
ENGROSSED SUBSTITUTE HOUSE BILL 2757

State of Washington

65th Legislature

2018 Regular Session

By House Technology & Economic Development (originally sponsored by Representatives Doglio, Tharinger, Walsh, Chapman, Fitzgibbon, and Tarleton)

READ FIRST TIME 02/01/18.

1 AN ACT Relating to modernizing fuel content standards and
2 references; amending RCW 19.112.010, 19.112.020, 19.112.030,
3 19.112.050, 19.112.060, 19.112.110, 19.112.900, 42.56.270, 43.19.642,
4 43.19.646, 43.19.647, 82.08.865, 82.08.956, and 82.12.956; reenacting
5 and amending RCW 80.50.020; adding a new section to chapter 43.325
6 RCW; repealing RCW 19.112.040, 19.112.090, 19.112.120, 19.112.130,
7 19.112.140, 19.112.150, 19.112.160, 19.112.170, 19.112.180, and
8 43.19.643; and prescribing penalties.

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

10 **Sec. 1.** RCW 19.112.010 and 2009 c 132 s 1 are each amended to
11 read as follows:

12 The definitions in this section apply throughout this chapter
13 unless the context clearly requires otherwise.

14 (1) (~~"Alcohol fuel" means any alcohol made from a product other~~
15 ~~than petroleum or natural gas that is used alone or in combination~~
16 ~~with gasoline or other petroleum products for use as a fuel in self-~~
17 ~~propelled motor vehicles.~~

18 (2) ~~"Alternative fuel" means all products or energy sources used~~
19 ~~to propel motor vehicles, other than conventional gasoline, diesel,~~
20 ~~or reformulated gasoline. Alternative fuel includes, but is not~~
21 ~~limited to, liquefied petroleum gas, liquefied natural gas,~~

1 ~~compressed natural gas, biodiesel fuel, E85 motor fuel, fuels~~
2 ~~containing seventy percent or more by volume of alcohol fuel, fuels~~
3 ~~that are derived from biomass, hydrogen fuel, anhydrous ammonia fuel,~~
4 ~~nonhazardous motor fuel, or electricity, excluding onboard electric~~
5 ~~generation.~~

6 ~~(3) "Biodiesel fuel" means the monoalkyl esters of long chain~~
7 ~~fatty acids derived from plant or animal matter that meet the~~
8 ~~registration requirements for fuels and fuel additives established by~~
9 ~~the federal environmental protection agency and standards established~~
10 ~~by the American society of testing and materials.~~

11 ~~(4) "Diesel" means special fuel as defined in RCW 82.38.020, and~~
12 ~~diesel fuel dyed in accordance with the regulations in 26 C.F.R. Sec.~~
13 ~~48.4082-1T as of October 24, 2005.~~

14 ~~(5)) "Director" means the director of agriculture.~~

15 ~~((6) "E85 motor fuel" means an alternative fuel that is a blend~~
16 ~~of ethanol and hydrocarbon of which the ethanol portion is nominally~~
17 ~~seventy five to eighty five percent denatured fuel ethanol by volume~~
18 ~~that complies with the most recent version of American society of~~
19 ~~testing and materials specification D-5798.~~

20 ~~(7)) (2) "Motor fuel" means: (a) Any liquid product used for the~~
21 ~~generation of power in an internal combustion engine used for the~~
22 ~~propulsion of a motor vehicle upon the highways of this state((7));~~
23 ~~(b) any diesel fuel dyed in accordance with federal regulations that~~
24 ~~is used to power a motor vehicle; and (c) any biodiesel fuel. ((Motor~~
25 ~~fuels containing ethanol may be marketed if either (a) the base motor~~
26 ~~fuel meets the applicable standards before the addition of the~~
27 ~~ethanol or (b) the resultant blend meets the applicable standards~~
28 ~~after the addition of the ethanol.~~

29 ~~(8) "Nonhazardous motor fuel" means any fuel of a type~~
30 ~~distributed for use in self-propelled motor vehicles that does not~~
31 ~~contain a hazardous liquid as defined in RCW 19.122.020.~~

32 ~~(9) "Renewable diesel" means a diesel fuel substitute produced~~
33 ~~from nonpetroleum renewable sources, including vegetable oils and~~
34 ~~animal fats, that meets the registration requirements for fuels and~~
35 ~~fuel additives established by the federal environmental protection~~
36 ~~agency in 40 C.F.R. Part 79 (2008) and meets the requirements of~~
37 ~~American society of testing and materials specification D-975.)~~

38 **Sec. 2.** RCW 19.112.020 and 2010 c 96 s 1 are each amended to
39 read as follows:

1 (1) This chapter shall be administered by the director or ((his
2 or her)) the director's authorized agent. ((For the purpose of
3 administering this chapter, for motor fuel except biodiesel fuel,))

4 (2)(a) The director shall adopt rules for maintaining standards
5 for motor fuel. The rules may include:

6 (i) All or part of the standards set forth in the Annual Book of
7 ASTM Standards and ((supplements thereto,)) amendments and revisions
8 thereof((, are adopted, together with));

9 (ii) All or part of the standards set forth in the national
10 institute of standards and technology (NIST) handbook 130, uniform
11 laws and regulations in the areas of legal metrology and engine fuel
12 quality rules, and any supplements, amendments, or revisions thereof;
13 and

14 (iii) Any applicable federal environmental protection agency
15 standards.

