

E2SSB 5735 - H AMD TO H AMD (H-3143.4/09) **656**

By Representative Ericksen

FAILED 4/14/2009

1 On page 1, line 3 of the striking amendment, after "FINDINGS."
2 Strike all material through "title." on page 11, line 17 and insert
3 "Washington is already a leader in promoting the development of
4 alternative energy resources and new technology that improves the
5 health of our environment. The legislature further finds that
6 Washington represents only three-tenths of one percent of the
7 world's total greenhouse gas emissions.

8 The legislature further finds that climate change policies
9 should address climate change adaptation strategies and ensure that
10 greenhouse gas reduction policies do not conflict with the need to
11 increase water storage, increase reliable electrical capacity,
12 improve flood control mechanisms, and adopt forest management
13 practices that proactively reduce forest fires and bark beetle
14 infestation.

15 To help move Washington forward with positive solutions,
16 Washington commits to the following:

17 (1) A bold new energy future that will protect our quality of
18 life, provide future generations with expanded opportunities, and
19 lay the foundation for expanded economic growth;

20 (2) Reducing dependence on foreign energy supplies through
21 increased domestic production and technological advancement;

22 (3) Mobility freedom and the American dream of home ownership;

23 (4) Allowing citizens real options for moving between cities by
24 construction of a high speed rail network connecting Seattle to
25 Spokane and Bellingham to Vancouver.

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1 (5) Maximizing private sector funding and private sector
2 innovation while building a energy and transportation infrastructure
3 for the future;

4 (6) Creating a business climate that promotes innovation and
5 maximizes research and development into new technologies;

6 (7) Protecting citizens from excessive government regulations
7 and high taxes; and

8 (8) The wise use of regulations to protect citizens from
9 exploitation by corporate interests or governmental manipulation.

10 Washington can let individual and employer innovation drive the
11 state to new technologies that reduce emissions and improve our
12 quality of life. This is a climate action strategy built on real
13 promises without hurting Washington's economy and raising costs for
14 consumers.

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16 NEW SECTION. **Sec. 2.** CARBONLESS ENERGY PARKS. (1) Washington
17 shall commit to the formation of one carbonless energy park and the
18 construction of four next generation nuclear generation facilities by
19 2050. The legislature finds that advances in technology have created
20 opportunities for establishing additional nuclear-generated power in
21 Washington. Nuclear-generated power has the potential to increase
22 utilization of alternative energy, including providing additional
23 power for converting Washington's motor vehicle fleet to electric cars
24 and reducing greenhouse gas emissions. The legislature intends to
25 expedite the licensing, permitting, and regulatory processes for
26 establishing additional nuclear-generated power in Washington through
27 the creation of carbonless energy parks.

28 (2) A joint legislative task force on carbonless energy parks is
29 established, with nine members as provided in this subsection:

30 (A) The majority leader of the senate shall appoint one member
31 from each of the two largest caucuses of the senate;

32 (B) The speaker of the house of representatives shall appoint one
33 member from each of the two largest caucuses of the house of
34 representatives; and

1 (C) The governor shall appoint five members, including
2 representatives from the executive branch and the nuclear industry.

3 (b) The majority leader of the senate and the speaker of the house
4 of representatives jointly shall appoint the co-chairs of the task
5 force from among the legislative members of the task force. The co-
6 chairs shall convene the initial meeting of the task force. A
7 steering committee consisting of the legislative members of the task
8 force shall advise the co-chairs on the meetings and other activities
9 of the task force.

10 (3) The task force shall study establishment of one carbonless
11 energy park in Washington for additional nuclear-generated power in
12 Washington including, but not limited to, the following:

13 (a) An examination of advanced nuclear power reactors including,
14 but not limited to, generations III and IV nuclear technologies;

15 (b) A review of the advanced nuclear technologies that are in
16 operation in other countries;

17 (c) An examination of the methods by which spent fuel may be
18 recycled, converted, or disposed of;

19 (d) A review of the safety issues associated with operating and
20 maintaining advanced nuclear power reactors;

21 (e) The estimated cost per kilowatt hour of nuclear energy
22 generated by an advanced nuclear power reactor as compared to other
23 energy resources, such as wind, solar, and hydroelectric;

24 (f) An examination of the licensing, permitting, or other
25 regulatory costs associated with constructing an advanced nuclear
26 power reactor in the state and methods to expedite the licensing,
27 permitting, and regulatory compliance processes;

28 (g) A review of potential federal tax incentives that may be
29 available to support advanced nuclear power reactor projects in
30 Washington;

31 (h) A review of integrating additional nuclear generation into
32 the electric grid;

33 (i) Maximizing private investment in additional nuclear
34 generation; and

1 (j) Quantification of greenhouse gas reductions resulting from
2 additional nuclear generation.

