9

10

11

12

13

14

15

16

17

18

1920

SENATE BILL 5015

State of Washington 69th Legislature 2025 Regular Session

By Senators Boehnke, Chapman, Christian, Dozier, Fortunato, Harris, Short, Wagoner, and J. Wilson

Prefiled 12/05/24. Read first time 01/13/25. Referred to Committee on Environment, Energy & Technology.

AN ACT Relating to increasing efficiency at the energy facility site evaluation council by removing the governor from the project approval process; amending RCW 80.50.040, 80.50.045, 80.50.060, 80.50.071, 80.50.090, 80.50.100, 80.50.105, 80.50.130, 80.50.330, 70A.15.3130, 80.70.020, 80.80.040, 90.48.262, and 90.58.140; creating a new section; and repealing RCW 80.50.320.

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

NEW SECTION. Sec. 1. The legislature finds that the energy facility site evaluation process culminates in a recommendation to the governor as the final step in the process. The legislature determines that the site evaluation process would be improved if the council were authorized to make the final decision without the necessity of making a recommendation to the governor. The council is the primary decision maker in the site evaluation process, having reviewed and considered all evidence, reports, comments, submissions by the parties and participants in an adjudicative proceeding. With respect to the office of the governor, governor's role in the process, apart from appointing the chair of the council, is not a critical piece of the overall project review, and the efficiency and speediness of the site evaluation process

p. 1 SB 5015

- 1 would be streamlined by making the council the final decision maker on the projects it reviews. 2
- Sec. 2. RCW 80.50.040 and 2022 c 183 s 5 are each amended to 3 read as follows: 4

The council shall have the following powers:

5

6

7

8 9

10

11

12

14

24

25

26 27

28

29 30

31

32

33

34

35

36

37 38

39

- (1) To adopt, promulgate, amend, or rescind suitable rules and regulations, pursuant to chapter 34.05 RCW, to carry out the provisions of this chapter, and the policies and practices of the council in connection therewith;
- (2) To develop and apply environmental and ecological guidelines in relation to the type, design, location, construction, initial operational conditions of certification, and ongoing regulatory oversight under the regulatory authority established in this chapter 13 of energy facilities subject to this chapter;
- 15 (3) To establish rules of practice for the conduct of public 16 hearings pursuant to the provisions of the Administrative Procedure Act, as found in chapter 34.05 RCW; 17
- 18 (4) To prescribe the form, content, and necessary supporting documentation for site certification; 19
- (5) To receive applications for energy facility locations and to 20 21 investigate the sufficiency thereof;
- 22 (6) To enter into contracts to carry out the provisions of this 23 chapter;
 - (7) To conduct hearings on the proposed location and operational conditions of the energy facilities under the regulatory authority established in this chapter;
 - (8) To prepare written reports ((to the governor)) which shall include: (a) A statement indicating whether the application is in compliance with the council's guidelines, (b) criteria specific to site and transmission line routing, (c) a ((recommendation)) decision as to the disposition of the application, (d) a ((draft)) certification agreement when the council ((recommends approval of)) approves the application;
 - (9) To prescribe the means for monitoring of the effects arising from the construction and the operation of energy facilities to assure continued compliance with terms of certification and/or permits issued by the council pursuant to chapter 90.48 RCW or subsection (12) of this section: PROVIDED, That any on-site inspection required by the council shall be performed by other state

p. 2 SB 5015 agencies pursuant to interagency agreement: PROVIDED FURTHER, That the council may retain authority for determining compliance relative to monitoring;

- (10) To integrate its site evaluation activity with activities of federal agencies having jurisdiction in such matters to avoid unnecessary duplication;
- (11) To present state concerns and interests to other states, regional organizations, and the federal government on the location, construction, and operation of any energy facility which may affect the environment, health, or safety of the citizens of the state of Washington;
- (12) To issue permits in compliance with applicable provisions of the federally approved state implementation plan adopted in accordance with the Federal Clean Air Act, as now existing or hereafter amended, for the new construction, reconstruction, or enlargement or operation of energy facilities: PROVIDED, That such permits shall become effective only if the ((governor)) council approves an application for certification and executes a certification agreement pursuant to this chapter: AND PROVIDED FURTHER, That all such permits be conditioned upon compliance with all provisions of the federally approved state implementation plan which apply to energy facilities covered within the provisions of this chapter; and
- 24 (13) To serve as an interagency coordinating body for energy-25 related issues.
- **Sec. 3.** RCW 80.50.045 and 2023 c 229 s 5 are each amended to 27 read as follows:
 - (1) The council shall consult with other state agencies, utilities, local municipal governments, public interest groups, tribes, and other interested persons to convey their views to the secretary and the federal energy regulatory commission regarding appropriate limits on federal regulatory authority in the siting of electrical transmission corridors in the state of Washington.
 - (2) The council is designated as the state authority for purposes of siting transmission facilities under Title 16 U.S.C. Sec. 824p and for purposes of other such rules or regulations adopted by the secretary. The council's authority regarding transmission facilities under this subsection is limited to those transmission facilities that are the subject of Title 16 U.S.C. Sec. 824p and this chapter.

p. 3 SB 5015

- (3) For the construction and modification of transmission facilities that are the subject of Title 16 U.S.C. Sec. 824p, the council may: (a) Approve the siting of the facilities; and (b) consider the interstate benefits expected to be achieved by the proposed construction or modification of the facilities in the state.
- (4) When ((developing recommendations as to the disposition of)) reviewing an application for the construction or modification of transmission facilities under this chapter, the fuel source of the electricity carried by the transmission facilities shall not be considered.
- 11 (5) For electrical transmission projects proposed or sited by a 12 federal agency, the director must coordinate state agency 13 participation in environmental review under the national 14 environmental policy act.
- **Sec. 4.** RCW 80.50.060 and 2023 c 229 s 4 are each amended to 16 read as follows:
 - (1) (a) The provisions of this chapter apply to the construction of energy facilities which includes the new construction of energy facilities and the reconstruction or enlargement of existing energy facilities where the net increase in physical capacity or dimensions resulting from such reconstruction or enlargement meets or exceeds those capacities or dimensions set forth in RCW 80.50.020 (14) and (29). No construction or reconstruction of such energy facilities may be undertaken, except as otherwise provided in this chapter, without first obtaining certification in the manner provided in this chapter.
 - (b) If applicants proposing the following types of facilities choose to receive certification under this chapter, the provisions of this chapter apply to the construction, reconstruction, or enlargement of these new or existing facilities:
- 30 (i) Facilities that produce refined biofuel, but which are not 31 capable of producing 25,000 barrels or more per day;
 - (ii) Alternative energy resource facilities;
 - (iii) Electrical transmission facilities: (A) Of a nominal voltage of at least 115,000 volts; and (B) located in more than one jurisdiction that has promulgated land use plans or zoning ordinances;
 - (iv) Clean energy product manufacturing facilities; and
 - (v) Storage facilities.