16 (b) If a conflict exists between federal environmental protection
17 agency standards, ASTM standards, NIST standards, or state standards,
18 for purposes of uniformity, federal environmental protection agency
19 standards shall take precedence over ASTM and NIST standards. Any
20 state standards adopted must be consistent with federal environmental
21 protection agency standards and ASTM and NIST standards not in
22 conflict with federal environmental protection agency standards.

23 ~~((+2))~~ (3) The director may establish a fuel testing laboratory
24 or may contract with a laboratory for testing.

25 (4) The director may ~~((also))~~ adopt rules on false and misleading
26 advertising, labeling and posting of prices, ~~((and the standards~~
27 ~~for,))~~ and identity of~~((,))~~ motor fuels. ~~((The director shall require~~
28 ~~fuel pumps offering an ethanol blend to be identified by a label~~
29 ~~stating the percentage of ethanol and fuel pumps offering a biodiesel~~
30 ~~blend of up to and including five percent to be identified by a label~~
31 ~~that states "may contain up to five percent biodiesel." Biodiesel~~
32 ~~blends above five percent shall be identified by a label stating the~~
33 ~~percentage of biodiesel being offered.~~

34 ~~(3) The rules adopted under RCW 19.112.140 shall also provide~~
35 ~~that the diesel refiner is responsible for meeting the ASTM standards~~
36 ~~required by chapter 338, Laws of 2006 when providing diesel fuel into~~
37 ~~the distribution system.))~~

38 **Sec. 3.** RCW 19.112.030 and 1990 c 102 s 4 are each amended to
39 read as follows:

1 The director may:

2 (1) Enforce and administer this chapter by inspections, analyses,
3 and other appropriate actions;

4 (2) Have access during normal business hours to all places where
5 motor fuels are marketed for the purpose of examination, inspection,
6 taking of samples, and investigation. If access is refused by the
7 owner or agent or other persons leasing the same, the director or his
8 or her agent may obtain an administrative search warrant from a court
9 of competent jurisdiction;

10 (3) Collect or cause to be collected, samples of motor fuels
11 marketed in this state, and cause such samples to be tested or
12 analyzed for compliance with this chapter;

13 (4) Issue a stop-sale order for any motor fuel found not to be in
14 compliance and rescind the stop-sale order if the motor fuel is
15 brought into compliance with this chapter;

16 (5) (~~Refuse, revoke, or suspend the registration of a motor~~
17 ~~fuel;~~

18 ~~(6)~~) Delegate to authorized agents any of the responsibilities
19 for the proper administration of this chapter(~~(7)~~

20 ~~(7) Establish a motor fuel testing laboratory~~)).

21 **Sec. 4.** RCW 19.112.050 and 1990 c 102 s 6 are each amended to
22 read as follows:

23 It is unlawful to:

24 (1) Market motor fuels in any manner that may deceive or tend to
25 deceive the purchaser as to the nature, price, quantity, and quality
26 of a motor fuel;

27 (2) (~~Fail to register a motor fuel;~~

28 ~~(3) Submit incorrect, misleading, or false information regarding~~
29 ~~the registration of a motor fuel;~~

30 ~~(4)~~) Hinder or obstruct the director, or his or her authorized
31 agent, in the performance of his or her duties;

32 (~~(5)~~) (3) Market a motor fuel that is contrary to this chapter.

33 **Sec. 5.** RCW 19.112.060 and 2011 c 96 s 20 are each amended to
34 read as follows:

35 (1)(a) Any person who knowingly violates any provision of this
36 chapter or rules adopted under it is guilty of a misdemeanor and,
37 upon conviction, shall be punished by a fine of not more than one

1 thousand dollars or imprisonment for up to three hundred sixty-four
2 days, or both.

3 (b) The director (~~shall~~) may assess a civil penalty ranging
4 from one hundred dollars to ten thousand dollars per occurrence,
5 giving due consideration to the appropriateness of the penalty with
6 respect to the gravity of the violation, and the history of previous
7 violations. Civil penalties collected under this chapter shall be
8 deposited into the motor vehicle fund.

9 (2) The penalties in subsection (1)(a) of this section do not
10 apply to violations of RCW 19.112.110 (~~and 19.112.120~~)).