3 (4) Staff support for the task force will be provided by senate
4 committee services and the house of representatives office of program
5 research. The task force may hire additional staff with specific
6 technical expertise if such expertise is necessary to carry out the
7 mandates of this study, and only if an appropriation is specifically
8 provided for this purpose.

9 (5) Legislative members of the task force shall be reimbursed for
10 travel expenses in accordance with RCW 44.04.120. Nonlegislative
11 members, except those representing an employer or organization, are
12 entitled to be reimbursed for travel expenses in accordance with RCW
13 43.03.050 and 43.03.060.

14 (6) The expenses of the task force must be paid jointly by the
15 senate and house of representatives. Task force expenditures are
16 subject to approval by the senate facilities and operations committee
17 and the house of representatives executive rules committee, or their
18 successor committees.

19 (7) The task force shall report its findings and recommendations
20 to the legislature by December 1, 2010.

21 (8) This section expires July 1, 2011.

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23 NEW SECTION. Sec. 3. HIGH-SPEED RAIL. (1) Washington shall
24 commit to the construction of a high-speed rail network. A joint
25 select committee on high-speed rail is established. The committee
26 shall consider, but is not limited to, developing a plan to build and
27 finance a high-speed rail network running from Bellingham to
28 Vancouver, Washington and from Seattle to Spokane.

29 (2) The speaker of the house of representatives and the majority
30 leader of the senate shall select two members from each of the two
31 largest caucuses in the house of representatives and each of the two
32 largest caucuses in the senate to serve on the committee.

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1 (3) The committee may seek assistance from other members of the
2 senate and the house of representatives and other interested parties
3 to provide advice and technical assistance.

4 (4) Staff support for the committee must be provided by the house
5 of representatives office of program research and the senate committee
6 services.

7 (5) Legislative members of the committee may be reimbursed for
8 travel expenses in accordance with RCW 44.04.120.

9 (6) The expenses of the committee must be paid jointly by the
10 senate and the house of representatives within existing funds.
11 Committee expenditures are subject to approval by the senate
12 facilities and operations committee and the house of representatives
13 executive rules committee, or their successor committees.

14 (7) The committee shall examine and analyze the following items:

15 (a) The best available technology for a high-speed rail network
16 based on the following criteria:

- 17 (i) Cost per mile for operation and construction;
- 18 (ii) Long-term costs;
- 19 (iii) Best top speed;
- 20 (iv) Flexibility;
- 21 (v) Ability to handle freight cargo;
- 22 (vi) Energy consumption; and
- 23 (vii) Reliability;

24 (b) Identification of potential rights-of-way and routes for new
25 construction;

26 (c) Identification of public-private financing opportunities
27 including:

- 28 (i) Design/build/operate;
- 29 (ii) Sale of development rights;
- 30 (iii) The potential for private ownership of all or portions of a
31 new rail system, the operations of a rail system, and operations of
32 ancillary services associated with the rail line; and
- 33 (iv) Potential operating costs and public subsidies;

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1 (d) Examination of opportunities to co-locate high-speed rail
2 network tracks with a new power grid infrastructure;

3 (e) Quantification of economic development potential of
4 constructing new rail lines; and

5 (f) Quantification of greenhouse gas reductions resulting from the
6 establishment of high-speed rail in Washington.

7 (8) The committee shall report its findings and recommendations to
8 the transportation committees of the house of representatives and the
9 senate by December 1, 2010.

10 (9) This section expires July 1, 2011.

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12 NEW SECTION. **Sec. 4.** The legislature shall commit to recognizing
13 hydropower as a renewable resource and investments in other renewable
14 resources and conservation as contributions to the reduction of
15 greenhouse gas emissions.

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17 **Sec. 5.** RCW 19.285.030 and 2007 c 1 s 3 (Initiative Measure No.
18 937, approved November 7, 2006) are each amended to read as follows:

19 The definitions in this section apply throughout this chapter
20 unless the context clearly requires otherwise.

21 (1) "Attorney general" means the Washington state office of the
22 attorney general.

