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SECOND SUBSTITUTE HOUSE BILL 3216

State of Washington 60th Legislature 2008 Regular Session

By House Appropriations Subcommittee on General Government & Audit Review (originally sponsored by Representatives Seaquist, Morris, Upthegrove, Hudgins, Loomis, Kelley, Morrell, VanDeWege, Ericks, Hankins, and Eddy)

READ FIRST TIME 02/12/08.

1 AN ACT Relating to hydrokinetic energy; creating new sections; and 2 providing an expiration date.

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

NEW SECTION. Sec. 1. (1) The legislature finds that the global 4 5 energy economy is undergoing significant changes creating a situation where energy prices are increasingly more expensive and the sources of 6 7 energy increasingly less secure. Additionally, the legislature finds 8 that there is growing concern about the consequences associated with greenhouse gas emissions from conventional sources of energy and the 9 10 need for action to address the threats of climate change. The legislature finds ocean and tidal resources, as well as other forms of 11 12 hydrokinetic energy, will play an important role in providing clean, carbon-free, reliable, and affordable energy to the citizens of 13 The legislature finds that the development of wave and 14 Washington. tidal energy technologies in Washington will create more highly valued 15 green jobs in the state. 16

17 (2) It is the intent of the legislature to facilitate the 18 development of clean, carbon-free, reliable, and affordable power 19 sources for the energy needs of Washington's growing economy. Also, it

is the intent of the legislature to help catalyze the emergence of a 1 2 new water-power industry that is able to export technology and expertise to the rest of the country and the world. In addition, the 3 legislature finds that hydrokinetic energy technologies are in their 4 5 infancy and care must be taken to properly design and site these facilities in order to avoid impacts on the marine environment. 6 То 7 achieve these goals, the legislature intends to establish a publicprivate organization that will support a sustainable approach to 8 9 hydrokinetic energy development aimed at economic development, 10 environmental protection, and community stability.

(3)(a) It is the intent of the legislature for state agencies to explore a streamlined approach to environmental permit decision making for wave and tidal power projects.

14 (b) To optimize the development and siting process for wave and tidal power systems and to provide environmental protection, the 15 16 legislature finds that state regulatory and natural resource agencies, 17 public and private sector interests, tribes, local and regional governments, and applicable federal agencies must work cooperatively to 18 establish common goals, minimize project siting delays, develop 19 consistency in the application of environmental standards, and 20 21 eliminate duplicative processes through assigned responsibilities of 22 selected permit drafting and compliance activities between state 23 agencies.

24 <u>NEW SECTION.</u> **Sec. 2.** The definitions in this section apply 25 throughout this act unless the context clearly requires otherwise.

26 (1) "Center" means the Washington state center for excellence in 27 hydrokinetic energy.

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(2) "Council" means the energy facility site evaluation council.

29 (3) "Department" means the department of community, trade, and 30 economic development.

31 (4) "Hydrokinetic energy" means hydroelectric generation from ocean 32 waves, tides, and currents, from free-flowing rivers and streams, and 33 from water discharges.

(5) "Water discharges" means water discharges from agricultural,
 industrial, and commercial operations, wastewater treatment plants, or
 residential properties.

NEW SECTION. Sec. 3. The department and the council shall convene and cochair a work group to develop the Washington state center for excellence in hydrokinetic energy and develop a unique one-stop permit process for both wave power and tidal power projects.

<u>NEW SECTION.</u> Sec. 4. (1) The work group created under section 3 5 6 of this act consists of, but is not limited to, representatives from: 7 (a) The department of natural resources; (b) The department of ecology; 8 (c) The department of fish and wildlife; 9 (d) The utilities and transportation commission; 10 11 (e) A wave energy company or tidal energy company, or both; 12 (f) A wave energy industry association or tidal energy industry association, or both; 13 (g) Either a state or private university researching wave energy or 14 15 a state or private university researching tidal energy, or both; 16 (h) The Northwest Indian fisheries commission; 17 (i) An electrical utility; 18 (j) A local government; (k) A commercial fishing association; 19 20 (1) A conservation group with expertise in energy-related issues; 21 (m) A conservation group with expertise in marine ecology; and 22 (n) A marine recreation group. 23 (2) State agencies under subsection (1) of this section that are 24 members of the council under RCW 80.50.030 shall provide their existing designee members to serve on the work group in carrying out the 25 26 responsibilities of this act. NEW SECTION. Sec. 5. (1) In developing the center, the work group 27 created in section 3 of this act shall ensure that the center is a 28

29 public-private entity and that the center supports a sustainable 30 approach to hydrokinetic energy development aimed at economic 31 development, environmental protection, and community stability.