11 **Sec. 6.** RCW 19.112.110 and 2013 c 225 s 601 are each amended to
12 read as follows:

13 (1)(a) Until July 1, 2019, special fuel licensees under chapter
14 82.38 RCW, as determined by the department of licensing, must provide
15 evidence to the department of licensing that at least two percent of
16 the total annual diesel fuel sold in Washington is biodiesel or
17 renewable diesel fuel(~~, following the earlier of: (a) November 30,~~
18 ~~2008; or (b) when a determination is made by the director, published~~
19 ~~in the Washington State Register, that feedstock grown in Washington~~
20 ~~state can satisfy a two-percent requirement.~~

21 ~~(2) Special fuel licensees under chapter 82.38 RCW, as determined~~
22 ~~by the department of licensing, must provide evidence to the~~
23 ~~department of licensing that at least five percent of total annual~~
24 ~~diesel fuel sold in Washington is biodiesel or renewable diesel fuel,~~
25 ~~when the director determines, and publishes this determination in the~~
26 ~~Washington State Register, that both in-state oil seed crushing~~
27 ~~capacity and feedstock grown in Washington state can satisfy a three-~~
28 ~~percent requirement.~~

29 ~~(3) The requirements of subsections (1) and (2) of this section~~
30 ~~may take effect no sooner than one hundred eighty days after the~~
31 ~~determination has been published in the Washington State Register.~~

32 ~~(4) The director and the director of licensing must each adopt~~
33 ~~rules, in coordination with each other, for enforcing and carrying~~
34 ~~out the purposes of this section).~~

35 (b) Beginning July 1, 2019, all diesel fuel sold in Washington by
36 a special fuel licensee must contain a minimum of two percent
37 biomass-based diesel fuel on an annual average basis. Each special
38 fuel licensee must provide evidence to the department of licensing

1 demonstrating attainment of this standard on an annual basis for all
2 diesel fuel sold by the special fuel licensee.

3 (2) Beginning July 1, 2021, all diesel fuel sold in Washington by
4 a special fuel licensee must contain a minimum of five percent
5 biomass-based diesel fuel on an annual average basis. Each special
6 fuel licensee must provide evidence to the department of licensing
7 demonstrating attainment of this standard on an annual basis for all
8 diesel fuel sold by the special fuel licensee.

9 (3) Beginning July 1, 2019, biomass-based diesel fuel that is
10 derived from palm oil may not be sold in Washington by a special fuel
11 licensee.

12 (4) The department of licensing shall adopt rules to implement
13 this section, including authority for monthly and annual reporting
14 and recordkeeping requirements for biomass-based diesel fuel,
15 enforcement authority, and penalties in the event of noncompliance by
16 a special fuel licensee with the requirements of this section or the
17 department of licensing's rules. The department of licensing shall
18 adopt rules by December 31, 2018.

19 (5) For the purposes of this section, "biomass-based diesel fuel"
20 has the same meaning as provided in 40 C.F.R. Sec. 80.1401, as it
21 existed on the effective date of this section.

22 (6) The director shall notify the legislature by December 1,
23 2020, regarding the types of feedstocks being used to meet the
24 requirements of this section, and may recommend, in consultation with
25 the department of commerce, strategies to increase the production of
26 in-state feedstocks to increase renewable fuel production.

27 **Sec. 7.** RCW 19.112.900 and 1990 c 102 s 11 are each amended to
28 read as follows:

29 ~~((RCW 19.112.005 through 19.112.080 shall constitute a new~~
30 ~~chapter in Title 19 RCW and)) This chapter may be known and cited as
31 the motor fuel quality act.~~

32 **Sec. 8.** RCW 42.56.270 and 2017 c 317 s 17 are each amended to
33 read as follows:

34 The following financial, commercial, and proprietary information
35 is exempt from disclosure under this chapter:

36 (1) Valuable formulae, designs, drawings, computer source code or
37 object code, and research data obtained by any agency within five

1 years of the request for disclosure when disclosure would produce
2 private gain and public loss;

3 (2) Financial information supplied by or on behalf of a person,
4 firm, or corporation for the purpose of qualifying to submit a bid or
5 proposal for (a) a ferry system construction or repair contract as
6 required by RCW 47.60.680 through 47.60.750 or (b) highway
7 construction or improvement as required by RCW 47.28.070;

8 (3) Financial and commercial information and records supplied by
9 private persons pertaining to export services provided under chapters
10 43.163 and 53.31 RCW, and by persons pertaining to export projects
11 under RCW 43.23.035;

12 (4) Financial and commercial information and records supplied by
13 businesses or individuals during application for loans or program
14 services provided by chapters 43.325, 43.163, 43.160, 43.330, and
15 43.168 RCW, or during application for economic development loans or
16 program services provided by any local agency;

17 (5) Financial information, business plans, examination reports,
18 and any information produced or obtained in evaluating or examining a
19 business and industrial development corporation organized or seeking
20 certification under chapter 31.24 RCW;