p. 4 SB 5015

- (c) All of the council's powers with regard to energy facilities apply to all of the facilities in (b) of this subsection and these facilities are subject to all provisions of this chapter that apply to an energy facility.
 - (2) (a) The provisions of this chapter must apply to:

- (i) The construction, reconstruction, or enlargement of new or existing electrical transmission facilities: (A) Of a nominal voltage of at least 500,000 volts alternating current or at least 300,000 volts direct current; (B) located in more than one county; and (C) located in the Washington service area of more than one retail electric utility; and
- (ii) The construction, reconstruction, or modification of electrical transmission facilities when the facilities are located in a national interest electric transmission corridor as specified in RCW 80.50.045.
- (b) For the purposes of this subsection, "modification" means a significant change to an electrical transmission facility and does not include the following: (i) Minor improvements such as the replacement of existing transmission line facilities or supporting structures with equivalent facilities or structures; (ii) the relocation of existing electrical transmission line facilities; (iii) the conversion of existing overhead lines to underground; or (iv) the placing of new or additional conductors, supporting structures, insulators, or their accessories on or replacement of supporting structures already built.
- (3) The provisions of this chapter shall not apply to normal maintenance and repairs which do not increase the capacity or dimensions beyond those set forth in RCW 80.50.020 (14) and (29).
- (4) Applications for certification of energy facilities made prior to July 15, 1977, shall continue to be governed by the applicable provisions of law in effect on the day immediately preceding July 15, 1977, with the exceptions of RCW 80.50.071 which shall apply to such prior applications and to site certifications prospectively from July 15, 1977.
- (5) Applications for certification shall be upon forms prescribed by the council and shall be supported by such information and technical studies as the council may require.
- 38 (6) Upon receipt of an application for certification under this 39 chapter, the chair of the council shall notify:

p. 5 SB 5015

1 (a) The appropriate county legislative authority or authorities 2 where the proposed facility is located;

3

4

5

7

8

9

10 11

12

13

14

1516

17

1819

2021

22

23

2425

26

2728

29

30 31

32

- (b) The appropriate city legislative authority or authorities where the proposed facility is located;
 - (c) The department of archaeology and historic preservation; and
- (d) The appropriate federally recognized tribal governments that may be affected by the proposed facility.
- (7) The council must work with local governments where a project is proposed to be sited in order to provide for meaningful participation and input during siting review and compliance monitoring.
- (8) The council must consult with all federally recognized tribes that possess resources, rights, or interests reserved or protected by federal treaty, statute, or executive order in the area where an energy facility is proposed to be located to provide early and participation and input during siting review and compliance monitoring. The chair and designated staff must offer to conduct government-to-government consultation to address issues of concern raised by such a tribe. The goal of the consultation process is to identify tribal resources or rights potentially affected by the proposed energy facility and to seek ways to avoid, minimize, or mitigate any adverse effects on tribal resources or rights. The chair must provide regular updates on the consultation to the council throughout the application review process. The report from the council ((to the governor)) required in RCW 80.50.100 must include a summary of the government-to-government consultation process that complies with RCW 42.56.300, including the issues and proposed resolutions.
- (9) The department of archaeology and historic preservation shall coordinate with the affected federally recognized tribes and the applicant in order to assess potential effects to tribal cultural resources, archaeological sites, and sacred sites.
- 33 **Sec. 5.** RCW 80.50.071 and 2022 c 183 s 8 are each amended to 34 read as follows:
- 35 (1) The council shall receive all applications for energy 36 facility site certification. Each applicant shall pay actual costs 37 incurred by the council in processing an application.
- 38 (a) Each applicant shall, at the time of application submission, 39 pay to the council for deposit into the energy facility site

p. 6 SB 5015

evaluation council account created in RCW 80.50.390 an amount up to fifty thousand dollars, or such greater amount as specified by the council after consultation with the applicant. The council shall charge costs against the deposit if the applicant withdraws its application and has not reimbursed the council for all actual expenditures incurred in considering the application.

- (b) The council may commission its own independent consultant study to measure the consequences of the proposed energy facility on the environment or any matter that it deems essential to an adequate appraisal of the site. The council shall provide an estimate of the cost of the study to the applicant and consider applicant comments.
- (c) In addition to the deposit required under (a) of this subsection, applicants must reimburse the council for actual expenditures that arise in considering the application, including the cost of any independent consultant study. The council shall submit to each applicant an invoice of actual expenditures made during the preceding calendar quarter in sufficient detail to explain the expenditures. The applicant shall pay the council the amount of the invoice by the due date.
- (2) Each certificate holder shall pay the actual costs incurred by the council for inspection and determination of compliance by the certificate holder with the terms of the certification relative to monitoring the effects of construction, operation, and site restoration of the facility.
- (a) Each certificate holder shall, within ((thirty)) 30 days of execution of the site certification agreement, pay to the council for deposit into the energy facility site evaluation council account created in RCW 80.50.390 an amount up to ((fifty thousand dollars)) \$50,000, or such greater amount as specified by the council after consultation with the certificate holder. The council shall charge costs against the deposit if the certificate holder ceases operations and has not reimbursed the council for all actual expenditures incurred in conducting inspections and determining compliance with the terms of the certification.
- (b) In addition to the deposit required under (a) of this subsection, certificate holders must reimburse the council for actual expenditures that arise in administering this chapter and determining compliance. The council shall submit to each certificate holder an invoice of the expenditures actually made during the preceding calendar quarter in sufficient detail to explain the expenditures.

