February 16, 2023
Yeas 98 Nays 0

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate April 12, 2023
Yeas 49 Nays 0

DENNY HECK

President of the Senate

Approved May 3, 2023 10:27 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1236** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

May 4, 2023

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1236

Passed Legislature - 2023 Regular Session

State of Washington 68th Legislature 2023 Regular Session

By House Environment & Energy (originally sponsored by Representatives Hackney, Abbarno, Senn, Reed, Doglio, Ramel, and Lekanoff)

READ FIRST TIME 02/03/23.

1 AN ACT Relating to enhancing access to clean fuel for agencies
2 providing public transportation; adding a new section to chapter
3 36.57A RCW; adding a new section to chapter 36.56 RCW; adding a new
4 section to chapter 35.92 RCW; adding a new section to chapter 36.57
5 RCW; adding a new section to chapter 81.112 RCW; and adding a new
6 section to chapter 81.104 RCW.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 36.57A
9 RCW to read as follows:

- 10 (1) A public transportation benefit area authority may:
- 11 (a) Produce, distribute, and use green electrolytic hydrogen and
12 renewable hydrogen for internal operations;
- 13 (b) Produce, distribute for sale, or sell green electrolytic
14 hydrogen and renewable hydrogen at wholesale or to an end-use
15 customer; and
- 16 (c) (i) Sell green electrolytic hydrogen and renewable hydrogen at
17 wholesale or to an end-use customer to or through facilities that
18 distribute, compress, store, liquefy, or dispense green electrolytic
19 hydrogen or renewable hydrogen for end use as a transportation fuel.
- 20 (ii) For the purposes of (c) (i) of this subsection, public
21 transportation benefit areas may own, operate, or own and operate

1 pipelines or dispensing facilities for green electrolytic hydrogen or
2 renewable hydrogen for end use as a transportation fuel if all such
3 pipelines and dispensing facilities are: (A) Located in the area
4 where the public transportation benefit area is authorized to provide
5 public transportation service; (B) located within the county where
6 the public transportation benefit area is authorized to provide
7 public transportation service and are service connected; or (C)
8 located within the county where the public transportation benefit
9 area is authorized to provide public transportation service and are
10 pursuant to a partnership or agreement with one or more public or
11 private partners.

12 (2) Nothing in this section authorizes a public transportation
13 benefit area to sell green electrolytic hydrogen or renewable
14 hydrogen delivered by pipeline to an end-use customer of a gas
15 company.

16 (3) Nothing in this section subjects public transportation
17 benefit areas to the jurisdiction of the utilities and transportation
18 commission, except that the utilities and transportation commission
19 may administer and enforce state and federal pipeline safety
20 requirements, as authorized in chapter 81.88 RCW, including
21 applicable fees payable to the utilities and transportation
22 commission.

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

25 (a) "Green electrolytic hydrogen" has the same meaning provided
26 in RCW 54.04.190.

27 (b) "Renewable hydrogen" has the same meaning provided in RCW
28 54.04.190.

29 (c) "Gas company" has the same meaning provided in RCW 80.04.010.

30 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.56
31 RCW to read as follows:

32 (1) A county that has assumed the transportation functions of a
33 metropolitan municipal corporation may:

34 (a) Produce, distribute, and use green electrolytic hydrogen and
35 renewable hydrogen for internal operations;

36 (b) Produce, distribute for sale, or sell green electrolytic
37 hydrogen and renewable hydrogen at wholesale or to an end-use
38 customer; and

1 (c) (i) Sell green electrolytic hydrogen and renewable hydrogen at
2 wholesale or to an end-use customer to or through facilities that
3 distribute, compress, store, liquefy, or dispense green electrolytic
4 hydrogen or renewable hydrogen for end use as a transportation fuel.

5 (ii) For the purposes of (c) (i) of this subsection, county-
6 assumed metropolitan municipal corporations may own, operate, or own
7 and operate pipelines or dispensing facilities for green electrolytic
8 hydrogen or renewable hydrogen for end use as a transportation fuel
9 if all such pipelines and dispensing facilities are: (A) Located in
10 the area where the county-assumed metropolitan municipal corporation
11 is authorized to provide public transportation service; (B) located
12 within the area where the county-assumed metropolitan municipal
13 corporation is authorized to provide public transportation service
14 and are service connected; or (C) located within the area where the
15 county-assumed metropolitan municipal corporation is authorized to
16 provide public transportation service and are pursuant to a
17 partnership or agreement with one or more public or private partners.

18 (2) Nothing in this section authorizes a county-assumed
19 metropolitan municipal corporation to sell green electrolytic
20 hydrogen or renewable hydrogen delivered by pipeline to an end-use
21 customer of a gas company.