23 (2) "Auditor" means: (a) The Washington state auditor's office or
24 its designee for qualifying utilities under its jurisdiction that are
25 not investor-owned utilities; or (b) an independent auditor selected
26 by a qualifying utility that is not under the jurisdiction of the
27 state auditor and is not an investor-owned utility.

28 (3) "Commission" means the Washington state utilities and
29 transportation commission.

30 (4) "Conservation" means any reduction in electric power
31 consumption resulting from increases in the efficiency of energy use,
32 production, or distribution and includes investment by a qualifying
33 utility in smart grid technology.

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1 (5) "Cost-effective" has the same meaning as defined in RCW
2 80.52.030.

3 (6) "Council" means the Washington state apprenticeship and
4 training council within the department of labor and industries.

5 (7) "Customer" means a person or entity that purchases electricity
6 for ultimate consumption and not for resale.

7 (8) "Department" means the department of community, trade, and
8 economic development or its successor.

9 (9) "Distributed generation" means an eligible renewable resource
10 where the generation facility or any integrated cluster of such
11 facilities has a generating capacity of not more than five megawatts.

12 (10) "Eligible renewable resource" means:

13 (a) Electricity from a generation facility powered by a renewable
14 resource (~~((other than fresh water that commences operation after March~~
15 ~~31, 1999,))~~where: (i) The facility is located in the Pacific
16 Northwest; or (ii) the electricity from the facility is delivered into
17 Washington state (~~((on a real time basis without shaping, storage, or~~
18 ~~integration services; or~~

19 ~~— (b) Incremental electricity produced as a result of efficiency~~
20 ~~improvements completed after March 31, 1999, to hydroelectric~~
21 ~~generation projects owned by a qualifying utility and located in the~~
22 ~~Pacific Northwest or to hydroelectric generation in irrigation pipes~~
23 ~~and canals located in the Pacific Northwest, where the additional~~
24 ~~generation in either case does not result in new water diversions or~~
25 ~~impoundments)).~~

26 (11) "Investor-owned utility" has the same meaning as defined in
27 RCW 19.29A.010.

28 (12) "Load" means the amount of kilowatt-hours of electricity
29 delivered in the most recently completed year by a qualifying utility
30 to its Washington retail customers.

31 (13) "Nonpower attributes" means all environmentally related
32 characteristics, exclusive of energy, capacity reliability, and other
33 electrical power service attributes, that are associated with the
34 generation of electricity from a renewable resource, including but not

1 limited to the facility's fuel type, geographic location, vintage,
2 qualification as an eligible renewable resource, and avoided emissions
3 of pollutants to the air, soil, or water, and avoided emissions of
4 carbon dioxide and other greenhouse gases. For an anaerobic digester,
5 its nonpower attributes may be separated into avoided emissions of
6 carbon dioxide, and other greenhouse gases, and into renewable energy
7 credits.

8 (14) "Pacific Northwest" has the same meaning as defined for the
9 Bonneville power administration in section 3 of the Pacific Northwest
10 electric power planning and conservation act (94 Stat. 2698; 16 U.S.C.
11 Sec. 839a).

12 (15) "Public facility" has the same meaning as defined in RCW
13 39.35C.010.

14 (16) "Qualifying utility" means an electric utility, as the term
15 "electric utility" is defined in RCW 19.29A.010, that serves more than
16 twenty-five thousand customers in the state of Washington. The number
17 of customers served may be based on data reported by a utility in form
18 861, "annual electric utility report," filed with the energy
19 information administration, United States department of energy.

20 (17) "Renewable energy credit" means a tradable certificate of
21 proof of at least one megawatt-hour of an eligible renewable resource
22 where the generation facility is not powered by fresh water, the
23 certificate includes all of the nonpower attributes associated with
24 that one megawatt-hour of electricity, and the certificate is verified
25 by a renewable energy credit tracking system selected by the
26 department.

