

E2SSB 5649 - H AMD 711

By Representative McCoy

ADOPTED AS AMENDED 04/16/2009

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** FINDINGS. (1) The legislature finds that
4 improving energy efficiency in structures is one of the most cost-
5 effective means to meet energy requirements, and that while there have
6 been significant efficiency savings achieved in the state over the past
7 quarter century, there remains enormous potential to achieve even
8 greater savings. Increased weatherization and more extensive
9 efficiency improvements in residential, commercial, and public
10 buildings achieves many benefits, including reducing energy bills,
11 avoiding the construction of new electricity generating facilities with
12 associated climate change impacts, and creation of family-wage jobs in
13 performing energy audits and improvements.

14 (2) It is the intent of the legislature that financial and
15 technical assistance programs be expanded to direct municipal, state,
16 and federal funds, as well as electric and natural gas utility funding,
17 toward greater achievement of energy efficiency improvements. To this
18 end, the legislature establishes a policy goal of assisting in
19 weatherizing twenty thousand homes and businesses in the state in each
20 of the next five years. The legislature also intends to attain this
21 goal in part through supporting programs that rely on community
22 organizations and that there be maximum family-wage job creation in
23 fields related to energy efficiency.

24 **PART 1**

25 **Energy Efficiency Improvement Program**

26 NEW SECTION. **Sec. 101.** DEFINITIONS. The definitions in this
27 section apply throughout this chapter unless the context clearly
28 requires otherwise.

1 (1) "Customers" means residents, businesses, and building owners.

2 (2) "Direct outreach" means:

3 (a) The use of door-to-door contact, community events, and other

4 methods of direct interaction with customers to inform them of energy

5 efficiency and weatherization opportunities; and

6 (b) The performance of energy audits.

7 (3) "Energy audit" means an assessment of building energy

8 efficiency opportunities, from measures that require very little

9 investment and without any disruption to building operation, normally

10 involving general building operational measures, to low or relatively

11 higher cost investment, such as installing timers to turn off

12 equipment, replacing light bulbs, installing insulation, replacing

13 equipment and appliances with higher efficiency equipment and

14 appliances, and similar measures. The term includes an assessment of

15 alternatives for generation of heat and power from renewable energy

16 resources, including installation of solar water heating and equipment

17 for photovoltaic electricity generation.

18 (4) "Energy efficiency and conservation block grant program" means

19 the federal program created under the energy independence and security

20 act of 2007 (P.L. 110-140).

21 (5) "Energy efficiency services" means energy audits,

22 weatherization, energy efficiency retrofits, energy management systems

23 as defined in RCW 39.35.030, and other activities to reduce a

24 customer's energy consumption, and includes assistance with paperwork,

25 arranging for financing, program design and development, and other

26 postenergy audit assistance and education to help customers meet their

27 energy savings goals.

28 (6) "Low-income individual" means an individual whose annual

29 household income does not exceed eighty percent of the area median

30 income for the metropolitan, micropolitan, or combined statistical area

31 in which that individual resides as determined annually by the United

32 States department of housing and urban development.

33 (7) "Sponsor" means any entity or group of entities that submits a

34 proposal under section 102 of this act, including but not limited to

35 any nongovernmental nonprofit organization, local community action

36 agency, tribal nation, community service agency, public service

37 company, county, municipality, publicly owned electric, or natural gas

38 utility.

1 (8) "Sponsor match" means the share, if any, of the cost of
2 efficiency improvements to be paid by the sponsor.

3 (9) "Weatherization" means making energy and resource conservation
4 and energy efficiency improvements.

5 NEW SECTION. **Sec. 102.** The Washington State University extension
6 energy program is authorized to implement grants for pilot programs
7 providing community-wide urban residential and commercial energy
8 efficiency upgrades. The Washington State University extension energy
9 program must coordinate and collaborate with the department of
10 community, trade, and economic development on the design,
11 administration, and implementation elements of the pilot program.

12 (1) There must be at least three grants for pilot programs, awarded
13 on a competitive basis to sponsors for conducting direct outreach and
14 delivering energy efficiency services that, to the extent feasible,
15 ensure a balance of participation for: (a) Geographic regions in the
16 state; (b) types of fuel used for heating; (c) owner-occupied and
17 rental residences; (d) small commercial buildings; and (e) single-
18 family and multifamily dwellings.