21 (6) Financial and commercial information supplied to the state
22 investment board by any person when the information relates to the
23 investment of public trust or retirement funds and when disclosure
24 would result in loss to such funds or in private loss to the
25 providers of this information;

26 (7) Financial and valuable trade information under RCW 51.36.120;

27 ~~(8) ((Financial, commercial, operations, and technical and
28 research information and data submitted to or obtained by the clean
29 Washington center in applications for, or delivery of, program
30 services under chapter 70.95H RCW;~~

31 ~~(9))~~) Financial and commercial information requested by the
32 public stadium authority from any person or organization that leases
33 or uses the stadium and exhibition center as defined in RCW
34 36.102.010;

35 ~~((10))~~) (9)(a) Financial information, including but not limited
36 to account numbers and values, and other identification numbers
37 supplied by or on behalf of a person, firm, corporation, limited
38 liability company, partnership, or other entity related to an
39 application for a horse racing license submitted pursuant to RCW

1 67.16.260(1)(b), marijuana producer, processor, or retailer license,
2 liquor license, gambling license, or lottery retail license;

3 (b) Internal control documents, independent auditors' reports and
4 financial statements, and supporting documents: (i) Of house-banked
5 social card game licensees required by the gambling commission
6 pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted
7 by tribes with an approved tribal/state compact for class III gaming;

8 ~~((11))~~ (10) Proprietary data, trade secrets, or other
9 information that relates to: (a) A vendor's unique methods of
10 conducting business; (b) data unique to the product or services of
11 the vendor; or (c) determining prices or rates to be charged for
12 services, submitted by any vendor to the department of social and
13 health services for purposes of the development, acquisition, or
14 implementation of state purchased health care as defined in RCW
15 41.05.011;

16 ~~((12))~~ (11)(a) When supplied to and in the records of the
17 department of commerce:

18 (i) Financial and proprietary information collected from any
19 person and provided to the department of commerce pursuant to RCW
20 43.330.050(8); and

21 (ii) Financial or proprietary information collected from any
22 person and provided to the department of commerce or the office of
23 the governor in connection with the siting, recruitment, expansion,
24 retention, or relocation of that person's business and until a siting
25 decision is made, identifying information of any person supplying
26 information under this subsection and the locations being considered
27 for siting, relocation, or expansion of a business;

28 (b) When developed by the department of commerce based on
29 information as described in (a)(i) of this subsection, any work
30 product is not exempt from disclosure;

31 (c) For the purposes of this subsection, "siting decision" means
32 the decision to acquire or not to acquire a site;

33 (d) If there is no written contact for a period of sixty days to
34 the department of commerce from a person connected with siting,
35 recruitment, expansion, retention, or relocation of that person's
36 business, information described in (a)(ii) of this subsection will be
37 available to the public under this chapter;

38 ~~((13))~~ (12) Financial and proprietary information submitted to
39 or obtained by the department of ecology or the authority created
40 under chapter 70.95N RCW to implement chapter 70.95N RCW;

1 ~~((14))~~ (13) Financial, commercial, operations, and technical
2 and research information and data submitted to or obtained by the
3 life sciences discovery fund authority in applications for, or
4 delivery of, grants under chapter 43.350 RCW, to the extent that such
5 information, if revealed, would reasonably be expected to result in
6 private loss to the providers of this information;

7 ~~((15) Financial and commercial information provided as evidence
8 to the department of licensing as required by RCW 19.112.110 or
9 19.112.120, except information disclosed in aggregate form that does
10 not permit the identification of information related to individual
11 fuel licensees;~~

12 ~~(16))~~ (14) Any production records, mineral assessments, and
13 trade secrets submitted by a permit holder, mine operator, or
14 landowner to the department of natural resources under RCW 78.44.085;

15 ~~((17))~~ (15)(a) Farm plans developed by conservation districts,
16 unless permission to release the farm plan is granted by the
17 landowner or operator who requested the plan, or the farm plan is
18 used for the application or issuance of a permit;

19 (b) Farm plans developed under chapter 90.48 RCW and not under
20 the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject
21 to RCW 42.56.610 and 90.64.190;

22 ~~((18))~~ (16) Financial, commercial, operations, and technical
23 and research information and data submitted to or obtained by a
24 health sciences and services authority in applications for, or
25 delivery of, grants under RCW 35.104.010 through 35.104.060, to the
26 extent that such information, if revealed, would reasonably be
27 expected to result in private loss to providers of this information;

28 ~~((19))~~ (17) Information gathered under chapter 19.85 RCW or RCW
29 34.05.328 that can be identified to a particular business;

30 ~~((20))~~ (18) Financial and commercial information submitted to
31 or obtained by the University of Washington, other than information
32 the university is required to disclose under RCW 28B.20.150, when the
33 information relates to investments in private funds, to the extent
34 that such information, if revealed, would reasonably be expected to
35 result in loss to the University of Washington consolidated endowment
36 fund or to result in private loss to the providers of this
37 information;