p. 7 SB 5015

1 The certificate holder shall pay the amount of the invoice by the due date.

- (3) If an applicant or certificate holder fails to provide the initial deposit, or if subsequently required payments are not received within ((thirty)) 30 days following receipt of the invoice from the council, the council may (a) in the case of the applicant, suspend processing of the application until payment is received; or (b) in the case of a certificate holder, suspend the certification.
- (4) All payments required of the applicant or certificate holder under this section are to be made to the council for deposit into the energy facility site evaluation council account created in RCW 80.50.390. All such funds shall be subject to state auditing procedures. Any unexpended portions of the deposit shall be returned to the applicant within ((sixty)) 60 days following the conclusion of the application process or to the certificate holder within ((sixty)) 60 days after a determination by the council that the certificate is no longer required and there is no continuing need for compliance with its terms. For purposes of this section, "conclusion of the application process" means after the ((governor's)) council's decision granting or denying a certificate and the expiration of any opportunities for judicial review.
 - (5) (a) Upon receipt of an application for an energy facility site certification proposing an energy plant or alternative energy resource that is connected to electrical transmission facilities of a nominal voltage of at least ((one hundred fifteen thousand)) 115,000 volts, the council shall notify in writing the United States department of defense. The notification shall include, but not be limited to, the following:
- 29 (i) A description of the proposed energy plant or alternative 30 energy resource;
 - (ii) The location of the site;

- (iii) The placement of the energy plant or alternative energy resource on the site;
- 34 (iv) The date and time by which comments must be received by the 35 council; and
 - (v) Contact information of the council and the applicant.
 - (b) The purpose of the written notification is to provide an opportunity for the United States department of defense to comment upon the application, and to identify potential issues relating to the placement and operations of the energy plant or alternative

p. 8 SB 5015

- 1 energy resource, before a site certification application is approved.
- 2 The time period set forth by the council for receipt of such comments
- 3 shall not extend the time period for the council's processing of the
- 4 application.

12

13

1415

16

1718

1920

21

22

2324

25

2627

28

2930

31

32

33

3435

36

3738

- 5 (c) In order to assist local governments required to notify the United States department of defense under RCW 35.63.270, 35A.63.290,
- 7 and 36.01.320, the council shall post on its website the appropriate
- 8 information for contacting the United States department of defense.
- 9 **Sec. 6.** RCW 80.50.090 and 2022 c 183 s 9 are each amended to 10 read as follows:
 - (1) The council shall conduct an informational public hearing in the county of the proposed site as soon as practicable but not later than ((sixty)) 60 days after receipt of an application for site certification. However, the place of such public hearing shall be as close as practical to the proposed site.
 - (2) Subsequent to the informational public hearing, the council shall conduct a public hearing to determine whether or not the proposed site is consistent and in compliance with city, county, or regional land use plans or zoning ordinances on the date of the application.
 - (3)(a) After the submission of an environmental checklist and prior to issuing a threshold determination that a facility is likely to cause a significant adverse environmental impact under chapter 43.21C RCW, the director must notify the project applicant and explain in writing the basis for its anticipated determination of significance. Prior to issuing the threshold determination of significance, the director must give the project applicant the option of withdrawing and revising its application and the associated environmental checklist to clarify or make changes to features of the proposal that are designed to mitigate the impacts that were the basis of the director's anticipated determination of significance. The director shall make the threshold determination based upon the changed or clarified proposal following the applicant's submittal. The director must provide an opportunity for public comment on a project for which a project applicant has withdrawn and revised the application and environmental checklist and subsequently received a threshold determination of nonsignificance or mitigated determination of nonsignificance.

p. 9 SB 5015

(b) The notification required under (a) of this subsection is not an official determination by the director and is not subject to appeal under chapter 43.21C RCW.

- (4) Prior to the issuance of a council ((recommendation to the governor)) decision under RCW 80.50.100 a public hearing, conducted as an adjudicative proceeding under chapter 34.05 RCW, the administrative procedure act, shall be held.
- (a) At such public hearing any person shall be entitled to be heard in support of or in opposition to the application for certification by raising one or more specific issues, provided that the person has raised the issue or issues in writing with specificity during the application review process or during the public comment period that will be held prior to the start of the adjudicative hearing.
- (b) If the environmental impact of the proposed facility in an application for certification is not significant or will be mitigated to a nonsignificant level under RCW 43.21C.031, the council may limit the topic of the public hearing conducted as an adjudicative proceeding under this section to whether any land use plans or zoning ordinances with which the proposed site is determined to be inconsistent under subsection (2) of this section should be preempted.
- (5) After expedited processing is granted under RCW 80.50.075, the council must hold a public meeting to take comments on the proposed application prior to issuing a council ((recommendation to the governor)) decision on the application.
- 27 (6) Additional public hearings shall be held as deemed 28 appropriate by the council in the exercise of its functions under 29 this chapter.
- **Sec. 7.** RCW 80.50.100 and 2022 c 183 s 10 are each amended to read as follows:
 - (1) (a) The council shall ((report to the governor)) make its ((recommendations)) decision as to the approval or rejection of an application for certification within ((twelve)) 12 months of receipt by the council of an application deemed complete by the director, or such later time as is mutually agreed by the council and the applicant.

p. 10 SB 5015

- 1 (b) The council shall review and consider comments received 2 during the application process in making its ((recommendation)) 3 decision.
 - (c) In the case of an application filed prior to December 31, 2025, for certification of an energy facility proposed for construction, modification, or expansion for the purpose of providing generating facilities that meet the requirements of RCW 80.80.040 and are located in a county with a coal-fired electric generation facility subject to RCW 80.80.040(3)(c), the council shall expedite the processing of the application pursuant to RCW 80.50.075 and shall ((report its recommendations to the governor within one hundred eighty)) make its decision within 180 days of receipt by the council of such an application, or a later time as is mutually agreed by the council and the applicant.
 - application for certification, it shall also submit a ((draft)) certification agreement with the ((report)) approval to the applicant. The council shall include conditions in the ((draft)) certification agreement to implement the provisions of this chapter including, but not limited to, conditions to protect state, local governmental, or community interests, or overburdened communities as defined in RCW 70A.02.010 affected by the construction or operation of the facility, and conditions designed to recognize the purpose of laws or ordinances, or rules or regulations promulgated thereunder, that are preempted or superseded pursuant to RCW 80.50.110 as now or hereafter amended.
 - (3)(((a) Within 60 days of receipt of the council's report the governor shall take one of the following actions:
 - (i) Approve the application and execute the draft certification agreement; or
 - (ii) Reject the application; or