19 (2) The pilot programs must:

20 (a) Provide assistance for energy audits and energy
21 efficiency-related improvements to structures owned by or used for
22 residential, commercial, or nonprofit purposes in specified urban
23 neighborhoods where the objective is to achieve a high rate of
24 participation among building owners within the pilot area;

25 (b) Utilize volunteer support to reach out to potential customers
26 through the use of community-based institutions;

27 (c) Employ qualified energy auditors and energy efficiency service
28 providers to perform the energy audits using recognized energy
29 efficiency and weatherization services that are cost-effective;

30 (d) Select and provide oversight of contractors to perform energy
31 efficiency services. Sponsors shall give preference to contractors
32 that participate in quality control and efficiency training, use
33 workers trained from workforce training and apprentice programs
34 established under chapter . . . , Laws of 2009 (Engrossed Second
35 Substitute House Bill No. 2227) if these workers are available, pay
36 prevailing wages, hire from the community in which the program is

1 located, and create employment opportunities for veterans, members of
2 the national guard, and low-income and disadvantaged populations; and

3 (e) Work with customers to secure financing for their portion of
4 the project and apply for and administer utility, public, and
5 charitable funding provided for energy audits and retrofits.

6 (3) The Washington State University extension energy program must
7 give priority to sponsors that can secure a sponsor match of at least
8 one dollar for each dollar awarded.

9 (a) A sponsor may use its own moneys, including corporate or
10 ratepayer moneys, or moneys provided by landlords, charitable groups,
11 government programs, the Bonneville power administration, or other
12 sources to pay the sponsor match.

13 (b) A sponsor may meet its match requirement in whole or in part
14 through providing labor, materials, or other in-kind expenditures.

15 (4)(a) Pilot programs receiving funding must report compliance with
16 performance metrics for each sponsor receiving a grant award. The
17 performance metrics include:

18 (i) Monetary and energy savings achieved;

19 (ii) Savings-to-investment ratio achieved for customers;

20 (iii) Wage levels of jobs created;

21 (iv) Utilization of preapprentice and apprenticeship programs;

22 and

23 (v) Efficiency and speed of delivery of services.

24 (b) Pilot programs receiving funding under this section are
25 required to report to the Washington State University energy extension
26 program on compliance with the performance metrics every six months
27 following the receipt of grants, with the last report submitted six
28 months after program completion.

29 (c) The Washington State University extension energy program shall
30 review the accuracy of these reports and provide a progress report on
31 all grant pilot programs to the appropriate committees of the
32 legislature by December 1st of each year.

33 (5)(a) By December 1, 2009, the Washington State University
34 extension energy program shall provide a report to the governor and
35 appropriate legislative committees on the: Number of grants awarded;
36 number of jobs created or maintained; number and type of individuals
37 trained through workforce training and apprentice programs; number of
38 veterans, members of the national guard, and individuals of low-income

1 and disadvantaged populations employed by pilot programs; and amount of
2 funding provided through the grants as established in subsection (1) of
3 this section and the performance metrics established in subsection (4)
4 of this section.

5 (b) By December 1, 2010, the Washington State University extension
6 energy program shall provide a final report to the governor and
7 appropriate legislative committees on the: Number of grants awarded;
8 number of jobs created or maintained; number and type of individuals
9 trained through workforce training and apprentice programs; number of
10 veterans, members of the national guard, and individuals of low-income
11 and disadvantaged populations employed by pilot programs; and amount of
12 funding provided through the grants as established in subsection (1) of
13 this section and the performance metrics established in subsection (4)
14 of this section.

15 NEW SECTION. **Sec. 103.** FARM ENERGY ASSESSMENTS. (1) The
16 legislature finds that increasing energy costs put farm viability and
17 competitiveness at risk and that energy efficiency improvements on the
18 farm are the most cost-effective way to manage these costs. The
19 legislature further finds that current on-farm energy efficiency
20 programs often miss opportunities to evaluate and conserve all types of
21 energy, including fuels and fertilizers.