38 ~~((21))~~ (19) Market share data submitted by a manufacturer under
39 RCW 70.95N.190(4);

1 ~~((+22+))~~ (20) Financial information supplied to the department of
2 financial institutions ~~((or to a portal under RCW 21.20.883,))~~ when
3 filed by or on behalf of an issuer of securities for the purpose of
4 obtaining the exemption from state securities registration for small
5 securities offerings provided under RCW 21.20.880 or when filed by or
6 on behalf of an investor for the purpose of purchasing such
7 securities;

8 ~~((+23+))~~ (21) Unaggregated or individual notices of a transfer of
9 crude oil that is financial, proprietary, or commercial information,
10 submitted to the department of ecology pursuant to RCW
11 90.56.565(1)(a), and that is in the possession of the department of
12 ecology or any entity with which the department of ecology has shared
13 the notice pursuant to RCW 90.56.565;

14 ~~((+24+))~~ (22) Financial institution and retirement account
15 information, and building security plan information, supplied to the
16 liquor and cannabis board pursuant to RCW 69.50.325, 69.50.331,
17 69.50.342, and 69.50.345, when filed by or on behalf of a licensee or
18 prospective licensee for the purpose of obtaining, maintaining, or
19 renewing a license to produce, process, transport, or sell marijuana
20 as allowed under chapter 69.50 RCW;

21 ~~((+25+))~~ (23) Marijuana transport information, vehicle and driver
22 identification data, and account numbers or unique access identifiers
23 issued to private entities for traceability system access, submitted
24 by an individual or business to the liquor and cannabis board under
25 the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and
26 69.50.345 for the purpose of marijuana product traceability.
27 Disclosure to local, state, and federal officials is not considered
28 public disclosure for purposes of this section;

29 ~~((+26+))~~ (24) Financial and commercial information submitted to
30 or obtained by the retirement board of any city that is responsible
31 for the management of an employees' retirement system pursuant to the
32 authority of chapter 35.39 RCW, when the information relates to
33 investments in private funds, to the extent that such information, if
34 revealed, would reasonably be expected to result in loss to the
35 retirement fund or to result in private loss to the providers of this
36 information except that (a) the names and commitment amounts of the
37 private funds in which retirement funds are invested and (b) the
38 aggregate quarterly performance results for a retirement fund's
39 portfolio of investments in such funds are subject to disclosure;

1 ~~((27))~~ (25) Proprietary financial, commercial, operations, and
2 technical and research information and data submitted to or obtained
3 by the liquor and cannabis board in applications for marijuana
4 research licenses under RCW 69.50.372, or in reports submitted by
5 marijuana research licensees in accordance with rules adopted by the
6 liquor and cannabis board under RCW 69.50.372; and

7 ~~((28))~~ (26) Trade secrets, technology, proprietary information,
8 and financial considerations contained in any agreements or
9 contracts, entered into by a licensed marijuana business under RCW
10 69.50.395, which may be submitted to or obtained by the state liquor
11 and cannabis board.

12 **Sec. 9.** RCW 43.19.642 and 2017 c 313 s 703 are each amended to
13 read as follows:

14 ~~(1) ((Effective June 1, 2006, for agencies complying with the
15 ultra-low sulfur diesel mandate of the United States environmental
16 protection agency for on-highway diesel fuel, agencies shall use
17 biodiesel as an additive to ultra-low sulfur diesel for lubricity,
18 provided that the use of a lubricity additive is warranted and that
19 the use of biodiesel is comparable in performance and cost with other
20 available lubricity additives. The amount of biodiesel added to the
21 ultra-low sulfur diesel fuel shall be not less than two percent.~~

22 ~~(2))~~ Except as provided in subsection ~~((5))~~ (2) of this
23 section, effective June 1, 2009, state agencies are required to use a
24 minimum of twenty percent biodiesel as compared to total volume of
25 all diesel purchases made by the agencies for the operation of the
26 agencies' diesel-powered vessels, vehicles, and construction
27 equipment.

28 ~~((3) All state agencies using biodiesel fuel shall, beginning on
29 July 1, 2016, file annual reports with the department of enterprise
30 services documenting the use of the fuel and a description of how any
31 problems encountered were resolved.~~

32 ~~(4) By December 1, 2009, the department of enterprise services
33 shall:~~

34 ~~(a) Report to the legislature on the average true price
35 differential for biodiesel by blend and location; and~~

36 ~~(b) Examine alternative fuel procurement methods that work to
37 address potential market barriers for in-state biodiesel producers
38 and report these findings to the legislature.~~

1 ~~(5))~~ (2) During the 2015-2017 and 2017-2019 fiscal biennia, the
2 Washington state ferries is required to use a minimum of five percent
3 biodiesel as compared to total volume of all diesel purchases made by
4 the Washington state ferries for the operation of the Washington
5 state ferries diesel-powered vessels, as long as the price of a B5
6 biodiesel blend does not exceed the price of conventional diesel fuel
7 by five percent or more.