22 (3) Nothing in this section subjects a county-assumed
23 metropolitan municipal corporation to the jurisdiction of the
24 utilities and transportation commission, except that the utilities
25 and transportation commission may administer and enforce state and
26 federal pipeline safety requirements, as authorized in chapter 81.88
27 RCW, including applicable fees payable to the utilities and
28 transportation commission.

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

31 (a) "Green electrolytic hydrogen" has the same meaning provided
32 in RCW 54.04.190.

33 (b) "Renewable hydrogen" has the same meaning provided in RCW
34 54.04.190.

35 (c) "Gas company" has the same meaning provided in RCW 80.04.010.

36 NEW SECTION. **Sec. 3.** A new section is added to chapter 35.92
37 RCW to read as follows:

1 (1) A city or town that acquires and operates transportation
2 facilities as a city transportation authority consistent with RCW
3 35.92.060 may:

4 (a) Produce, distribute, and use green electrolytic hydrogen and
5 renewable hydrogen for internal operations;

6 (b) Produce, distribute for sale, or sell green electrolytic
7 hydrogen and renewable hydrogen at wholesale or to an end-use
8 customer; and

9 (c) (i) Sell green electrolytic hydrogen and renewable hydrogen at
10 wholesale or to an end-use customer to or through facilities that
11 distribute, compress, store, liquefy, or dispense green electrolytic
12 hydrogen or renewable hydrogen for end use as a transportation fuel.

13 (ii) For the purposes of (c) (i) of this subsection, city
14 transportation authorities may own, operate, or own and operate
15 pipelines or dispensing facilities for green electrolytic hydrogen or
16 renewable hydrogen for end use as a transportation fuel if all such
17 pipelines and dispensing facilities are: (A) Located in the area
18 where the city transportation authority is authorized to provide
19 public transportation service; (B) located within the area where the
20 city transportation authority is authorized to provide public
21 transportation service and are service connected; or (C) located
22 within the area where the city transportation authority is authorized
23 to provide public transportation service and are pursuant to a
24 partnership or agreement with one or more public or private partners.

25 (2) Nothing in this section authorizes a city transportation
26 authority to sell green electrolytic hydrogen or renewable hydrogen
27 delivered by pipeline to an end-use customer of a gas company.

28 (3) Nothing in this section subjects a city transportation
29 authority to the jurisdiction of the utilities and transportation
30 commission, except that the utilities and transportation commission
31 may administer and enforce state and federal pipeline safety
32 requirements, as authorized in chapter 81.88 RCW, including
33 applicable fees payable to the utilities and transportation
34 commission.

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

37 (a) "Green electrolytic hydrogen" has the same meaning provided
38 in RCW 54.04.190.

39 (b) "Renewable hydrogen" has the same meaning provided in RCW
40 54.04.190.

1 (c) "Gas company" has the same meaning provided in RCW 80.04.010.

2 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.57
3 RCW to read as follows:

4 (1) A county public transportation authority as authorized under
5 this chapter and an unincorporated transportation benefit area as
6 authorized in RCW 36.57.100 may:

7 (a) Produce, distribute, and use green electrolytic hydrogen and
8 renewable hydrogen for internal operations;

9 (b) Produce, distribute for sale, or sell green electrolytic
10 hydrogen and renewable hydrogen at wholesale or to an end-use
11 customer; and

12 (c) (i) Sell green electrolytic hydrogen and renewable hydrogen at
13 wholesale or to an end-use customer to or through facilities that
14 distribute, compress, store, liquefy, or dispense green electrolytic
15 hydrogen or renewable hydrogen for end use as a transportation fuel.

16 (ii) For the purposes of (c) (i) of this subsection, county public
17 transportation authorities and unincorporated transportation benefit
18 areas may own, operate, or own and operate pipelines or dispensing
19 facilities for green electrolytic hydrogen or renewable hydrogen for
20 end use as a transportation fuel if all such pipelines and dispensing
21 facilities are: (A) Located in the area where the county public
22 transportation authority or unincorporated transportation benefit
23 area is authorized to provide public transportation service; (B)
24 located within the area where the county public transportation
25 authority or unincorporated transportation benefit area is authorized
26 to provide public transportation service and are service connected;
27 or (C) located within the area where the county public transportation
28 authority or unincorporated transportation benefit area is authorized
29 to provide public transportation service and are pursuant to a
30 partnership or agreement with one or more public or private partners.

31 (2) Nothing in this section authorizes a county public
32 transportation authority or unincorporated transportation benefit
33 area to sell green electrolytic hydrogen or renewable hydrogen
34 delivered by pipeline to an end-use customer of a gas company.

35 (3) Nothing in this section subjects a county public
36 transportation authority or unincorporated transportation benefit
37 area to the jurisdiction of the utilities and transportation
38 commission, except that the utilities and transportation commission
39 may administer and enforce state and federal pipeline safety

1 requirements, as authorized in chapter 81.88 RCW, including
2 applicable fees payable to the utilities and transportation
3 commission.

