RCW 19.27A.260 Campus energy system decarbonization plan—Definitions—Report—Alternative compliance pathway. (1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Campus" means a collection of buildings served by a district heating, cooling, water reuse, or power system.

(b) "Campus district energy system" means a district energy system that provides heating, cooling, or heating and cooling to a campus through a distributed system providing steam, hot water, or cool water to three or more buildings with more than 100,000 square feet of combined conditioned space, where the system and all connected buildings are owned by:

(i) A single entity;

(ii) A public-private partnership in which a private entity owns the systems providing heating, cooling, or heating and cooling to buildings owned by one public entity; or

(iii) Two private entities in which one private entity owns the connected buildings and another private entity owns the system providing heating, cooling, or heating and cooling to the buildings.

(c) "State campus district energy system" means a district energy system that provides heating, cooling, or heating and cooling to a campus through a distributed system providing steam, hot water, or cool water to five or more buildings with more than 100,000 square feet of combined conditioned space, where the system and all connected buildings are owned by the state of Washington or by a public-private partnership including one public buildings owner and one private entity.

(2)(a) The owner of a state campus district energy system must develop a decarbonization plan that provides a strategy for up to 15 years for the state campus district energy system. The department of commerce may approve a decarbonization plan that is based on a planning time frame longer than 15 years. The decarbonization plan must include:

(i) Mechanisms to replace fossil fuels in the heating plants, including a schedule for replacement;

(ii) An evaluation of possible options to partner with nearby sources and uses of waste heat and cooling;

(iii) An examination of opportunities to add buildings or other facilities to the system once it is decarbonized, a strategy to incentivize growth of a decarbonized system, and requirements for facilities joining the system; and

(iv) An evaluation, prioritization, and scheduled plan of reducing energy use through conservation efforts both at the central plant and in the buildings connected to district energy systems that results in meeting the campus energy use intensity target.

(b) The owner of a state campus district energy system is encouraged to include the following considerations in a decarbonization plan:

(i) Distribution network upgrades;

(ii) On-site energy storage facilities;

(iii) Space cooling for residential facilities;

(iv) Labor and workforce, including state registered apprenticeship utilization;

(v) Options for public-private partnerships;

(vi) Incorporation of industrial symbiosis projects or networks as described in chapter 308, Laws of 2021.

(c) The owner of a state campus district energy system must consult with the electric utility and the natural gas utility serving the site of the system during decarbonization plan development.

(3)(a) The owner of a state campus district energy system must begin developing a decarbonization plan by June 30, 2024, and must submit a final decarbonization plan to the department of commerce by June 30, 2025.

(b) Upon submittal to the department of commerce, decarbonization plans must be reviewed and approved by the department of commerce. The department of commerce may ask for a decarbonization plan to be revised and resubmitted if it does not meet standards as determined by the department of commerce.

(c) Every five years after June 30, 2025, the owner of a state campus district energy system must resubmit the decarbonization plan, along with a progress report on the implementation of the decarbonization plan, to the department of commerce.

(4) The department of commerce must provide a summary report on the decarbonization plans required in subsection (3) of this section to the governor and the appropriate committees of the legislature by December 1, 2025.

(5) The owner of a state campus district energy system is not required to meet the energy use intensity target in all the connected buildings that are heated, cooled, or heated and cooled by the system, or to conduct an investment grade audit, to otherwise comply with the state energy performance standard requirements in RCW 19.27A.200 through 19.27A.250 if the following conditions for an alternative compliance pathway are met:

(a) The owner of a state campus district energy system is implementing a department of commerce-approved decarbonization plan or has fully implemented a department of commerce-approved decarbonization plan for the state campus district energy system and all of its connected buildings that, when fully implemented, meets the energy use intensity target established for the campus at the time of required measurement and verification. The owner may apply for phased implementation through conditional compliance in accordance with requirements of the decarbonization plan;

(b) The owner of the state campus district energy system meets the benchmarking, energy management, and operations and maintenance planning requirements under RCW 19.27A.200 through 19.27A.250 for the state campus district energy system and all of its connected buildings; and

(c) The owner of a state campus district energy system submits a request to the department of commerce once during every five-year compliance cycle as part of documentation submitted in accordance with RCW 19.27A.210(7), and the department of commerce approves the request.

(6) The owner of a campus district energy system may submit a request to the department of commerce to opt-in to the process for approval of an alternative compliance pathway as outlined in this section. If approved by the department of commerce, the campus district energy system must follow all of the requirements outlined for a state campus district energy system in this section, and the department of commerce must apply all authorities granted under this section for state campus district energy systems to such a campus district energy system. [2023 c 291 s 2.]

Findings—2023 c 291: "The legislature recognizes that building decarbonization is necessary to achieve the state's climate goals. Washington is a member of the national building performance standards coalition and is leading the nation with existing building performance standards. District energy policy could be used in coordination with any future statewide building performance standards policies to reduce commercial and large state-owned building emissions.

Due to the increased prevalence of extreme summer heat events, the ability to cool space at our state-run campus facilities, including correctional facilities, is an essential function of maintaining humane living, working, and learning conditions.

Upgrading existing district energy systems has great potential to increase efficiency, oftentimes more so than a building-by-building approach.

Upgrading and constructing district energy systems will employ skilled labor, including trades that have historically performed work on fossil fuel energy sources. This work will be an important part of a just transition to a clean energy economy.

For state-owned facilities connected to district energy systems, the legislature recognizes that it may take years, multiple budget cycles, and commitments as anchor customers to develop and upgrade campus district energy systems, but remains committed to steadily investing in plans developed by these agencies and their selected providers. Having plans for multiyear customer commitments or spending programs will set the state and private sector up well for applying for federal grants and resources and to appropriately plan capital, operating, and climate commitment act funding for these investments over time." [2023 c 291 s 1.]