8 **Sec. 10.** RCW 43.19.646 and 2011 1st sp.s. c 43 s 237 are each
9 amended to read as follows:

10 ~~((1))~~ The department must assist state agencies seeking to meet
11 the biodiesel fuel requirements in RCW 43.19.642 by coordinating the
12 purchase and delivery of biodiesel if requested by any state agency.
13 The department may use long-term contracts of up to ten years, when
14 purchasing from in-state suppliers who use predominantly in-state
15 feedstock, to secure a sufficient and stable supply of biodiesel for
16 use by state agencies.

17 ~~((2) The department shall compile and analyze the reports
18 submitted under RCW 43.19.642(3) and report in an electronic format
19 its findings and recommendations to the governor and committees of
20 the legislature with responsibility for energy issues, within sixty
21 days from the end of each reporting period. The governor shall
22 consider these reports in determining whether to temporarily suspend
23 minimum renewable fuel content requirements as authorized under RCW
24 19.112.160.))~~

25 **Sec. 11.** RCW 43.19.647 and 2015 c 225 s 65 are each amended to
26 read as follows:

27 (1) In order to allow the motor vehicle fuel needs of state and
28 local government to be satisfied by Washington-produced biofuels as
29 provided in this chapter, the department of enterprise services as
30 well as local governments may contract in advance and execute
31 contracts with public or private producers, suppliers, or other
32 parties, for the purchase of appropriate biofuels, as ~~((that))~~ the
33 term "biofuel" is defined in ~~((RCW 43.325.010))~~ section 12 of this
34 act, and biofuel blends. Contract provisions may address items
35 including, but not limited to, fuel standards, price, and delivery
36 date.

37 (2) The department of enterprise services may combine the needs
38 of local government agencies, including ports, special districts,

1 school districts, and municipal corporations, for the purposes of
2 executing contracts for biofuels and to secure a sufficient and
3 stable supply of alternative fuels.

4 NEW SECTION. **Sec. 12.** A new section is added to chapter 43.325
5 RCW to read as follows:

6 The definitions in this section apply throughout this chapter
7 unless the context clearly requires otherwise.

8 (1) "Biofuel" means a liquid or gaseous fuel produced from
9 biogenic, nonpetroleum feedstocks, including but not limited to
10 biodiesel, renewable diesel, ethanol, and renewable natural gas.

11 (2) "Department" means the department of commerce.

12 (3) "Director" means the director of the department of commerce.

13 **Sec. 13.** RCW 80.50.020 and 2010 c 152 s 1 are each reenacted and
14 amended to read as follows:

15 The definitions in this section apply throughout this chapter
16 unless the context clearly requires otherwise.

17 (1) "Alternative energy resource" includes energy facilities of
18 the following types: (a) Wind; (b) solar energy; (c) geothermal
19 energy; (d) landfill gas; (e) wave or tidal action; or (f) biomass
20 energy based on solid organic fuels from wood, forest, or field
21 residues, or dedicated energy crops that do not include wood pieces
22 that have been treated with chemical preservatives such as creosote,
23 pentachlorophenol, or copper-chrome-arsenic.

24 (2) "Applicant" means any person who makes application for a site
25 certification pursuant to the provisions of this chapter.

26 (3) "Application" means any request for approval of a particular
27 site or sites filed in accordance with the procedures established
28 pursuant to this chapter, unless the context otherwise requires.

29 (4) "Associated facilities" means storage, transmission,
30 handling, or other related and supporting facilities connecting an
31 energy plant with the existing energy supply, processing, or
32 distribution system, including, but not limited to, communications,
33 controls, mobilizing or maintenance equipment, instrumentation, and
34 other types of ancillary transmission equipment, off-line storage or
35 venting required for efficient operation or safety of the
36 transmission system and overhead, and surface or subsurface lines of
37 physical access for the inspection, maintenance, and safe operations
38 of the transmission facility and new transmission lines constructed

1 to operate at nominal voltages of at least 115,000 volts to connect a
2 thermal power plant or alternative energy facilities to the northwest
3 power grid. However, common carrier railroads or motor vehicles shall
4 not be included.

5 (5) "Biofuel" has the same meaning as defined in ((RCW
6 ~~43.325.010~~)) section 12 of this act.

7 (6) "Certification" means a binding agreement between an
8 applicant and the state which shall embody compliance to the siting
9 guidelines, in effect as of the date of certification, which have
10 been adopted pursuant to RCW 80.50.040 as now or hereafter amended as
11 conditions to be met prior to or concurrent with the construction or
12 operation of any energy facility.

13 (7) "Construction" means on-site improvements, excluding
14 exploratory work, which cost in excess of two hundred fifty thousand
15 dollars.

16 (8) "Council" means the energy facility site evaluation council
17 created by RCW 80.50.030.