- (iii) Direct the council to reconsider certain aspects of the draft certification agreement.
- (b) The council shall reconsider such aspects of the draft certification agreement by reviewing the existing record of the application or, as necessary, by reopening the adjudicative proceeding for the purposes of receiving additional evidence. Such reconsideration shall be conducted expeditiously. The council shall resubmit the draft certification to the governor incorporating any amendments deemed necessary upon reconsideration. Within 60 days of

p. 11 SB 5015

- receipt of such draft certification agreement, the governor shall either approve the application and execute the certification agreement or reject the application.)) The certification agreement shall be binding upon execution by the ((governor)) council and the applicant.
- (((4) The rejection of an application for certification by the governor shall be final as to that application but shall not preclude submission of a subsequent application for the same site on the basis of changed conditions or new information.))
- 10 **Sec. 8.** RCW 80.50.105 and 1991 c 200 s 1112 are each amended to 11 read as follows:
- In making its ((recommendations to the governor)) decision under this chapter regarding an application that includes transmission facilities for petroleum products, the council shall give appropriate weight to city or county facility siting standards adopted for the protection of sole source aquifers.
- 17 **Sec. 9.** RCW 80.50.130 and 1970 ex.s. c 45 s 13 are each amended to read as follows:
- 19 Any certification may be revoked or suspended:
- 20 (1) For any material false statement in the application or in the supplemental or additional statements of fact or studies required of the applicant when a true answer would have warranted the council's refusal to ((recommend)) approve certification in the first instance; or
- 25 (2) For failure to comply with the terms or conditions of the original certification; or
- 27 (3) For violation of the provisions of this chapter, regulations 28 issued thereunder or order of the council.
- 29 **Sec. 10.** RCW 80.50.330 and 2007 c 325 s 3 are each amended to 30 read as follows:
- 31 (1) For applications to site electrical transmission facilities, 32 the council shall conduct a preapplication process pursuant to rules 33 adopted by the council to govern such process, receive applications 34 as prescribed in RCW 80.50.071, and conduct public meetings pursuant 35 to RCW 80.50.090.

p. 12 SB 5015

(2) The council shall consider and may ((recommend)) approve certification of electrical transmission facilities in corridors designated for this purpose by affected cities, towns, or counties:

- (a) Where the jurisdictions have identified electrical transmission facility corridors as part of their land use plans and zoning maps based on policies adopted in their plans;
- (b) Where the proposed electrical transmission facility is consistent with any adopted development regulations that govern the siting of electrical transmission facilities in such corridors; and
- (c) Where contiguous jurisdictions and jurisdictions in which related regional electrical transmission facilities are located have either prior to or during the preapplication process undertaken good faith efforts to coordinate the locations of their corridors consistent with RCW 36.70A.100.
- (3) (a) In the absence of a corridor designation in the manner prescribed in subsection (2) of this section, the council shall as part of the preapplication process require the preapplicant to negotiate, as provided by rule adopted by the council, for a reasonable time with affected cities, towns, and counties to attempt to reach agreement about a corridor plan. The application for certification shall identify only the corridor agreed to by the applicant and cities, towns, and counties within the proposed corridor pursuant to the preapplication process.
- (b) If no corridor plan is agreed to by the applicant and cities, towns, and counties pursuant to (a) of this subsection, the applicant shall propose a recommended corridor and electrical transmission facilities to be included within the proposed corridor.
- (c) The council shall consider the applicant's proposed corridor and electrical transmission facilities as provided in RCW 80.50.090 (2) and ((4+)) (6), and shall make a ((recommendation)) decision consistent with RCW 80.50.090 and 80.50.100.
- Sec. 11. RCW 70A.15.3130 and 2020 c 20 s 1110 are each amended to read as follows:
- 34 (1) The department of health shall have all the enforcement powers as provided in RCW 70A.15.3010, 70A.15.3140, 70A.15.3150, 70A.15.3160 (1) through (7), and 70A.15.3170 with respect to emissions of radionuclides. This section does not preclude the department of ecology from exercising its authority under this chapter.

p. 13 SB 5015

- 1 (2) Permits for energy facilities subject to chapter 80.50 RCW shall be issued by the energy facility site evaluation council. 2 3 However, the permits become effective only if the ((governor)) energy facility site evaluation council approves an application 4 certification and executes a certification agreement under chapter 5 6 80.50 RCW. The council shall have all powers necessary to administer operating permits program pertaining to such facilities, 7 consistent with applicable air quality standards established by the 8 department or local air pollution control authorities, or both, and 9 to obtain the approval of the United States environmental protection 10 11 agency. The council's powers include, but are not limited to, all of 12 the enforcement powers provided in RCW 70A.15.3010, 70A.15.3140, 70A.15.3150, 70A.15.3160 (1) through (7), and 70A.15.3170 with 13 respect to permit program sources required to obtain certification 14 15 from the council under chapter 80.50 RCW. To the extent not covered 16 under RCW 80.50.071, the council may collect fees as granted to 17 delegated local air authorities under RCW 70A.15.2210, 70A.15.2260 (14) and (15), 70A.15.2270, and 70A.15.2230(7) with respect to permit 18 19 program sources required to obtain certification from the council under chapter 80.50 RCW. The council and the department shall each 20 21 establish procedures that provide maximum coordination and avoid 22 duplication between the two agencies in carrying out the requirements 23 of this chapter.
 - Sec. 12. RCW 80.70.020 and 2004 c 224 s 2 are each amended to read as follows:
 - (1) The provisions of this chapter apply to:

25

2627

2829

30

31

32

33

3435

36

3738

39

- (a) New fossil-fueled thermal electric generation facilities with station-generating capability of ((three hundred fifty thousand)) 350,000 kilowatts or more and fossil-fueled floating thermal electric generation facilities of ((one hundred thousand)) 100,000 kilowatts or more under RCW 80.50.020(14)(((a))) (b), for which an application for site certification is made to the council after July 1, 2004;
- (b) New fossil-fueled thermal electric generation facilities with station-generating capability of more than ((twenty-five thousand)) 25,000 kilowatts, but less than ((three hundred fifty thousand)) 350,000 kilowatts, except for fossil-fueled floating thermal electric generation facilities under the council's jurisdiction, for which an application for an order of approval has been submitted after July 1, 2004;

p. 14 SB 5015

(c) Fossil-fueled thermal electric generation facilities with station-generating capability of ((three hundred fifty thousand)) 350,000 kilowatts or more that have an existing site certification agreement and, after July 1, 2004, apply to the council to increase the output of carbon dioxide emissions by ((fifteen)) 15 percent or more through permanent changes in facility operations or modification or equipment; and