27 (18) "Renewable resource" means: (a) Water; (b) wind; (c) solar
28 energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or
29 tidal power; (g) gas from sewage treatment facilities; (h) biodiesel
30 fuel as defined in RCW 82.29A.135 that is not derived from crops
31 raised on land cleared from old growth (~~or first-growth~~) forests
32 where the clearing occurred after December 7, 2006; (~~and~~) (i)
33 byproducts of pulping or wood manufacturing processes that are not
34 derived from old growth forests, including but not limited to bark,

1 wood chips, sawdust, and lignin in spent pulping liquors; (j) wooden
2 demolition or construction debris; (k) black liquors derived from
3 algae and other sources; and (l) biomass energy based on animal waste,
4 food waste, yard waste, or solid organic fuels from wood, forest, or
5 field residues, or dedicated energy crops that do not include (i) wood
6 pieces that have been treated with chemical preservatives such as
7 creosote, pentachlorophenol, or copper-chrome-arsenic; (ii) ~~((black~~
8 ~~liquor byproduct from paper production; (iii))~~) wood from old growth
9 forests; or ~~((iv))~~ (iii) municipal solid waste.

10 (19) "Rule" means rules adopted by an agency or other entity of
11 Washington state government to carry out the intent and purposes of
12 this chapter.

13 (20) "Year" means the twelve-month period commencing January 1st
14 and ending December 31st.

15
16 **Sec. 6.** RCW 19.285.040 and 2007 c 1 s 4 (Initiative Measure No.
17 937, approved November 7, 2006) are each amended to read as follows:

18 (1) Each qualifying utility shall pursue all available
19 conservation that is cost-effective, reliable, and feasible.

20 (a) By January 1, 2010, using methodologies consistent with those
21 used by the Pacific Northwest electric power and conservation planning
22 council in its most recently published regional power plan, each
23 qualifying utility shall identify its achievable cost-effective
24 conservation potential through 2019. At least every two years
25 thereafter, the qualifying utility shall review and update this
26 assessment for the subsequent ten-year period.

27 (b) Beginning January 2010, each qualifying utility shall
28 establish and make publicly available a biennial acquisition target
29 for cost-effective conservation consistent with its identification of
30 achievable opportunities in (a) of this subsection, and meet that
31 target during the subsequent two-year period. At a minimum, each
32 biennial acquisition target must be no lower than the qualifying
33 utility's pro rata share for that two-year period of its cost-
34 effective conservation potential for the subsequent ten-year period.

1 (c) In meeting its conservation targets, a qualifying utility may
2 count high-efficiency cogeneration owned and used by a retail electric
3 customer to meet its own needs. High-efficiency cogeneration is the
4 sequential production of electricity and useful thermal energy from a
5 common fuel source, where, under normal operating conditions, the
6 facility has a useful thermal energy output of no less than thirty-
7 three percent of the total energy output. The reduction in load due
8 to high-efficiency cogeneration shall be: (i) Calculated as the ratio
9 of the fuel chargeable to power heat rate of the cogeneration facility
10 compared to the heat rate on a new and clean basis of a
11 best-commercially available technology combined-cycle natural
12 gas-fired combustion turbine; and (ii) counted towards meeting the
13 biennial conservation target in the same manner as other conservation
14 savings.

15 (d) The commission may determine if a conservation program
16 implemented by an investor-owned utility is cost-effective based on
17 the commission's policies and practice.

18 (e) The commission may rely on its standard practice for review
19 and approval of investor-owned utility conservation targets.

20 (2)(a) Each qualifying utility shall use eligible renewable
21 resources (~~or~~), acquire equivalent renewable energy credits, or use
22 conservation under subsection (1) of this section, or a combination of
23 (~~both~~) these options, to meet the following annual targets:

24 (i) At least three percent of its load by January 1, 2012, and
25 each year thereafter through December 31, 2015;

26 (ii) At least nine percent of its load by January 1, 2016, and
27 each year thereafter through December 31, 2019; and

28 (iii) At least fifteen percent of its load by January 1, 2020, and
29 each year thereafter.

30 (b) A qualifying utility may count distributed generation at
31 double the facility's electrical output if the utility: (i) Owns or
32 has contracted for the distributed generation and the associated
33 renewable energy credits; or (ii) has contracted to purchase the
34 associated renewable energy credits.

1 (c) In meeting the annual targets in (a) of this subsection, a
2 qualifying utility shall calculate its annual load based on the
3 average of the utility's load for the previous two years.