18 (9) "Counsel for the environment" means an assistant attorney
19 general or a special assistant attorney general who shall represent
20 the public in accordance with RCW 80.50.080.

21 (10) "Electrical transmission facilities" means electrical power
22 lines and related equipment.

23 (11) "Energy facility" means an energy plant or transmission
24 facilities: PROVIDED, That the following are excluded from the
25 provisions of this chapter:

26 (a) Facilities for the extraction, conversion, transmission or
27 storage of water, other than water specifically consumed or
28 discharged by energy production or conversion for energy purposes;
29 and

30 (b) Facilities operated by and for the armed services for
31 military purposes or by other federal authority for the national
32 defense.

33 (12) "Energy plant" means the following facilities together with
34 their associated facilities:

35 (a) Any nuclear power facility where the primary purpose is to
36 produce and sell electricity;

37 (b) Any nonnuclear stationary thermal power plant with generating
38 capacity of three hundred fifty thousand kilowatts or more, measured
39 using maximum continuous electric generating capacity, less minimum
40 auxiliary load, at average ambient temperature and pressure, and

1 floating thermal power plants of one hundred thousand kilowatts or
2 more suspended on the surface of water by means of a barge, vessel,
3 or other floating platform;

4 (c) Facilities which will have the capacity to receive liquefied
5 natural gas in the equivalent of more than one hundred million
6 standard cubic feet of natural gas per day, which has been
7 transported over marine waters;

8 (d) Facilities which will have the capacity to receive more than
9 an average of fifty thousand barrels per day of crude or refined
10 petroleum or liquefied petroleum gas which has been or will be
11 transported over marine waters, except that the provisions of this
12 chapter shall not apply to storage facilities unless occasioned by
13 such new facility construction;

14 (e) Any underground reservoir for receipt and storage of natural
15 gas as defined in RCW 80.40.010 capable of delivering an average of
16 more than one hundred million standard cubic feet of natural gas per
17 day; and

18 (f) Facilities capable of processing more than twenty-five
19 thousand barrels per day of petroleum or biofuel into refined
20 products except where such biofuel production is undertaken at
21 existing industrial facilities.

22 (13) "Independent consultants" means those persons who have no
23 financial interest in the applicant's proposals and who are retained
24 by the council to evaluate the applicant's proposals, supporting
25 studies, or to conduct additional studies.

26 (14) "Land use plan" means a comprehensive plan or land use
27 element thereof adopted by a unit of local government pursuant to
28 chapter 35.63, 35A.63, 36.70, or 36.70A RCW, or as otherwise
29 designated by chapter 325, Laws of 2007.

30 (15) "Person" means an individual, partnership, joint venture,
31 private or public corporation, association, firm, public service
32 company, political subdivision, municipal corporation, government
33 agency, public utility district, or any other entity, public or
34 private, however organized.

35 (16) "Preapplicant" means a person considering applying for a
36 site certificate agreement for any transmission facility.

37 (17) "Preapplication process" means the process which is
38 initiated by written correspondence from the preapplicant to the
39 council, and includes the process adopted by the council for

1 consulting with the preapplicant and with cities, towns, and counties
2 prior to accepting applications for all transmission facilities.

3 (18) "Secretary" means the secretary of the United States
4 department of energy.

5 (19) "Site" means any proposed or approved location of an energy
6 facility, alternative energy resource, or electrical transmission
7 facility.

8 (20) "Thermal power plant" means, for the purpose of
9 certification, any electrical generating facility using any fuel for
10 distribution of electricity by electric utilities.

11 (21) "Transmission facility" means any of the following together
12 with their associated facilities:

13 (a) Crude or refined petroleum or liquid petroleum product
14 transmission pipeline of the following dimensions: A pipeline larger
15 than six inches minimum inside diameter between valves for the
16 transmission of these products with a total length of at least
17 fifteen miles;

18 (b) Natural gas, synthetic fuel gas, or liquefied petroleum gas
19 transmission pipeline of the following dimensions: A pipeline larger
20 than fourteen inches minimum inside diameter between valves, for the
21 transmission of these products, with a total length of at least
22 fifteen miles for the purpose of delivering gas to a distribution
23 facility, except an interstate natural gas pipeline regulated by the
24 United States federal power commission.

25 (22) "Zoning ordinance" means an ordinance of a unit of local
26 government regulating the use of land and adopted pursuant to chapter
27 35.63, 35A.63, 36.70, or 36.70A RCW or Article XI of the state
28 Constitution, or as otherwise designated by chapter 325, Laws of
29 2007.

30 **Sec. 14.** RCW 82.08.865 and 2010 c 106 s 218 are each amended to
31 read as follows:

32 (1) The tax levied by RCW 82.08.020 does not apply to sales of
33 diesel fuel, biodiesel fuel, or aircraft fuel, to a farm fuel user
34 for agricultural purposes. This exemption applies to a fuel blend if
35 all of the component fuels of the blend would otherwise be exempt
36 under this subsection if the component fuels were sold as separate
37 products. This exemption is available only if the buyer provides the
38 seller with an exemption certificate in a form and manner prescribed
39 by the department.