22 (2) The Washington State University extension energy program, in
23 consultation with the department of agriculture, shall form an
24 interdisciplinary team of agricultural and energy extension agencies to
25 develop and offer new methods to help agricultural producers assess
26 their opportunities to increase energy efficiency in all aspects of
27 their operations. The interdisciplinary team must develop and deploy:

28 (a) Online energy self-assessment software tools to allow
29 agricultural producers to assess whole-farm energy use and to identify
30 the most cost-effective efficiency opportunities;

31 (b) Energy auditor training curricula specific to the agricultural
32 sector and designed for use by agricultural producers, conservation
33 districts, agricultural extensions, and commodity groups;

34 (c) An effective infrastructure of trained energy auditors
35 available to assist agricultural producers with on-farm energy audits
36 and identify cost-share assistance for efficiency improvements; and

1 (d) Measurement systems for cost savings, energy savings, and
2 carbon emission reduction benefits resulting from efficiency
3 improvements identified by the interdisciplinary team.

4 (3) The Washington State University extension energy program shall
5 seek to obtain additional resources for this section from federal and
6 state agricultural assistance programs and from other sources.

7 (4) The Washington State University extension energy program shall
8 provide technical assistance for farm energy assessment activities as
9 specified in this section.

10 **PART 2**

11 **Low-Income Weatherization Programs**

12 **Sec. 201.** RCW 70.164.020 and 1995 c 399 s 199 are each amended to
13 read as follows:

14 (~~Unless the context clearly requires otherwise,~~) The definitions
15 in this section apply throughout this chapter unless the context
16 clearly requires otherwise.

17 (1) "Credit enhancement" means instruments that enhance the
18 security for the payment of the lender's obligations and includes, but
19 is not limited to insurance, letters of credit, lines of credit, or
20 other similar agreements.

21 (2) "Department" means the department of community, trade, and
22 economic development.

23 ((+2)) (3) "Direct outreach" means:

24 (a) The use of door-to-door contact, community events, and other
25 methods of direct interaction with customers to inform them of energy
26 efficiency and weatherization opportunities; and

27 (b) The performance of energy audits.

28 (4) "Energy (~~assessment~~) audit" means an analysis of a dwelling
29 unit to determine the need for cost-effective energy conservation
30 measures as determined by the department.

31 ((+3)) (5) "Energy efficiency services" means energy audits,
32 weatherization, energy efficiency retrofits, energy management systems
33 as defined in RCW 39.35.030, and other activities to reduce a
34 customer's energy consumption, and includes assistance with paperwork,
35 arranging for financing, program design and development, and other

1 postenergy audit assistance and education to help customers meet their
2 energy savings goals.

3 (6) "Financial institution" means any person doing business under
4 the laws of this state or the United States relating to banks, bank
5 holding companies, savings banks, trust companies, savings and loan
6 associations, credit unions, consumer loan companies, equipment leasing
7 and project finance and the affiliates, subsidiaries, and service
8 corporations thereof.

9 (7) "Household" means an individual or group of individuals living
10 in a dwelling unit as defined by the department.

11 ~~((+4))~~ (8) "Low income" means household income ~~((that is at or~~
12 ~~below one hundred twenty five percent of the federally established~~
13 ~~poverty level))~~ as defined by the department, provided that the
14 definition may not exceed eighty percent of median household income,
15 adjusted for household size, for the county in which the dwelling unit
16 to be weatherized is located.

17 ~~((+5))~~ (9) "Nonutility sponsor" means any sponsor other than a
18 public service company, municipality, public utility district, mutual
19 or cooperative, furnishing gas or electricity used to heat low-income
20 residences.

21 ~~((+6))~~ (10) "Residence" means a dwelling unit as defined by the
22 department.

23 ~~((+7))~~ (11) "Sponsor" means any entity that submits a proposal
24 under RCW 70.164.040, including but not limited to any local community
25 action agency, tribal nation, community service agency, or any other
26 participating agency or any public service company, municipality,
27 public utility district, mutual or cooperative, or any combination of
28 such entities that jointly submits a proposal.

29 ~~((+8))~~ (12) "Sponsor match" means the share ~~((, if any,))~~ of the
30 cost of weatherization to be paid by the sponsor.

