## ENGROSSED SECOND SUBSTITUTE SENATE BILL 5175

## State of Washington 69th Legislature 2025 Regular Session

By Senate Ways & Means (originally sponsored by Senators Shewmake, Hasegawa, Nobles, and Wellman; by request of Department of Ecology) READ FIRST TIME 02/28/25.

1 AN ACT Relating to the photovoltaic module stewardship and 2 takeback program; amending RCW 70A.510.010; adding a new section to 3 chapter 70A.510 RCW; providing an effective date; providing an 4 expiration date; and declaring an emergency.

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

6 Sec. 1. RCW 70A.510.010 and 2021 c 45 s 1 are each amended to 7 read as follows:

8 The legislature finds that (1)a convenient, safe, and 9 environmentally sound system for the recycling of photovoltaic 10 minimization of hazardous waste, and modules, recovery of 11 commercially valuable materials must be established. The legislature 12 further finds that the responsibility for this system must be shared 13 among all stakeholders, with manufacturers financing the takeback and 14 recycling system.

15 (2) The definitions in this subsection apply throughout this 16 section <u>and section 2 of this act</u> unless the context clearly requires 17 otherwise.

(a) "Consumer electronic device" means any device containing an
 electronic circuit board that is intended for everyday use by
 individuals, such as a watch or calculator.

21 (b) "Department" means the department of ecology.

(c) "Distributor" means a person who markets and sells
 photovoltaic modules to retailers in Washington.

3 (d) "Installer" means a person who assembles, installs, and
4 maintains photovoltaic module systems.

5 (e) "Manufacturer" means any person in business or no longer in 6 business but having a successor in interest who, irrespective of the 7 selling technique used, including by means of distance or remote 8 sale:

9 (i) Manufactures or has manufactured a photovoltaic module under 10 its own brand names for use or sale in or into this state;

(ii) Assembles or has assembled a photovoltaic module that uses parts manufactured by others for use or sale in or into this state under the assembler's brand names;

14 (iii) Resells or has resold in or into this state under its own 15 brand names a photovoltaic module produced by other suppliers, 16 including retail establishments that sell photovoltaic modules under 17 their own brand names;

18 (iv) Manufactures or has manufactured a cobranded photovoltaic 19 module product for use or sale in or into this state that carries the 20 name of both the manufacturer and a retailer;

(v) Imports or has imported a photovoltaic module into the United States that is used or sold in or into this state. However, if the imported photovoltaic module is manufactured by any person with a presence in the United States meeting the criteria of manufacturer under (e)(i) through (vi) of this subsection, that person is the manufacturer;

(vi) Sells at retail a photovoltaic module acquired from an importer that is the manufacturer and elects to register as the manufacturer for those products; or

30 (vii) Elects to assume the responsibility and register in lieu of 31 a manufacturer as defined under (e)(i) through (vi) of this 32 subsection.

33 (f) "Photovoltaic module" means the smallest nondivisible, 34 environmentally protected assembly of photovoltaic cells or other 35 photovoltaic collector technology and ancillary parts intended to 36 generate electrical power under sunlight, except that "photovoltaic 37 module" does not include a photovoltaic cell that is part of a 38 consumer electronic device for which it provides electricity needed 39 to make the consumer electronic device function. "Photovoltaic

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1 module" includes but is not limited to interconnections, terminals, 2 and protective devices such as diodes that:

3 (i) Are installed on, connected to, or integral with buildings;

4 (ii) Are used as components of freestanding, off-grid, power
5 generation systems, such as for powering water pumping stations,
6 electric vehicle charging stations, fencing, street and signage
7 lights, and other commercial or agricultural purposes; or

8 (iii) Are part of a system connected to the grid or utility 9 service.

10 (g) "Predecessor" means an entity from which a manufacturer 11 purchased a photovoltaic module brand, its warranty obligations, and 12 its liabilities. "Predecessor" does not include entities from which a 13 manufacturer purchased only manufacturing equipment.