1 (2) The definitions in RCW 82.04.213 and this subsection apply to
2 this section.

3 (a)(i) "Agricultural purposes" means the performance of
4 activities directly related to the growing, raising, or producing of
5 agricultural products.

6 (ii) "Agricultural purposes" does not include: (A) Heating space
7 for human habitation or water for human consumption; or (B)
8 transporting on public roads individuals, agricultural products, farm
9 machinery or equipment, or other tangible personal property, except
10 when the transportation is incidental to transportation on private
11 property and the fuel used for such transportation is not subject to
12 tax under chapter 82.38 RCW.

13 (b) "Aircraft fuel" is defined as provided in RCW 82.42.010.

14 (c) "Biodiesel fuel" (~~is defined as provided in RCW 19.112.010~~)
15 means biodiesel that meets the fuel standards adopted under chapter
16 19.112 RCW.

17 (d) "Diesel fuel" is defined as provided in 26 U.S.C. 4083, as
18 amended or renumbered as of January 1, 2006.

19 (e) "Farm fuel user" means: (i) A farmer; or (ii) a person who
20 provides horticultural services for farmers, such as soil preparation
21 services, crop cultivation services, and crop harvesting services.

22 **Sec. 15.** RCW 82.08.956 and 2013 2nd sp.s. c 13 s 1002 are each
23 amended to read as follows:

24 (1) The tax levied by RCW 82.08.020 does not apply to sales of
25 hog fuel used to produce electricity, steam, heat, or biofuel in
26 Washington state. This exemption is available only if the buyer
27 provides the seller with an exemption certificate in a form and
28 manner prescribed by the department. The seller must retain a copy of
29 the certificate for the seller's files.

30 (2) For the purposes of this section the following definitions
31 apply:

32 (a) "Hog fuel" means wood waste and other wood residuals
33 including forest derived biomass. "Hog fuel" does not include
34 firewood or wood pellets; and

35 (b) "Biofuel" has the same meaning as provided in (~~RCW~~
36 ~~43.325.010~~) section 12 of this act.

37 (3) If a taxpayer who claimed an exemption under this section
38 closes a facility in Washington for which employment positions were
39 reported under RCW 82.32.605, resulting in a loss of jobs located

1 within the state, the department must declare the amount of the tax
2 exemption claimed under this section for the previous two calendar
3 years to be immediately due.

4 (4) This section expires June 30, 2024.

5 **Sec. 16.** RCW 82.12.956 and 2013 2nd sp.s. c 13 s 1003 are each
6 amended to read as follows:

7 (1) The provisions of this chapter do not apply with respect to
8 the use of hog fuel for production of electricity, steam, heat, or
9 biofuel in Washington state.

10 (2) For the purposes of this section:

11 (a) "Hog fuel" has the same meaning as provided in RCW 82.08.956;
12 and

13 (b) "Biofuel" has the same meaning as provided in RCW
14 (~~43.325.010~~) 82.08.956.

15 (3) This section expires June 30, 2024.

16 NEW SECTION. **Sec. 17.** The following acts or parts of acts are
17 each repealed:

18 (1) RCW 19.112.040 (Motor fuel registration) and 1990 c 102 s 5;

19 (2) RCW 19.112.090 (Air pollution reduction—Variances from ASTM)
20 and 1991 c 199 s 231;

21 (3) RCW 19.112.120 (Motor vehicle fuel licensees—Required sales
22 of denatured ethanol—Rules—Limitation of section) and 2013 c 225 s
23 602, 2007 c 309 s 2, & 2006 c 338 s 3;

24 (4) RCW 19.112.130 (Information submitted under RCW 19.112.110 or
25 19.112.120—Limitation on release) and 2006 c 338 s 4 are each
26 repealed;

27 (5) RCW 19.112.140 (Standards for biodiesel fuel/fuel blended
28 with biodiesel fuel—Rules) and 2006 c 338 s 7;

29 (6) RCW 19.112.150 (Biofuels advisory committee) and 2006 c 338 s
30 9;

31 (7) RCW 19.112.160 (Governor's authority to suspend certain
32 minimum renewable fuel content requirements) and 2006 c 338 s 11;

33 (8) RCW 19.112.170 (Determination of the supply of certain fuels—
34 Notification—Declaration concerning the applicability of RCW
35 19.112.110 or 19.112.120) and 2006 c 338 s 13;

36 (9) RCW 19.112.180 (Goals under RCW 19.112.170—Report—Executive
37 request legislation) and 2006 c 338 s 14; and

1 (10) RCW 43.19.643 (Biodiesel fuel blends—Definitions) and 2003 c
2 17 s 3.

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