4 (d) A qualifying utility shall be considered in compliance with an
5 annual target in (a) of this subsection if: (i) The utility's
6 weather-adjusted load for the previous three years on average did not
7 increase over that time period; (ii) after December 7, 2006, the
8 utility did not commence or renew ownership or incremental purchases
9 of electricity from resources other than renewable resources other
10 than on a daily spot price basis and the electricity is not offset by
11 equivalent renewable energy credits; and (iii) the utility invested at
12 least one percent of its total annual retail revenue requirement that
13 year on eligible renewable resources, renewable energy credits, or a
14 combination of both.

15 (e) The requirements of this section may be met for any given year
16 with renewable energy credits produced during that year, the preceding
17 year, or the subsequent year. Each renewable energy credit may be
18 used only once to meet the requirements of this section.

19 (f) In complying with the targets established in (a) of this
20 subsection, a qualifying utility may not count:

21 (i) Eligible renewable resources or distributed generation where
22 the associated renewable energy credits are owned by a separate
23 entity; or

24 (ii) Eligible renewable resources or renewable energy credits
25 obtained for and used in an optional pricing program such as the
26 program established in RCW 19.29A.090.

27 (g) Where fossil and combustible renewable resources are cofired
28 in one generating unit located in the Pacific Northwest where the
29 cofiring commenced after March 31, 1999, the unit shall be considered
30 to produce eligible renewable resources in direct proportion to the
31 percentage of the total heat value represented by the heat value of
32 the renewable resources.

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1 (h)(i) A qualifying utility that acquires an eligible renewable
2 resource or renewable energy credit may count that acquisition at one
3 and two-tenths times its base value:

4 (A) Where the eligible renewable resource comes from a facility
5 that commenced operation after December 31, 2005; and

6 (B) Where the developer of the facility used apprenticeship
7 programs approved by the council during facility construction.

8 (ii) The council shall establish minimum levels of labor hours to
9 be met through apprenticeship programs to qualify for this extra
10 credit.

11 (i) A qualifying utility shall be considered in compliance with an
12 annual target in (a) of this subsection if events beyond the
13 reasonable control of the utility that could not have been reasonably
14 anticipated or ameliorated prevented it from meeting the renewable
15 energy target. Such events include weather-related damage, mechanical
16 failure, strikes, lockouts, and actions of a governmental authority
17 that adversely affect the generation, transmission, or distribution of
18 an eligible renewable resource under contract to a qualifying utility.

19 (j) A qualifying utility that invests in smart grid technology may
20 count that investment at three times its base value.

21 (3) Utilities that become qualifying utilities after December 31,
22 2006, shall meet the requirements in this section on a time frame
23 comparable in length to that provided for qualifying utilities as of
24 December 7, 2006.

25
26 NEW SECTION. Sec. 7. The legislature shall commit the life
27 sciences discovery fund created in RCW 43.350.070 to new technologies
28 and efforts to reduce greenhouse gas emissions.

29
30 **Sec. 8.** RCW 43.350.030 and 2005 c 424 s 4 are each amended to
31 read as follows:

32 In addition to other powers and duties prescribed in this
33 chapter, the authority is empowered to:

1 (1) Use public moneys in the life sciences discovery fund,
2 leveraging those moneys with amounts received from other public and
3 private sources in accordance with contribution agreements, to
4 promote life sciences research;

5 (2) Solicit and receive gifts, grants, and bequests, and enter
6 into contribution agreements with private entities and public
7 entities other than the state to receive moneys in consideration of
8 the authority's promise to leverage those moneys with amounts
9 received through appropriations from the legislature and
10 contributions from other public entities and private entities, in
11 order to use those moneys to promote life sciences research.
12 Nonstate moneys received by the authority for this purpose shall be
13 deposited in the life sciences discovery fund created in RCW
14 43.350.070;

15 (3) Hold funds received by the authority in trust for their use
16 pursuant to this chapter to promote life sciences research;

17 (4) Manage its funds, obligations, and investments as necessary
18 and as consistent with its purpose including the segregation of
19 revenues into separate funds and accounts;

20 (5) Make grants to entities pursuant to contract for the
21 promotion of life sciences research to be conducted in the state.
22 Grant agreements shall specify deliverables to be provided by the
23 recipient pursuant to the grant. The authority shall solicit
24 requests for funding and evaluate the requests by reference to
25 factors such as: (a) The quality of the proposed research; (b) its
26 potential to improve health and climate outcomes, with particular
27 attention to the likelihood that it will also lower health care
28 costs, substitute for a more costly diagnostic or treatment
29 modality, create new technologies to reduce anthropologic impact on
30 our living environment, or offer a breakthrough treatment for a
31 particular disease or condition; (c) its potential for leveraging
32 additional funding; (d) its potential to provide health care
33 benefits or benefit human learning and development; (e) its
34 potential to stimulate the health care delivery, biomedical