- (d) Fossil-fueled thermal electric generation facilities with station-generating capability of more than ((twenty-five thousand)) 25,000 kilowatts, but less than ((three hundred fifty thousand)) 350,000 kilowatts, except for fossil-fueled floating thermal electric generation facilities under the council's jurisdiction, that have an existing order of approval and, after July 1, 2004, apply to the department or authority, as appropriate, to permanently modify the facility so as to increase its station-generating capability by at least ((twenty-five thousand)) 25,000 kilowatts or to increase the output of carbon dioxide emissions by ((fifteen)) 15 percent or more, whichever measure is greater.
- (2) (a) A ((proposed)) site certification agreement ((submitted to the governor under RCW 80.50.100 and a final site certification agreement issued)) approved under RCW 80.50.100 shall include an approved carbon dioxide mitigation plan.
- (b) For fossil-fueled thermal electric generation facilities not under jurisdiction of the council, the order of approval shall require an approved carbon dioxide mitigation plan.
- (c) Site certification agreement holders or order of approval holders may request, at any time, a change in conditions of an approved carbon dioxide mitigation plan if the council, department, or authority, as appropriate, finds that the change meets all requirements and conditions for approval of such plans.
- (3) An applicant for a fossil-fueled thermal electric generation facility shall include one or a combination of the following carbon dioxide mitigation options as part of its mitigation plan:
 - (a) Payment to a third party to provide mitigation;
 - (b) Direct purchase of permanent carbon credits; or
- 36 (c) Investment in applicant-controlled carbon dioxide mitigation 37 projects, including combined heat and power (cogeneration).
 - (4) Fossil-fueled thermal electric generation facilities that receive site certification approval or an order of approval shall

p. 15 SB 5015

provide mitigation for ((twenty)) 20 percent of the total carbon 1 dioxide emissions produced by the facility.

2

3

4

5 6

7

8 9

10 11

12

13

14

15 16

17

18

19

20 21

22

23

24 25

26 27

28 29

30 31

32

33

34

35 36

37

38 39

40

- (5) If the certificate holder or order of approval holder chooses to pay a third party to provide the mitigation, the mitigation rate shall be ((one dollar and sixty cents)) \$1.60 per metric ton of carbon dioxide to be mitigated. For a cogeneration plant, the monetary amount is based on the difference between ((twenty)) 20 percent of the total carbon dioxide emissions and the cogeneration credit.
- (a) Through rule making, the council may adjust the rate per ton biennially as long as any increase or decrease does not exceed ((fifty)) 50 percent of the current rate. The department or authority shall use the adjusted rate established by the council pursuant to subsection for fossil-fueled thermal electric generation facilities subject to the provisions of this chapter.
- (b) In adjusting the mitigation rate the council shall consider, but is not limited to, the current market price of a ton of carbon dioxide. The council's adjusted mitigation rate shall be consistent with RCW 80.50.010((((3)))) (4).
- (6) The applicant may choose to make to the third party a lump sum payment or partial payment over a period of five years.
- (a) Under the lump sum payment option, the payment amount is determined by multiplying the total carbon dioxide emissions by the twenty percent mitigation requirement under subsection (4) of this section and by the per ton mitigation rate established under subsection (5) of this section.
- (b) No later than ((one hundred twenty)) 120 days after the start of commercial operation, the certificate holder or order of approval holder shall make a one-time payment to the independent qualified organization for the amount determined under subsection (5) of this section.
- (c) As an alternative to a one-time payment, the certificate holder or order of approval holder may make a partial payment of ((twenty)) 20 percent of the amount determined under subsection (5) of this section no later than ((one hundred twenty)) 120 days after commercial operation and a payment in the same amount or as adjusted according to subsection (5)(a) of this section, on the anniversary date of the initial payment in each of the following four years. With the initial payment, the certificate holder or order of approval holder shall provide a letter of credit or other comparable security

SB 5015 p. 16

- 1 acceptable to the council or the department for the remaining
- 2 ((eighty)) 80 percent mitigation payment amount including possible
- 3 changes to the rate per metric ton from rule making under subsection
- 4 (5)(a) of this section.

1819

20

21

26

27

28

2930

31

32

- 5 **Sec. 13.** RCW 80.80.040 and 2011 c 180 s 103 are each amended to read as follows:
- 7 (1) Beginning July 1, 2008, the greenhouse gas emissions 8 performance standard for all baseload electric generation for which 9 electric utilities enter into long-term financial commitments on or 10 after such date is the lower of:
- 11 (a) One thousand one hundred pounds of greenhouse gases per 12 megawatt-hour; or
- 13 (b) The average available greenhouse gas emissions output as determined under RCW 80.80.050.
- 15 (2) This chapter does not apply to long-term financial commitments with the Bonneville power administration.
 - (3) (a) Except as provided in (c) of this subsection, all baseload electric generation facilities in operation as of June 30, 2008, are deemed to be in compliance with the greenhouse gas emissions performance standard established under this section until the facilities are the subject of long-term financial commitments.
- 22 (b) All baseload electric generation that commences operation 23 after June 30, 2008, and is located in Washington, must comply with 24 the greenhouse gas emissions performance standard established in 25 subsection (1) of this section.
 - (c)(i) A coal-fired baseload electric generation facility in Washington that emitted more than ((one million)) 1,000,000 tons of greenhouse gases in any calendar year prior to 2008 must comply with the lower of the following greenhouse gas emissions performance standard such that one generating boiler is in compliance by December 31, 2020, and any other generating boiler is in compliance by December 31, 2025:
- 33 (A) One thousand one hundred pounds of greenhouse gases per 34 megawatt-hour; or
- 35 (B) The average available greenhouse gas emissions output as determined under RCW 80.80.050.
- 37 (ii) This subsection (3)(c) does not apply to a coal-fired 38 baseload electric ((generating [generation])) generation facility in 39 the event the department determines as a requirement of state or

p. 17 SB 5015

federal law or regulation that selective catalytic reduction technology must be installed on any of its boilers.