31 ~~((+9))~~ (13) "Sustainable residential weatherization" or
32 "weatherization" means ~~((materials or measures, and their installation,~~
33 ~~that are used to improve the thermal efficiency of a residence))~~
34 activities that use funds administered by the department for one or
35 more of the following: (a) Energy and resource conservation; (b)
36 energy efficiency improvements; (c) repairs, indoor air quality
37 improvements, and health and safety improvements; and (d) client
38 education. Funds administered by the department for activities

1 authorized under this subsection may only be used for the preservation
2 of a dwelling unit occupied by a low-income household and must, to the
3 extent feasible, be used to support and advance sustainable
4 technologies.

5 ((+10)) (14) "Weatherizing agency" means any approved department
6 grantee, tribal nation, or any public service company, municipality,
7 public utility district, mutual or cooperative, or other entity that
8 bears the responsibility for ensuring the performance of weatherization
9 of residences under this chapter and has been approved by the
10 department.

11 **Sec. 202.** RCW 70.164.040 and 1987 c 36 s 4 are each amended to
12 read as follows:

13 (1) The department shall solicit proposals for low-income
14 weatherization programs from potential sponsors. A proposal shall
15 state the amount of the sponsor match, the amount requested (~~from the~~
16 ~~low-income weatherization assistance account~~), the name of the
17 weatherizing agency, and any other information required by the
18 department.

19 (2)(a) A sponsor may use its own moneys, including corporate or
20 ratepayer moneys, or moneys provided by landlords, charitable groups,
21 government programs, the Bonneville power administration, or other
22 sources to pay the sponsor match.

23 (b) Moneys provided by a sponsor pursuant to requirements in this
24 section shall be in addition to and shall not supplant any funding for
25 low-income weatherization that would otherwise have been provided by
26 the sponsor or any other entity enumerated in (a) of this subsection.

27 (c) No proposal may require any contribution as a condition of
28 weatherization from any household whose residence is weatherized under
29 the proposal.

30 (d) Proposals shall provide that full levels of all cost-effective,
31 structurally feasible, sustainable residential weatherization
32 materials, measures, and practices, as determined by the department,
33 shall be installed when a low-income residence is weatherized.

34 (3)(a) The department may in its discretion accept, accept in part,
35 or reject proposals submitted. The department shall allocate funds
36 appropriated from the low-income weatherization assistance account
37 among proposals accepted or accepted in part so as to:

1 (i) Achieve the greatest possible expected monetary and energy
2 savings by low-income households and other energy consumers (~~(and)~~)
3 over the longest period of time;

4 (ii) Identify and correct, to the extent practical, health and
5 safety problems for residents of low-income households, including
6 asbestos, lead, and mold hazards;

7 (iii) Create family-wage jobs that may lead to careers in the
8 construction trades or in the energy efficiency sectors; and

9 (iv) Leverage, to the extent feasible, environmentally friendly
10 sustainable technologies, practices, and designs.

11 (b) The department shall, to the extent feasible, ensure a balance
12 of participation in proportion to population among low-income
13 households for: (~~(a)~~) (i) Geographic regions in the state; (~~(b)~~)
14 (ii) types of fuel used for heating, except that the department shall
15 encourage the use of energy efficient sustainable technologies; (~~(c)~~)
16 (iii) owner-occupied and rental residences; and (~~(d)~~) (iv) single-
17 family and multifamily dwellings.

18 (c) The department shall give priority to the weatherization of
19 dwelling units occupied by low-income households with incomes at or
20 below one hundred twenty-five percent of the federally established
21 poverty level.

22 (d) The department may allocate funds to a nonutility sponsor
23 without requiring a sponsor match if the department determines that
24 such an allocation is necessary to provide the greatest benefits to
25 low-income residents of the state.

26 (e) The department shall give preference to sponsors that employ
27 individuals trained from workforce training and apprentice programs
28 established under chapter . . . , Laws of 2009 (Engrossed Second
29 Substitute House Bill No. 2227) if these workers are available, and
30 create employment opportunities for veterans, members of the national
31 guard, and low-income and disadvantaged populations.

32 (4)(a) A sponsor may elect to: (i) Pay a sponsor match as a lump
33 sum at the time of weatherization, or (ii) make yearly payments to the
34 low-income weatherization assistance account over a period not to
35 exceed ten years. If a sponsor elects to make yearly payments, the
36 value of the payments shall not be less than the value of the lump sum
37 payment that would have been made under (a)(i) of this subsection.