(h) "Rare earth element" means lanthanum, cerium, praseodymium,
neodymium, promethium, samarium, europium, gadolinium, terbium,
dysprosium, holmium, erbium, thulium, ytterbium, lutetium, yttrium,
or scandium.

(i) "Retailer" means a person who offers photovoltaic modules for retail sale in the state through any means including, but not limited to, remote offerings such as sales outlets, catalogs, or internet sales.

(j) "Reuse" means any operation by which a photovoltaic module or a component of a photovoltaic module changes ownership and is used for the same purpose for which it was originally purchased.

(k) "Stewardship plan" means the plan developed by a manufacturer or its designated stewardship organization for a self-directed stewardship program.

(1) "Stewardship program" means the activities conducted by a manufacturer or a stewardship organization to fulfill the requirements of this chapter and implement the activities described in its stewardship plan.

32 <u>(m) "Environmental justice" has the same meaning as defined in</u> 33 <u>RCW 70A.02.010.</u>

34 <u>(n) "Overburdened community" has the same meaning as defined in</u> 35 <u>RCW 70A.02.010.</u>

36 (o) "Vulnerable populations" has the same meaning as defined in 37 RCW 70A.02.010.

38 (3) The department must develop guidance for a photovoltaic 39 module stewardship and takeback program to guide manufacturers in 40 preparing and implementing a self-directed program to ensure the

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1 convenient, safe, and environmentally sound takeback and recycling of photovoltaic modules and their components and materials. By January 2 1, 2018, the department must establish a process to develop guidance 3 photovoltaic module stewardship plans by working 4 for with manufacturers, stewardship organizations, and other stakeholders on 5 6 the content, review, and approval of stewardship plans. The department's process must be fully implemented and stewardship plan 7 guidance completed by July 1, 2019. 8

(4) A stewardship organization may be designated to act as an 9 agent on behalf of a manufacturer or manufacturers in operating and 10 implementing the stewardship program required under this chapter. Any 11 12 stewardship organization that has obtained such designation must provide to the department a list of the manufacturers and brand names 13 that the stewardship organization represents within ((sixty)) 60 days 14 of its designation by a manufacturer as its agent, or within 15 16 ((sixty)) 60 days of removal of such designation.

(5) Each manufacturer must prepare and submit a stewardship plan ((to the department by the later of July 1, 2024, or within thirty)), individually or as a member of a stewardship organization, to the department by January 31, 2030, or within 30 days of its first sale of a photovoltaic module in or into the state, whichever is later.

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(a) A stewardship plan must, at a minimum:

(i) Describe how manufacturers will finance the takeback and recycling system, and include an adequate funding mechanism to finance the costs of collection, management, and recycling of photovoltaic modules and residuals sold in or into the state by the manufacturer with a mechanism that ensures that photovoltaic modules can be delivered to takeback locations without cost to the last owner or holder;

30 (ii) Accept all of their photovoltaic modules sold in or into the 31 state after July 1, 2017;

32 (iii) Describe how the program will minimize the release of 33 hazardous substances into the environment and maximize the recovery 34 of other components, including rare earth elements and commercially 35 valuable materials;

36 (iv) Provide for takeback of photovoltaic modules at locations 37 that are within the region of the state in which their photovoltaic 38 modules were used and are as convenient as reasonably practicable, 39 and if no such location within the region of the state exists, 40 include an explanation for the lack of such location; 1 (v) Identify how relevant stakeholders, including consumers, 2 installers, building demolition firms, and recycling and treatment 3 facilities, will receive information required in order for them to 4 properly dismantle, transport, and treat the end-of-life photovoltaic 5 modules in a manner consistent with the objectives described in 6 (a) (iii) of this subsection;

(vi) Establish performance goals, including a goal for the rate
of combined reuse and recycling of collected photovoltaic modules as
a percentage of the total weight of photovoltaic modules collected,
which rate must be no less than ((eighty-five)) <u>85</u> percent.