- (4) All electric generation facilities or power plants powered exclusively by renewable resources, as defined in RCW 19.280.020, are deemed to be in compliance with the greenhouse gas emissions performance standard established under this section.
- (5) All cogeneration facilities in the state that are fueled by natural gas or waste gas or a combination of the two fuels, and that are in operation as of June 30, 2008, are deemed to be in compliance with the greenhouse gas emissions performance standard established under this section until the facilities are the subject of a new ownership interest or are upgraded.
- (6) In determining the rate of emissions of greenhouse gases for baseload electric generation, the total emissions associated with producing electricity shall be included.
- (7) In no case shall a long-term financial commitment be determined to be in compliance with the greenhouse gas emissions performance standard if the commitment includes more than ((twelve)) 12 percent of electricity from unspecified sources.
- (8) For a long-term financial commitment with multiple power plants, each specified power plant must be treated individually for the purpose of determining the annualized plant capacity factor and net emissions, and each power plant must comply with subsection (1) of this section, except as provided in subsections (3) through (5) of this section.
- (9) The department shall establish an output-based methodology to ensure that the calculation of emissions of greenhouse gases for a cogeneration facility recognizes the total usable energy output of the process, and includes all greenhouse gases emitted by the facility in the production of both electrical and thermal energy. In developing and implementing the greenhouse gas emissions performance standard, the department shall consider and act in a manner consistent with any rules adopted pursuant to the public utilities regulatory policy act of 1978 (16 U.S.C. Sec. 824a-3), as amended.
- (10) The following greenhouse gas emissions produced by baseload electric generation owned or contracted through a long-term financial commitment shall not be counted as emissions of the power plant in determining compliance with the greenhouse gas emissions performance standard:

p. 18 SB 5015

1 (a) Those emissions that are injected permanently in geological formations;

- (b) Those emissions that are permanently sequestered by other means approved by the department; and
- (c) Those emissions sequestered or mitigated as approved under subsection (16) of this section.
- (11) In adopting and implementing the greenhouse gas emissions performance standard, the department of commerce energy policy division, in consultation with the commission, the department, the Bonneville power administration, the western electricity coordinating council, the energy facility site evaluation council, electric utilities, public interest representatives, and consumer representatives, shall consider the effects of the greenhouse gas emissions performance standard on system reliability and overall costs to electricity customers.
- (12) In developing and implementing the greenhouse gas emissions performance standard, the department shall, with assistance of the commission, the department of commerce energy policy division, and electric utilities, and to the extent practicable, address long-term purchases of electricity from unspecified sources in a manner consistent with this chapter.
- (13) The directors of the energy facility site evaluation council and the department shall each adopt rules under chapter 34.05 RCW in coordination with each other to implement and enforce the greenhouse gas emissions performance standard. The rules necessary to implement this section shall be adopted by June 30, 2008.
- (14) In adopting the rules for implementing this section, the energy facility site evaluation council and the department shall include criteria to be applied in evaluating the carbon sequestration plan, for baseload electric generation that will rely on subsection (10) of this section to demonstrate compliance, but that will commence sequestration after the date that electricity is first produced. The rules shall include but not be limited to:
- (a) Provisions for financial assurances, as a condition of plant operation, sufficient to ensure successful implementation of the carbon sequestration plan, including construction and operation of necessary equipment, and any other significant costs;
- (b) Provisions for geological or other approved sequestration commencing within five years of plant operation, including full and

p. 19 SB 5015

1 sufficient technical documentation to support the planned 2 sequestration;

- (c) Provisions for monitoring the effectiveness of the implementation of the sequestration plan;
- (d) Penalties for failure to achieve implementation of the plan on schedule;
 - (e) Provisions for an owner to purchase emissions reductions in the event of the failure of a sequestration plan under subsection (16) of this section; and
- (f) Provisions for public notice and comment on the carbon sequestration plan.
- (15) (a) Except as provided in (b) of this subsection, as part of its role enforcing the greenhouse gas emissions performance standard, the department shall determine whether sequestration or a plan for sequestration will provide safe, reliable, and permanent protection against the greenhouse gases entering the atmosphere from the power plant and all ancillary facilities.
- (b) For facilities under its jurisdiction, the energy facility site evaluation council shall contract for review of sequestration or the carbon sequestration plan with the department consistent with the conditions under (a) of this subsection, consider the adequacy of sequestration or the plan in its adjudicative proceedings conducted under RCW 80.50.090(((3))) (4), and incorporate specific findings regarding adequacy ((in its recommendation to the governor under RCW <math>80.50.100)).
- (16) A project under consideration by the energy facility site evaluation council by July 22, 2007, is required to include all of the requirements of subsection (14) of this section in its carbon sequestration plan submitted as part of the energy facility site evaluation council process. A project under consideration by the energy facility site evaluation council by July 22, 2007, that receives final site certification agreement approval under chapter 80.50 RCW shall make a good faith effort to implement the sequestration plan. If the project owner determines that implementation is not feasible, the project owner shall submit documentation of that determination to the energy facility site evaluation council. The documentation shall demonstrate the steps taken to implement the sequestration plan and evidence of the technological and economic barriers to successful implementation. The project owner shall then provide to the energy facility site

p. 20 SB 5015

1 evaluation council notification that they shall implement the plan that requires the project owner to meet the greenhouse gas emissions 2 3 performance standard by purchasing verifiable greenhouse emissions reductions from an electric generation facility located 4 within the western interconnection, where the reduction would not 5 6 have occurred otherwise or absent this contractual agreement, such that the sum of the emissions reductions purchased and the facility's 7 emissions meets the standard for the life of the facility. 8

Sec. 14. RCW 90.48.262 and 1975-'76 2nd ex.s. c 108 s 41 are each amended to read as follows:

9

10 11

12

13

1415

16

1718

1920

2122

2324

25

2627

28

2930

31

32

33

34

35

3637

- (1) The powers established under RCW 90.48.260 shall be implemented by the department through the adoption of rules in every appropriate situation. The permit program authorized under RCW 90.48.260(1)(a) shall constitute a continuation of the established permit program of RCW 90.48.160 and other applicable sections within chapter 90.48 RCW. The appropriate modifications as authorized in ((this)) chapter 155, Laws of 1973 ((amendatory act)) are designed to avoid duplication and other wasteful practices and to insure that the state permit program contains all required elements of and is compatible with the requirements of any national permit system.
- (2) Permits for energy facilities subject to chapter 80.50 RCW shall be issued by the energy facility site evaluation council: PROVIDED, That such permits shall become effective only if the ((governor)) council approves an application for certification and executes a certification agreement pursuant to said chapter. The council shall have all powers necessary to establish and administer a point source discharge permit program pertaining to such plants, consistent with applicable receiving water quality standards established by the department, and to qualify for full participation in any national waste discharge or pollution discharge elimination permit system. The council and the department shall each adopt, by rules, procedures which will provide maximum coordination and avoid duplication between the two agencies with respect to permits in carrying out the requirements of ((this act)) chapter 155, Laws of 1973 including, but not limited to, monitoring and enforcement of certification agreements, and in qualifying for full participation in any such national system.

p. 21 SB 5015

- **Sec. 15.** RCW 90.58.140 and 2019 c 225 s 1 are each amended to 2 read as follows:
 - (1) A development shall not be undertaken on the shorelines of the state unless it is consistent with the policy of this chapter and, after adoption or approval, as appropriate, the applicable guidelines, rules, or master program.
 - (2) A substantial development shall not be undertaken on shorelines of the state without first obtaining a permit from the government entity having administrative jurisdiction under this chapter.

A permit shall be granted:

- (a) From June 1, 1971, until such time as an applicable master program has become effective, only when the development proposed is consistent with: (i) The policy of RCW 90.58.020; and (ii) after their adoption, the guidelines and rules of the department; and (iii) so far as can be ascertained, the master program being developed for the area;
- (b) After adoption or approval, as appropriate, by the department of an applicable master program, only when the development proposed is consistent with the applicable master program and this chapter.
- (3) The local government shall establish a program, consistent with rules adopted by the department, for the administration and enforcement of the permit system provided in this section. The administration of the system so established shall be performed exclusively by the local government.
- (4) Except as otherwise specifically provided in subsection (11) of this section, the local government shall require notification of the public of all applications for permits governed by any permit system established pursuant to subsection (3) of this section by ensuring that notice of the application is given by at least one of the following methods:
- (a) Mailing of the notice to the latest recorded real property owners as shown by the records of the county assessor within at least ((three hundred)) 300 feet of the boundary of the property upon which the substantial development is proposed;
- (b) Posting of the notice in a conspicuous manner on the property upon which the project is to be constructed; or
- 38 (c) Any other manner deemed appropriate by local authorities to accomplish the objectives of reasonable notice to adjacent landowners and the public.

p. 22 SB 5015

The notices shall include a statement that any person desiring to submit written comments concerning an application, or desiring to receive notification of the final decision concerning an application as expeditiously as possible after the issuance of the decision, may submit the comments or requests for decisions to the local government within ((thirty)) 30 days of the last date the notice is to be published pursuant to this subsection. The local government shall forward, in a timely manner following the issuance of a decision, a copy of the decision to each person who submits a request for the decision.

If a hearing is to be held on an application, notices of such a hearing shall include a statement that any person may submit oral or written comments on an application at the hearing.

- (5) The system shall include provisions to assure that construction pursuant to a permit will not begin or be authorized until ((twenty-one)) 21 days from the date the permit decision was filed as provided in subsection (6) of this section; or until all review proceedings are terminated if the proceedings were initiated within ((twenty-one)) 21 days from the date of filing as defined in subsection (6) of this section except as follows:
- (a) In the case of any permit issued to the state of Washington, department of transportation, for the construction and modification of SR 90 (I-90) on or adjacent to Lake Washington, the construction may begin after thirty days from the date of filing, and the permits are valid until December 31, 1995;
- (b)(i) In the case of any permit or decision to issue any permit to the state of Washington, department of transportation, for the replacement of the floating bridge and landings of the state route number 520 Evergreen Point bridge on or adjacent to Lake Washington, the construction may begin ((twenty-one)) 21 days from the date of filing. Any substantial development permit granted for the floating bridge and landings is deemed to have been granted on the date that the local government's decision to grant the permit is issued. This authorization to construct is limited to only those elements of the floating bridge and landings that do not preclude the department of transportation's selection of a four-lane alternative for state route number 520 between Interstate 5 and Medina. Additionally, the Washington state department of transportation shall not engage in or contract for any construction on any portion of state route number 520 between Interstate 5 and the western landing of the floating

p. 23 SB 5015

bridge until the legislature has authorized the imposition of tolls on the Interstate 90 floating bridge and/or other funding sufficient to complete construction of the state route number 520 bridge replacement and HOV program. For the purposes of this subsection (5) (b), the "western landing of the floating bridge" means the least amount of new construction necessary to connect the new floating bridge to the existing state route number 520 and anchor the west end of the new floating bridge;

(ii) Nothing in this subsection (5)(b) precludes the shorelines hearings board from concluding that the project or any element of the project is inconsistent with the goals and policies of the shoreline management act or the local shoreline master program;

- (iii) This subsection (5)(b) applies retroactively to any appeals filed after January 1, 2012, and to any appeals filed on or after March 23, 2012, and expires June 30, 2014;
- (c) (i) In the case of permits for projects addressing significant public safety risks, as defined by the department of transportation, it is not in the public interest to delay construction until all review proceedings are terminated. In the case of any permit issued under this chapter or decision to issue any permit under this chapter for a transportation project of the Washington state department of transportation, construction may begin ((twenty-one)) 21 days after the date of filing if all components of the project achieve a no net loss of shoreline ecological functions, as defined by department guidelines adopted pursuant to RCW 90.58.060 and as determined through the following process:
- (A) The department of transportation, as part of the permit review process, must provide the local government with an assessment of how the project affects shoreline ecological functions. The assessment must include specific actions for avoiding, minimizing, and mitigating impacts to shoreline ecological functions, developed in consultation with the department, that ensure there is no net loss of shoreline ecological functions; and
- (B) The local government, after reviewing the assessment required in (c)(i)(A) of this subsection and prior to the final issuance of all appropriate shoreline permits and variances, must determine that the project will result in no net loss of shoreline ecological functions.
- (ii) Nothing in this subsection (5)(c) precludes the shorelines hearings board from concluding that the shoreline project or any

p. 24 SB 5015

element of the project is inconsistent with this chapter, the local shoreline master program, chapter 43.21C RCW and its implementing regulations, or the applicable shoreline regulations.