1 manufacturing, and private sector life sciences related employment
2 in the state; (f) the geographic diversity of the grantees within
3 Washington; (g) evidence of potential royalty income and contractual
4 means to recapture such income for purposes of this chapter; and (h)
5 evidence of public and private collaboration;

6 (6) Create one or more advisory boards composed of scientists,
7 industrialists, and others familiar with life sciences research; and

8 (7) Adopt policies and procedures to facilitate the orderly
9 process of grant application, review, and reward.

10

11 NEW SECTION. **Sec. 9.** TAX INCENTIVES FOR CARBON REDUCTION
12 EQUIPMENT. A new section is added to chapter 82.16 RCW to read as
13 follows:

14 (1) The legislature shall commit to providing tax incentives for
15 employers to reduce carbon emissions through new technology and
16 innovation. These incentives will help create jobs and improve the
17 environment.

18 (2) A light and power business is allowed a credit against taxes
19 due under this chapter in an amount equal to fifty percent of the cost
20 of purchasing: (a) Carbon reduction equipment; (b) repair and
21 replacement parts for carbon reduction equipment; and (c) labor and
22 services rendered in respect to carbon reduction equipment.

23 (3) The credit under this section is only available to light and
24 power businesses subject to the annual reporting requirements under
25 RCW 70.94.151(5).

26 (4) Unused tax credit may be carried forward to subsequent tax
27 reporting periods. No refunds shall be granted for credits under this
28 section.

29 (5) The definitions in this subsection apply throughout this
30 section:

31 (a) "Carbon reduction equipment" means control devices, disposal
32 systems, machinery, equipment, and other tangible personal property
33 acquired for the primary purpose of reducing or controlling emissions
34 of greenhouse gases.

1 (b) "Power plant" has the same meaning as defined in RCW
2 80.80.010.

3
4 NEW SECTION. **Sec. 10.** TAX INCENTIVES FOR CARBON REDUCTION
5 EQUIPMENT. A new section is added to chapter 82.04 RCW to read as
6 follows:

7 (1) A person is allowed a credit against taxes due under this
8 chapter in an amount equal to fifty percent of the cost of purchasing:
9 (a) Carbon reduction equipment; (b) repair and replacement parts for
10 carbon reduction equipment; and (c) labor and services rendered in
11 respect to carbon reduction equipment.

12 (2) The credit under this section is only available to a person
13 subject to the annual reporting requirements under RCW 70.94.151(5).

14 (3) Unused tax credit may be carried forward to subsequent tax
15 reporting periods. No refunds may be granted for credits under this
16 section.

17 (4) For the purposes of this section, "carbon reduction equipment"
18 has the same meaning as provided in section 9 of this act.

19
20 NEW SECTION. **Sec. 11.** IMPROVING VEHICLE FUEL EFFICIENCY. A new
21 section is added to chapter 82.08 RCW to read as follows:

22 (1) The legislature shall commit to incentives for individuals to
23 purchase fuel efficient vehicles that will help reduce air pollution
24 and greenhouse gas emissions.

25 (2) The tax levied by RCW 82.08.020 does not apply to sales of
26 passenger vehicles, if the purchaser trades in a passenger vehicle
27 that is more than fifteen years old and the vehicle to be traded in is
28 not compliant with United States environmental protection agency tier
29 II emission standards. The exemption is only for the first two
30 thousand dollars of tax paid on the purchase price.

31 (3) For the purposes of this section, "passenger vehicle" has the
32 same meaning as "passenger car" provided in RCW 46.04.382.

33 (4) The exemption is available only if:
34

1 (a) The passenger vehicle to be traded in has been licensed and
2 registered for the twenty-four month period immediately preceding the
3 sale and is in satisfactory operating condition; and

4 (b) The new vehicle purchased has a United States environmental
5 protection agency highway gasoline mileage rating of at least thirty
6 miles per gallon.