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(b) A manufacturer must implement the stewardship plan.

(c) A manufacturer may periodically amend its stewardship plan. The department must approve the amendment if it meets the requirements for plan approval outlined in the department's guidance. When submitting proposed amendments, the manufacturer must include an explanation of why such amendments are necessary.

17 (6) The department must approve a stewardship plan if it 18 determines the plan addresses each element outlined in the 19 department's guidance.

20 (7) (a) Beginning April  $((\frac{1}{2026}))$  <u>1st after the first year of</u> 21 <u>program operation</u>, and by April 1st in each subsequent year, a 22 manufacturer, or its designated stewardship organization, must 23 provide to the department a report for the previous calendar year 24 that documents implementation of the plan and assesses achievement of 25 the performance goals established in subsection (5)(a)(vi) of this 26 section.

(b) The report may include any recommendations to the department or the legislature on modifications to the program that would enhance the effectiveness of the program, including management of program costs and mitigation of environmental impacts of photovoltaic modules.

32 (c) The manufacturer or stewardship organization must post this33 report on a publicly accessible website.

(8) Beginning ((July 1, 2025)) January 31, 2031, no manufacturer, distributor, retailer, or installer may sell or offer for sale a photovoltaic module in or into the state unless the manufacturer of the photovoltaic module has submitted to the department a stewardship plan and received plan approval.

39 (a) The department must send a written warning to a manufacturer40 that is not participating in a plan. The written warning must inform

1 the manufacturer that it must submit a plan or participate in a plan within ((thirty)) 30 days of the notice. The department may assess a 2 penalty of up to ((ten thousand dollars)) <u>\$10,000</u> upon a manufacturer 3 for each sale that occurs in or into the state of a photovoltaic 4 module for which a stewardship plan has not been submitted by the 5 6 manufacturer and approved by the department after the initial written 7 warning. A manufacturer may appeal a penalty issued under this section to the superior court of Thurston county within ((one hundred 8 eighty)) 180 days of receipt of the notice. 9

(b) The department must send a written warning to a distributor, 10 11 retailer, or installer that sells or installs a photovoltaic module 12 made by a manufacturer that is not participating in a plan. The written warning must inform the distributor, retailer, or installer 13 that they may no longer sell or install a photovoltaic module if a 14 stewardship plan for that brand has not been submitted by the 15 16 manufacturer and approved by the department within ((thirty)) 30 days 17 of the notice.

(9) The department may collect a flat fee from participating 18 19 manufacturers to recover costs associated with the plan guidance, review, and approval process described in subsection (3) of this 20 section. Other administrative costs incurred by the department for 21 program implementation activities, including stewardship plan review 22 23 and approval, enforcement, and any rule making, may be recovered by charging every manufacturer an annual fee calculated by dividing 24 25 department administrative costs by the manufacturer's pro rata share 26 of the Washington state photovoltaic module sales in the most recent preceding calendar year, based on best available information. The 27 sole purpose of assessing the fees authorized in this subsection is 28 29 to predictably and adequately fund the department's costs of administering the photovoltaic module recycling program. 30

31 (10) The photovoltaic module recycling account is created in the 32 custody of the state treasurer. All fees collected from manufacturers under this chapter must be deposited in the account. Expenditures 33 from the account may be used only for administering this chapter. 34 Only the director of the department or the director's designee may 35 authorize expenditures from the account. The account is subject to 36 allotment procedures under chapter 43.88 RCW, 37 the but an appropriation is not required for expenditures. Funds in the account 38 39 may not be diverted for any purpose or activity other than those 40 specified in this section.

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(11) The department may adopt rules as necessary for the purpose of implementing, administering, and enforcing this chapter.