1

2

3

4

5

7

37

3839

40

- (iii) This subsection (5)(c) does not apply to permit decisions for the replacement of the floating bridge and landings of the state route number 520 Evergreen Point bridge on or adjacent to Lake Washington;
- (d) Except as authorized in (b) and (c) of this subsection, 8 construction may be commenced no sooner than ((thirty)) 30 days after 9 the date of the appeal of the board's decision is filed if a permit 10 11 is granted by the local government and (i) the granting of the permit 12 is appealed to the shorelines hearings board within ((twenty-one)) 21 days of the date of filing, (ii) the hearings board approves the 13 granting of the permit by the local government or approves a portion 14 of the substantial development for which the local government issued 15 16 the permit, and (iii) an appeal for judicial review of the hearings 17 board decision is filed pursuant to chapter 34.05 RCW. The appellant 18 may request, within ((ten)) <u>10</u> days of the filing of the appeal with 19 the court, a hearing before the court to determine whether construction pursuant to the permit approved by the hearings board or 20 to a revised permit issued pursuant to the order of the hearings 21 22 board should not commence. If, at the conclusion of the hearing, the 23 court finds that construction pursuant to such a permit would involve a significant, irreversible damaging of the environment, the court 24 25 shall prohibit the permittee from commencing the construction 26 pursuant to the approved or revised permit until all review proceedings are final. Construction pursuant to a permit revised at 27 the direction of the hearings board may begin only on that portion of 28 the substantial development for which the local government had 29 originally issued the permit, and construction pursuant to such a 30 31 revised permit on other portions of the substantial development may 32 not begin until after all review proceedings are terminated. In such a hearing before the court, the burden of proving whether the 33 construction may involve significant irreversible damage to the 34 environment and demonstrating whether such construction would or 35 36 would not be appropriate is on the appellant;
 - (e) Except as authorized in (b) and (c) of this subsection, if the permit is for a substantial development meeting the requirements of subsection (11) of this section, construction pursuant to that permit may not begin or be authorized until ((twenty-one)) 21 days

p. 25 SB 5015

from the date the permit decision was filed as provided in subsection (6) of this section.

- If a permittee begins construction pursuant to (a), (b), (c), (d), or (e) of this subsection, the construction is begun at the permittee's own risk. If, as a result of judicial review, the courts order the removal of any portion of the construction or the restoration of any portion of the environment involved or require the alteration of any portion of a substantial development constructed pursuant to a permit, the permittee is barred from recovering damages or costs involved in adhering to such requirements from the local government that granted the permit, the hearings board, or any appellant or intervener.
- (6) Any decision on an application for a permit under the authority of this section, whether it is an approval or a denial, shall, concurrently with the transmittal of the ruling to the applicant, be filed with the department and the attorney general. This shall be accomplished by return receipt requested mail. A petition for review of such a decision must be commenced within ((twenty-one)) 21 days from the date of filing of the decision.
- (a) With regard to a permit other than a permit governed by subsection (10) of this section, "date of filing" as used in this section refers to the date of actual receipt by the department of the local government's decision.
- (b) With regard to a permit for a variance or a conditional use governed by subsection (10) of this section, "date of filing" means the date the decision of the department is transmitted by the department to the local government.
- (c) When a local government simultaneously transmits to the department its decision on a shoreline substantial development with its approval of either a shoreline conditional use permit or variance, or both, "date of filing" has the same meaning as defined in (b) of this subsection.
- (d) The department shall notify in writing the local government and the applicant of the date of filing by telephone or electronic means, followed by written communication as necessary, to ensure that the applicant has received the full written decision.
- (7) Applicants for permits under this section have the burden of proving that a proposed substantial development is consistent with the criteria that must be met before a permit is granted. In any review of the granting or denial of an application for a permit as

p. 26 SB 5015

provided in RCW 90.58.180 (1) and (2), the person requesting the review has the burden of proof.

- (8) Any permit may, after a hearing with adequate notice to the permittee and the public, be rescinded by the issuing authority upon the finding that a permittee has not complied with conditions of a permit. If the department is of the opinion that noncompliance exists, the department shall provide written notice to the local government and the permittee. If the department is of the opinion that the noncompliance continues to exist ((thirty)) 30 days after the date of the notice, and the local government has taken no action to rescind the permit, the department may petition the hearings board for a rescission of the permit upon written notice of the petition to the local government and the permittee if the request by the department is made to the hearings board within ((fifteen)) 15 days of the termination of the ((thirty-day)) 30-day notice to the local government.
- (9) The holder of a certification ((from the governor)) pursuant to chapter 80.50 RCW shall not be required to obtain a permit under this section.
 - (10) Any permit for a variance or a conditional use issued with approval by a local government under their approved master program must be submitted to the department for its approval or disapproval.
 - (11) (a) An application for a substantial development permit for a limited utility extension or for the construction of a bulkhead or other measures to protect a single-family residence and its appurtenant structures from shoreline erosion shall be subject to the following procedures:
 - (i) The public comment period under subsection (4) of this section shall be ((twenty)) 20 days. The notice provided under subsection (4) of this section shall state the manner in which the public may obtain a copy of the local government decision on the application no later than two days following its issuance;
 - (ii) The local government shall issue its decision to grant or deny the permit within ((twenty-one)) 21 days of the last day of the comment period specified in (a)(i) of this subsection; and
- (iii) If there is an appeal of the decision to grant or deny the permit to the local government legislative authority, the appeal shall be finally determined by the legislative authority within thirty days.

p. 27 SB 5015

- 1 (b) For purposes of this section, a limited utility extension 2 means the extension of a utility service that:
- 3 (i) Is categorically exempt under chapter 43.21C RCW for one or 4 more of the following: Natural gas, electricity, telephone, water, or 5 sewer;
- 6 (ii) Will serve an existing use in compliance with this chapter; 7 and
- 8 (iii) Will not extend more than ((twenty-five hundred)) 2,500 9 linear feet within the shorelines of the state.
- 10 (12) A permit under this section is not required in order to dispose of dredged materials at a disposal site approved through the cooperative planning process referenced in RCW 79.105.500, provided the dredged material disposal proponent obtains a valid site use authorization from the dredged material management program office within the department of natural resources.
- NEW SECTION. Sec. 16. RCW 80.50.320 (Governor to evaluate council efficiency, make recommendations) and 2001 c 214 s 8 are each repealed.

--- END ---

p. 28 SB 5015