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

6 (a) "Green electrolytic hydrogen" has the same meaning provided
7 in RCW 54.04.190.

8 (b) "Renewable hydrogen" has the same meaning provided in RCW
9 54.04.190.

10 (c) "Gas company" has the same meaning provided in RCW 80.04.010.

11 NEW SECTION. **Sec. 5.** A new section is added to chapter 81.112
12 RCW to read as follows:

13 (1) A regional transit authority may:

14 (a) Produce, distribute, and use green electrolytic hydrogen and
15 renewable hydrogen for internal operations;

16 (b) Produce, distribute for sale, or sell green electrolytic
17 hydrogen and renewable hydrogen at wholesale or to an end-use
18 customer; and

19 (c) (i) Sell green electrolytic hydrogen and renewable hydrogen at
20 wholesale or to an end-use customer to or through facilities that
21 distribute, compress, store, liquefy, or dispense green electrolytic
22 hydrogen or renewable hydrogen for end use as a transportation fuel.

23 (ii) For the purposes of (c) (i) of this subsection, regional
24 transit authorities may own, operate, or own and operate pipelines or
25 dispensing facilities for green electrolytic hydrogen or renewable
26 hydrogen for end use as a transportation fuel if all such pipelines
27 and dispensing facilities are: (A) Located in the area where the
28 regional transit authority is authorized to provide public
29 transportation service; (B) located within the area where the
30 regional transit authority is authorized to provide public
31 transportation service and are service connected; or (C) located
32 within the area where the regional transit authority is authorized to
33 provide public transportation service and are pursuant to a
34 partnership or agreement with one or more public or private partners.

35 (2) Nothing in this section authorizes a regional transit
36 authority to sell green electrolytic hydrogen or renewable hydrogen
37 delivered by pipeline to an end-use customer of a gas company.

38 (3) Nothing in this section subjects a regional transit authority
39 to the jurisdiction of the utilities and transportation commission,

1 except that the utilities and transportation commission may
2 administer and enforce state and federal pipeline safety
3 requirements, as authorized in chapter 81.88 RCW, including
4 applicable fees payable to the utilities and transportation
5 commission.

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

8 (a) "Green electrolytic hydrogen" has the same meaning provided
9 in RCW 54.04.190.

10 (b) "Renewable hydrogen" has the same meaning provided in RCW
11 54.04.190.

12 (c) "Gas company" has the same meaning provided in RCW 80.04.010.

13 NEW SECTION. **Sec. 6.** A new section is added to chapter 81.104
14 RCW to read as follows:

15 (1) A transit agency that has established a high capacity
16 transportation corridor area may:

17 (a) Produce, distribute, and use green electrolytic hydrogen and
18 renewable hydrogen for internal operations;

19 (b) Produce, distribute for sale, or sell green electrolytic
20 hydrogen and renewable hydrogen at wholesale or to an end-use
21 customer; and

22 (c)(i) Sell green electrolytic hydrogen and renewable hydrogen at
23 wholesale or to an end-use customer to or through facilities that
24 distribute, compress, store, liquefy, or dispense green electrolytic
25 hydrogen or renewable hydrogen for end use as a transportation fuel.

26 (ii) For the purposes of (c)(i) of this subsection, a transit
27 agency that has established a high capacity transportation corridor
28 area may own, operate, or own and operate pipelines or dispensing
29 facilities for green electrolytic hydrogen or renewable hydrogen for
30 end use as a transportation fuel if all such pipelines and dispensing
31 facilities are: (A) Located where the high capacity transportation
32 corridor area is authorized to provide public transportation service;
33 (B) located within the area where the high capacity transportation
34 corridor area is authorized to provide public transportation service
35 and are service connected; or (C) located within the area where the
36 high capacity transportation corridor area is authorized to provide
37 public transportation service and are pursuant to a partnership or
38 agreement with one or more public or private partners.

1 (2) Nothing in this section authorizes a transit agency that has
2 established a high capacity transportation corridor area to sell
3 green electrolytic hydrogen or renewable hydrogen delivered by
4 pipeline to an end-use customer of a gas company.

5 (3) Nothing in this section subjects a transit agency that has
6 established a high capacity transportation corridor area to the
7 jurisdiction of the utilities and transportation commission, except
8 that the utilities and transportation commission may administer and
9 enforce state and federal pipeline safety requirements, as authorized
10 in chapter 81.88 RCW, including applicable fees payable to the
11 utilities and transportation commission.

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

14 (a) "Green electrolytic hydrogen" has the same meaning provided
15 in RCW 54.04.190.

16 (b) "Renewable hydrogen" has the same meaning provided in RCW
17 54.04.190.

18 (c) "Gas company" has the same meaning provided in RCW 80.04.010.

Passed by the House February 16, 2023.

Passed by the Senate April 12, 2023.

Approved by the Governor May 3, 2023.

Filed in Office of Secretary of State May 4, 2023.

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