3 (12) In lieu of preparing a stewardship plan and as provided by subsection (5) of this section, a manufacturer may participate in a 4 national program for the convenient, safe, and environmentally sound 5 6 takeback and recycling of photovoltaic modules and their components 7 and materials, if substantially equivalent to the intent of the state program. The department may determine substantial equivalence if it 8 national program adequately addresses and 9 determines that the fulfills each of the elements of a stewardship plan outlined in 10 11 subsection (5)(a) of this section and includes an enforcement 12 mechanism reasonably calculated to ensure a manufacturer's compliance with the national program. Upon issuing a determination of 13 14 substantial equivalence, the department must notify affected stakeholders including the manufacturer. If the national program is 15 16 discontinued or the department determines the national program is no 17 longer substantially equivalent to the state program in Washington, 18 the department must notify the manufacturer and the manufacturer must 19 provide a stewardship plan as described in subsection (5)(a) of this section to the department for approval within ((thirty)) 30 days of 20 21 notification.

22 NEW SECTION. Sec. 2. A new section is added to chapter 70A.510 RCW to read as follows: 23

24 (1) Subject to the availability of amounts appropriated for this 25 specific purpose, the department must establish a photovoltaic module 26 advisory committee. The committee may include representatives of any 27 parties the department deems appropriate to carry out the duties in subsection (3) of this section, but must include at least one member, 28 if feasible, representing each of the following entities: 29

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(a) Tribal organization or government;

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(b) An association representing cities;

32 (c) An association representing counties;

(d) An environmental nonprofit; 33

34 (e) Environmental justice expertise, represented by an 35 environmental justice practitioner or academic;

(f) A solid waste collection or processing company; 36

(g) An electric utility; 37

- 38 (h) A photovoltaic module manufacturer;
- (i) A photovoltaic module distributor; 39

1 (j) A residential and commercial photovoltaic module installer 2 involved in the installation of photovoltaic modules on the 3 customer's side of the meter;

(k) A utility scale photovoltaic module project developer;

5 (1) Photovoltaic module recycling industry expertise;

6 (m) A labor organization representing workers in the electrical 7 industry;

8 (n) The department; and

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(o) The Washington state department of commerce.

10 (2) The department must contract with an independent third-party 11 consultant to convene, facilitate, support, and provide research for 12 the advisory committee. The consultant must:

(a) Provide staff and support to the advisory committee meetings
 including agendas, presentations, notes, and materials for the
 advisory committee;

16 (b) Hire subcontractors, as needed, for the research of any 17 relevant information regarding issues associated with photovoltaic 18 module recycling, stewardship, and takeback programs;

19 (c) Draft reports and other materials for review by the advisory 20 committee; and

(d) Submit, by June 1, 2028, a report to the department containing recommendations of the advisory committee, after review by the advisory committee.

24 (3) The duties of the advisory committee include the following:

(a) Develop recommendations for a convenient, safe, and environmentally sound system for the recycling of photovoltaic modules, minimization of hazardous waste, and recovery of commercially valuable materials, with manufacturers financing the takeback and recycling system, considering the following:

30 (i) Policies and laws related to photovoltaic module stewardship31 and takeback programs and the enforcement of these laws;

32 (ii) Potential environmental and health impacts on overburdened 33 communities and vulnerable populations expected to be affected, 34 equitable distribution of environmental benefits, reduction of 35 environmental harms, and meaningful access to programs and service;

36 (iii) Any work from other applicable advisory committees 37 currently discussing similar topics in other jurisdictions or at the 38 national level; and

39 (iv) Information and research provided by the department's 40 consultant. (b) Provide information to the consultant as requested, to meet
 the needs of this section.

3 (c) Review and comment on the consultant's report to the 4 department.

5 (4) By December 1, 2028, the department shall submit a report to 6 the appropriate committees of the legislature summarizing the work of 7 the consultant and the advisory committee. The report shall contain 8 recommended changes to this chapter.

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(5) This section expires July 1, 2030.

10 <u>NEW SECTION.</u> Sec. 3. This act is necessary for the immediate 11 preservation of the public peace, health, or safety, or support of 12 the state government and its existing public institutions, and takes 13 effect June 30, 2025.

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