1 (b) The department may permit a sponsor to meet its match
2 requirement in whole or in part through providing labor, materials, or
3 other in-kind expenditures.

4 (5) Programs receiving funding under this section must report to
5 the department every six months following the receipt of a grant
6 regarding the number of dwelling units weatherized, the number of jobs
7 created or maintained, and the number of individuals trained through
8 workforce training and apprentice programs, with the last report
9 submitted six months after program completion. The director of the
10 department shall review the accuracy of these reports.

11 (6) The department shall adopt rules to carry out this section.

12 **Sec. 203.** RCW 70.164.050 and 1987 c 36 s 5 are each amended to
13 read as follows:

14 (1) The department is responsible for ensuring that sponsors and
15 weatherizing agencies comply with the state laws, the department's
16 rules, and the sponsor's proposal in carrying out proposals.

17 (2) Before a residence is weatherized, the department shall require
18 that an energy ((~~assessment~~)) audit be conducted.

19 (3) To the greatest extent practicable and allowable under federal
20 rules and regulations, the department shall maximize available federal
21 low-income home energy assistance program funding for weatherization
22 projects.

23 **Sec. 204.** RCW 70.164.060 and 1987 c 36 s 6 are each amended to
24 read as follows:

25 Before a leased or rented residence is weatherized, written
26 permission shall be obtained from the owner of the residence for the
27 weatherization. The department shall adopt rules to ensure that: (1)
28 The benefits of weatherization assistance ((~~in connection with a leased~~
29 ~~or rented residence~~)), including utility bill reduction and
30 preservation of affordable housing stock, accrue primarily to low-
31 income tenants occupying a leased or rented residence; (2) as a result
32 of weatherization provided under this chapter, the rent on the
33 residence is not increased and the tenant is not evicted; and (3) as a
34 result of weatherization provided under this chapter, no undue or
35 excessive enhancement occurs in the value of the residence. This

1 section is in the public interest and any violation by a landlord of
2 the rules adopted under this section shall be an act in trade or
3 commerce violating chapter 19.86 RCW, the consumer protection act.

4 NEW SECTION. **Sec. 205.** A new section is added to chapter 70.164
5 RCW to read as follows:

6 (1) The department must: (a) Establish a process to award grants
7 on a competitive basis to provide grants to financial institutions for
8 the purpose of creating credit enhancements, such as loan loss reserve
9 funds as specified in sections 206 and 208 of this act, and consumer
10 financial products and services that will be used to obtain energy
11 efficiency services; and (b) develop criteria, in consultation with the
12 department of financial institutions, regarding the extent to which
13 funds will be provided for the purposes of credit enhancements and set
14 forth principles for accountability for financial institutions
15 receiving funding for credit enhancements.

16 (2) The department must:

17 (a) Give priority to financial institutions that provide both
18 consumer financial products or services and direct outreach;

19 (b) Approve any financing mechanisms offered by local
20 municipalities under section 208 of this act; and

21 (c) Require any financial institution or other entity receiving
22 funding for credit enhancements to:

23 (i) Provide books, accounts, and other records in such a form and
24 manner as the department may require;

25 (ii) Provide an estimate of projected loan losses; and

26 (iii) Provide the financial institution's plan to manage loan loss
27 risks, including the rationale for sizing a loan loss reserve and the
28 use of other credit enhancements, as applicable.

29 NEW SECTION. **Sec. 206.** A new section is added to chapter 70.164
30 RCW to read as follows:

31 PROMOTING THE INVOLVEMENT OF FINANCIAL INSTITUTIONS IN FINANCING
32 ENERGY EFFICIENCY PROJECTS--FINDINGS AND INTENT. (1) The legislature
33 finds that the creation and use of risk reduction mechanisms will
34 promote greater involvement of local financial institutions and other
35 financing mechanisms in funding energy efficiency improvements and will
36 achieve greater leverage of state and federal dollars. Risk reduction

1 mechanisms will allow financial institutions to lend to a broader pool
2 of applicants on more attractive terms, such as potentially lower rates
3 and longer loan terms. Placing a portion of funds in long-term risk
4 reduction mechanisms will support a sustained level of energy
5 efficiency investment by financial institutions while providing funding
6 to projects quickly.