32 (2) The work group created in section 3 of this act shall make 33 recommendations to the legislature to include, but not be limited to, 34 the following:

35 (a) How the center will conduct and support research and

1 demonstrations of wave and tidal energy technologies in order to 2 facilitate the deployment and commercialization of these technologies 3 in Washington;

4 (b) How the center will establish and operate wave and tidal energy
5 test ranges that allow developers to demonstrate their wave and tidal
6 energy technologies;

7 (c) How the center will maintain processes to assist developers in
8 permitting their wave and tidal energy technologies;

9 (d) How the center will collect, manage, and disseminate data 10 necessary to assess statewide wave and tidal resources;

(e) How the center will promote Washington as the optimal location for the development of and deployment of wave and tidal energy technologies;

(f) What the public-private governance structure of the center willbe, considering the life sciences discovery fund as a model;

16 (g) How the center will coordinate with other governmental wave and 17 tidal institutions and initiatives in the Pacific Northwest economic 18 region;

(h) How the center will be funded through either state, federal, orprivate sources of funding, or a combination of these funding sources;

(i) How the center will assist the state and various other entitiesin reducing greenhouse gas emissions;

(j) How the center will assist other forms of hydrokinetic energytechnologies in addition to wave and tidal energy;

(k) How the center will identify and develop protocols to manageissues involving competing uses of water space; and

(1) What types of review and data are necessary to ensure that hydrokinetic energy will be designed and sited so as to avoid negative impacts on marine ecosystems.

30 <u>NEW SECTION.</u> Sec. 6. The work group created in section 3 of this 31 act shall provide a report to the appropriate committees of the 32 legislature containing its recommendations under section 5 of this act, 33 as well as draft legislation implementing its recommendations, by 34 December 1, 2008.

35 <u>NEW SECTION.</u> **Sec. 7.** (1)(a) The work group created in section 3 36 of this act shall explore mechanisms to streamline and make more

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efficient permitting processes for wave and tidal power projects. The 1 2 work group may recommend development of a permit process which allows for concurrent public review, consolidated appeals, and other 3 mechanisms which result in permit process efficiency. In making these 4 5 recommendations, the work group will ensure that there is adequate environmental review of the full range of potential impacts from this 6 7 technology and that meaningful public involvement opportunities are preserved. The work group shall also identify and make recommendations 8 of any potential barriers to the streamlining. 9

10 (b) The work group shall consider and make recommendations 11 regarding research relating to the marine environment. In making the 12 recommendations, the work group shall consider how future marine 13 research would add value to the existing understanding of the overall 14 marine environment and provide guidance on future research with the 15 goal of eliminating redundant research activities.

16 (2) The work group created in section 3 of this act, in developing 17 recommendations for permit streamlining, shall consider additional 18 issues that may be associated with permitting a wave or tidal energy 19 project, which include, but are not limited to:

20 (a) Disturbance or destruction of marine life, including acoustic21 impacts;

(b) Toxic releases from leaks or accidental spills of liquids usedin those systems with working hydraulic fluids;

24 (c) Possible threat to navigation from collisions;

25 (d) Interference of mooring and anchorage lines with commercial and 26 sport fishing;

(e) Tidal power plants that dam estuaries that can impede sea life migration and build up silt behind such facilities, impacting local ecosystems; and

30 (f) Potential impacts of tidal power on tides, currents, and 31 flushing.

(3) By June 30, 2009, the work group created in section 3 of this act shall develop a work plan that details critical issues that need to be resolved to develop efficient, streamlined permitting processes for wave and tidal power projects. The work group shall provide the work plan to the legislature for review every six months. If the work group determines that additional time is required to develop recommendations 1 for the permitting process for wave power projects, the work group 2 shall report to the legislature on the need for additional time and 3 update the work plan accordingly.

4 (4) By June 30, 2010, the work group created in section 3 of this 5 act shall provide a final report to the legislature on its findings and 6 recommendations.

7 <u>NEW SECTION.</u> Sec. 8. This act expires January 1, 2011.

8 <u>NEW SECTION.</u> Sec. 9. If specific funding for the purposes of this 9 act, referencing this act by bill or chapter number, is not provided by 10 June 30, 2008, in the omnibus appropriations act, this act is null and 11 void.

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