7 (5) The total amount that may be taken by all purchasers as an
8 exemption under this section and section 12 of this act is twenty-five
9 million dollars per year. If the department determines that at least
10 twenty-two million dollars has been taken as an exemption under this
11 section and section 12 of this act, the department must notify motor
12 vehicle dealers, in a writing sent by certified mail, that requires
13 dealers not to provide the exemption to motor vehicle purchasers
14 beginning two weeks from the date the letter is postmarked.

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16 NEW SECTION. Sec. 12. IMPROVING VEHICLE FUEL EFFICIENCY. A new
17 section is added to chapter 82.12 RCW to read as follows:

18 (1) The provisions of this chapter do not apply with respect to
19 the use of passenger vehicles if the purchaser trades in a passenger
20 vehicle to a motor vehicle dealer that is more than fifteen years old
21 and the vehicle to be traded in is not compliant with United States
22 environmental protection agency tier II emission standards. The
23 exemption is only for the first two thousand dollars of tax paid on
24 the purchase price.

25 (2) "Passenger vehicle" has the same meaning as provided in
26 section 11 of this act.

27 (3) The exemption is available only if:

28 (a) The passenger vehicle to be traded in has been licensed and
29 registered for the twenty-four month period immediately preceding the
30 sale and is in satisfactory operating condition; and

31 (b) The new vehicle purchased has a United States environmental
32 protection agency highway gasoline mileage rating of at least thirty
33 miles per gallon.

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1 NEW SECTION. **Sec. 13.** ALTERNATIVE FUELS AT REST AREAS. A new
2 section is added to chapter 47.38 RCW to read as follows:

3 (1) To encourage public and private investment in electric vehicle
4 infrastructure and alternative fuels distribution, the legislature
5 finds that the department should allow private entities to operate
6 state-owned safety rest areas that include alternative fuel
7 distribution and the department shall implement this section by 2012.

8 (2) The department must adopt by rule, subject to legislative
9 approval, a comprehensive program that allows private entities to
10 competitively bid on the operation of state-owned safety rest areas
11 that include alternative fuel distribution stations. The program to
12 allow private entities to operate state-owned safety rest areas must
13 meet the following criteria:

14 (a) The department must lease the rights to operate safety rest
15 areas for a commercially reasonable period of time, but no longer than
16 twenty years;

17 (b) The department may lease the right to operate either
18 individual safety rest areas, or groups of safety rest areas, or
19 both, to a private entity;

20 (c) To the extent practicable, the business bidding to operate a
21 safety rest area must offer alternative fuel distribution
22 infrastructure including, but not limited to, electric vehicle
23 infrastructure, fuel cell charging areas, and dispensing of
24 alternative fuels as defined in RCW 19.112.010;

25 (d) Before entering into a lease with an entity, the department
26 must contact food or beverage retailers, restaurants, grocery and
27 convenience stores, lodging, and service station businesses within
28 one mile from the highway exits immediately before and after the
29 rest stop location, in each direction of traffic, and allow these
30 businesses an opportunity to bid or otherwise negotiate with the
31 department to operate the facility. If no business responds with a
32 reasonable bid or offer within sixty days, the department must open
33 up the bid or negotiation process to all interested entities;

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1 (e) The department must take all necessary action to ensure the
2 most favorable lease rates for the state, whether by bid or other
3 reasonable manner, and to require the lessee to enter into any other
4 contract or agreement to protect the state and its citizens from
5 commercial harm or other type of harm; and

6 (f) A lease must allow a nonprofit organization that had
7 previously conducted fund-raising activities on the premises to
8 continue such activities.

9
10 **Sec. 14.** RCW 47.04.280 and 2007 c 516 s 3 are each amended to
11 read as follows:

12 (1) It is the intent of the legislature to establish policy
13 goals for the planning, operation, performance of, and investment
14 in, the state's transportation system. The policy goals established
15 under this section are deemed consistent with the benchmark
16 categories adopted by the state's blue ribbon commission on
17 transportation on November 30, 2000. Public investments in
18 transportation should support achievement of these policy goals:

19 ~~((a) Preservation: To maintain, preserve, and extend the life
20 and utility of prior investments in transportation systems and
21 services;~~

22 ~~— (b) Safety: To provide for and improve the safety and security
23 of transportation customers and the transportation system;~~

24 ~~— (c) Mobility: To improve the predictable movement of goods and
25 people throughout Washington state;~~