7 (2) It is the intent of the legislature to leverage new federal
8 funding aimed at promoting energy efficiency projects, improving energy
9 efficiency, and increasing family-wage jobs. To this end, the
10 legislature intends to invest a portion of all federal funding, subject
11 to federal requirements, for energy efficiency projects in financial
12 mechanisms that will provide for maximum leverage of financing.

13 NEW SECTION. **Sec. 207.** A new section is added to chapter 70.164
14 RCW to read as follows:

15 The department may create an appliance efficiency rebate program
16 with available funds from the energy efficient appliances rebate
17 program authorized under the federal energy policy act of 2005 (P.L.
18 109-58).

19 NEW SECTION. **Sec. 208.** A new section is added to chapter 70.164
20 RCW to read as follows:

21 PROMOTING THE INVOLVEMENT OF FINANCIAL INSTITUTIONS IN FINANCING
22 ENERGY EFFICIENCY PROJECTS. (1) Local municipalities receiving federal
23 stimulus moneys through the federal energy efficiency and conservation
24 block grant program or state energy program are authorized to use those
25 funds, subject to federal requirements, to establish loan loss reserves
26 or toward risk reduction mechanisms, such as loan loss reserves, to
27 leverage financing for energy efficiency projects.

28 (2) Interest rate subsidies, financing transaction cost subsidies,
29 capital grants to energy users, and other forms of grants and
30 incentives that support financing energy efficiency projects are
31 authorized uses of federal energy efficiency funding.

32 (3) Financing mechanisms offered by local municipalities under this
33 section must conform to all applicable state and federal rules and
34 regulations.

1 NEW SECTION. **Sec. 209.** A new section is added to chapter 70.164
2 RCW to read as follows:

3 PROMOTING THE INVOLVEMENT OF STATE-CHARTERED BOND AUTHORITIES IN
4 FINANCING ENERGY EFFICIENCY PROJECTS. (1) The legislature finds that
5 the state bond authorities have capacities that can be applied to
6 financing energy efficiency projects for their respective eligible
7 borrowers: Washington economic development finance authority for
8 industry; Washington state housing finance commission for single-family
9 and multifamily housing, commercial properties, agricultural
10 properties, and nonprofit facilities; Washington higher education
11 facilities authority for private, nonprofit higher education; and
12 Washington health care facilities authority for hospitals and all types
13 of health clinics.

14 (2)(a) Subject to federal requirements, the state bond authorities
15 may accept and administer an allocation of the state's share of the
16 federal energy efficiency funding for designing energy efficiency
17 finance loan products and for developing and operating energy
18 efficiency finance programs. The state bond authorities shall
19 coordinate with the department on the design of the bond authorities'
20 program.

21 (b) The department may make allocations of the federal funding to
22 the state bond authorities and may direct and administer funding for
23 outreach, marketing, and delivery of energy services to support the
24 programs by the state bond authorities.

25 (c) The legislature authorizes a portion of the federal energy
26 efficiency funds to be used by the state bond authorities for credit
27 enhancements and reserves for such programs.

28 (3) The Washington state housing finance commission may:

29 (a) Issue revenue bonds as the term "bond" is defined in RCW
30 43.180.020 for the purpose of financing loans for energy efficiency and
31 renewable energy improvement projects in accordance with RCW
32 43.180.150;

33 (b) Establish eligibility criteria for financing that will enable
34 it to choose applicants who are likely to repay loans made or acquired
35 by the commission and funded from the proceeds of federal funds or
36 commission bonds; and

37 (c) Participate fully in federal and other governmental programs
38 and take such actions as are necessary and consistent with chapter

1 43.180 RCW to secure to itself and the people of the state the benefits
2 of programs to promote energy efficiency and renewable energy
3 technologies.