26 ~~— (d) Environment: To enhance Washington's quality of life
27 through transportation investments that promote energy conservation,
28 enhance healthy communities, and protect the environment; and~~

29 ~~— (e) Stewardship: To continuously improve the quality,
30 effectiveness, and efficiency of the transportation system.))~~

31 (a) Safety: To provide for and improve the safety and security
32 of transportation customers and the transportation system;

33 (b) Congestion relief: To reduce traffic congestion and improve
34 vehicle travel times for transportation customers using the

1 following measures:

2 (i) Traffic congestion on urban state highways must be
3 significantly reduced and be no worse than the national mean;

4 (ii) Hours of delay per driver must be significantly reduced and
5 no worse than the national mean;

6 (c) Preservation: To maintain, preserve, and extend the life
7 and utility of prior investments in transportation systems using the
8 following measures:

9 (i) Interstate highways, state routes, or statewide principal
10 arterials must not be in poor condition;

11 (ii) Bridges must not be structurally deficient, and safety
12 retrofits must be performed on those state bridges at the highest
13 seismic risk levels; and

14 (d) Environmental stewardship: To ensure that transportation
15 investments protect the environment.

16 (2) The powers, duties, and functions of state transportation
17 agencies must be performed in a manner consistent with the policy
18 goals set forth in subsection (1) of this section.

19 (3) These policy goals are intended to be the basis for
20 establishing detailed and measurable objectives and related
21 performance measures.

22 (4) It is the intent of the legislature that the office of
23 financial management establish objectives and performance measures
24 for the department of transportation and other state agencies with
25 transportation-related responsibilities to ensure transportation
26 system performance at local, regional, and state government levels
27 progresses toward the attainment of the policy goals set forth in
28 subsection (1) of this section. The office of financial management
29 shall submit initial objectives and performance measures to the
30 legislature for its review and shall provide copies of the same to
31 the commission during the 2008 legislative session. The office of
32 financial management shall submit objectives and performance
33 measures to the legislature for its review and shall provide copies
34

1 of the same to the commission during each regular session of the
2 legislature during an even-numbered year thereafter.

3 (5) This section does not create a private right of action.

4
5 NEW SECTION. Sec. 15. Captions used in this act are not any part
6 of the law.

7
8 NEW SECTION. Sec. 16. If any provision of this act or its
9 application to any person or circumstance is held invalid, the
10 remainder of the act or the application of the provision to other
11 persons or circumstances is not affected."

12
13 Correct the title.

14
15

EFFECT: Requires Washington to commit to the formation of a carbonless energy park and the construction of 4 next generation nuclear generation facilities by 2050. Establishes a Legislative task force on carbonless energy parks to report to the Legislature by December 1, 2010.

Requires Washington to commit to the construction of a high-speed rail network. Establishes a joint select committee on high-speed rail to report to the Legislature by December 1, 2010.

Provides an intent section that specifies that the legislature must commit to recognizing hydropower as a renewable resource and investments in other renewable resources and conservation as contributions to the reduction of greenhouse gas emissions.

Modifies the definition of "conservation" to include investments made by a qualifying utility in smart grid technology. Allows electricity from a generation facility powered by fresh water to qualify as an eligible renewable resource.

Permits the nonpower attributes from an anaerobic digester to be separated into avoided emissions of carbon dioxide, and other greenhouse gases, and into renewable energy credits.

Permits byproducts of pulping or wood manufacturing processes that are not derived from old growth forests; wooden demolition or construction debris; and black liquors derived from algae and

57

other sources to qualify as a renewable resource. Allows qualifying utilities to apply energy conservation acquisitions toward the renewable resource targets. Allows a qualifying utility that invests in smart grid technology to count that investment toward its renewable energy targets at three times its base value.

Requires the Legislature to commit the Life Sciences Discovery Fund to new technologies and efforts to reduce GHG emissions.

A light and power business is allowed a credit against public utility taxes.

A person is allowed a credit against the business and occupation tax for carbon reduction equipment.

The retail sales tax and the use tax does not apply to sales of passenger vehicles if the purchaser trades in a passenger vehicle that is more than fifteen years old and the vehicle to be traded in is not compliant with EPA emission standards.

The WSDOT must adopt by rule, subject to legislative approval, a comprehensive program that allows private entities to competitively bid on the operation of state-owned safety rest areas that include alternative fuel distribution stations.

Provides priorities for public investments in transportation.

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