4 **PART 3**

5 **Energy Efficiency in Publicly Funded Housing**

6 NEW SECTION. **Sec. 301.** A new section is added to chapter 43.185
7 RCW to read as follows:

8 ENERGY AUDITS AND RETROFITS IN PUBLICLY FUNDED HOUSING. (1) The
9 legislature finds that growing preservation and rehabilitation needs in
10 the housing trust fund property portfolio provide opportunities to
11 advance energy efficiency and weatherization efforts for low-income
12 individuals in Washington state while protecting the state's six
13 hundred million dollars in affordable housing investments.
14 Preservation of existing affordable housing, when done in conjunction
15 with weatherization activities, is a cost-effective, prudent, and
16 environmentally friendly strategy to ensure that low-income housing
17 remains durable, safe, and affordable. Therefore, the legislature
18 intends that where federal funds are available for increasing and
19 improving energy efficiency of low-income housing that these funds must
20 be utilized, subject to federal requirements, for energy audits and
21 implementing energy efficiency measures in the state housing trust fund
22 real estate portfolio.

23 (2) The department shall review all housing properties in the
24 housing trust fund real estate portfolio and identify those in need of
25 major renovation or rehabilitation. In its review, the department
26 shall survey property owners for information including, but not limited
27 to, the age of the building and the type of heating, cooling, plumbing,
28 and electrical systems contained in the property. The department shall
29 prioritize all renovation or rehabilitation projects identified in the
30 review by the department's ability to:

31 (a) Achieve the greatest possible expected monetary and energy
32 savings by low-income households and other energy consumers over the
33 greatest period of time;

34 (b) Promote the greatest possible health and safety improvements
35 for residents of low-income households; and

1 (c) Leverage, to the extent feasible, technologically advanced and
2 environmentally friendly sustainable technologies, practices, and
3 designs.

4 (3) Subject to the availability of amounts appropriated for this
5 specific purpose, the department shall use the prioritization of
6 potential energy efficiency needs and opportunities in subsection (2)
7 of this section to make offers of energy audit services to project
8 owners and operators. The department shall use all practicable means
9 to achieve the completion of energy audits in at least twenty-five
10 percent of the properties in its portfolio that exceed twenty-five
11 years in age, by June 30, 2011. Where the energy audits identify cost-
12 effective weatherization and other energy efficiency measures, the
13 department shall accord a priority within appropriated funding levels
14 to include funding for energy efficiency improvements when the
15 department allocates funding for renovation or rehabilitation of the
16 property.

17 **PART 4**

18 **Miscellaneous**

19 NEW SECTION. **Sec. 401.** Sections 101 through 103 of this act
20 constitute a new chapter in Title 70 RCW.

21 NEW SECTION. **Sec. 402.** Captions and part headings used in this
22 act are not any part of the law.

23 NEW SECTION. **Sec. 403.** A new section is added to chapter 43.06
24 RCW to read as follows:

25 The governor shall designate an existing full-time equivalent
26 position within state government as the single point of accountability
27 for all energy and climate change initiatives within state agencies.
28 All agencies, councils, or work groups with energy or climate
29 initiatives must coordinate with the person in this designated
30 position.

31 NEW SECTION. **Sec. 404.** If any provision of this act or its
32 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other
2 persons or circumstances is not affected.

3 NEW SECTION. **Sec. 405.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of the
5 state government and its existing public institutions, and takes effect
6 immediately."

7 Correct the title.

EFFECT: Eliminates the middle-income energy efficiency assistance program at Washington State University (WSU) extension energy program. Removes expedited grant making authority from the bill.

Authorizes the WSU Extension Energy program to implement grants for pilot programs providing community-wide energy efficiency upgrades. Specifies that contractors will be given a preference if they use workers trained in workforce training and apprentice programs; pay prevailing wages; hire in the community in which the program is located; and create employment opportunities for veterans, members of the national guard, and low-income and disadvantaged populations.

Directs the department of community, trade, and economic development, rather than WSU, to: (1) Establish a grant program to create credit enhancements; (2) create an appliance efficiency rebate program; (3) allocate federal funding to state bond authorities for energy efficiency finance programs; and (4) approve any financing mechanisms offered by municipalities receiving federal energy stimulus funding. Removes the provisions of the bill related to workforce training and curricula development for energy efficiency services. Removes the cross reference to section 2 of Engrossed Second Substitute Senate Bill 5809. Removes the requirement that CTED and WSU review existing weatherization and energy efficiency programs and make recommendations on how to increase efficiencies, which may include consolidation of programs.

--- END ---