

SENATE BILL REPORT

E2SSB 5560

As Amended by House, April 16, 2009

Title: An act relating to state agency climate leadership.

Brief Description: Regarding state agency climate leadership.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Ranker, Swecker, Brown, Hargrove, Pridemore, Marr, Kilmer, Rockefeller, Kauffman, Haugen, Eide, Hobbs, Kohl-Welles, Jarrett, Fraser, Jacobsen and Murray).

Brief History:

Committee Activity: Environment, Water & Energy: 2/11/09, 2/20/09 [DPS, DNP].

Ways & Means: 2/26/09, 3/02/09 [DP2S, DNP, w/oRec].

Passed Senate: 3/10/09, 33-14.

Passed House: 4/16/09, 60-37.

SENATE COMMITTEE ON ENVIRONMENT, WATER & ENERGY

Majority Report: That Substitute Senate Bill No. 5560 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rockefeller, Chair; Pridemore, Vice Chair; Fraser, Hatfield, Marr, Morton, Ranker and Sheldon.

Minority Report: Do not pass.

Signed by Senators Honeyford, Ranking Minority Member; Delvin and Holmquist.

Staff: Jan Odano (786-7486)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5560 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Hobbs, Keiser, Kline, Kohl-Welles, McDermott, Murray, Oemig, Pridemore and Rockefeller.

Minority Report: Do not pass.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Signed by Senators Zarelli, Ranking Minority Member; Carrell, Honeyford and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senators Brandland, Hewitt and Parlette.

Staff: Jan Odano (786-7486)

Background: During the 2007 Legislative Session, the Legislature set forth statewide greenhouse gas emissions reductions (GHG) goals. With enactment of E2SHB 2815, providing a framework for reducing greenhouse gas emissions in the Washington economy, the 2008 Legislature required the state to limit emissions of GHG to achieve the statewide emission reductions goals. The requirements are to reduce overall GHG emissions in the state:

- by 2020 to 1990 levels;
- by 2035 to 25 percent below 1990 levels; and
- by 2050 to 50 percent below 1990 levels, or 70 percent below the state's expected GHG emissions that year.

An Executive Order issued January 2005 directed agencies, using fiscal year 2003 as the base year, to incorporate green building practices in all new construction projects and major remodels; achieve a 20 percent reduction in petroleum use by 2009; reduce the lifecycle impacts of paper products; and reduce energy purchases by 10 percent. Agencies were also required to annually report their total energy use to the Department of General Administration (GA).

Summary of Engrossed Second Substitute Bill: All state agencies must meet the statewide GHG emission limits and reduce emissions as follows:

- by July 1, 2020, to 15 percent below 2005 levels;
- by 2035, to 25 percent below 2005 levels;
- by 2050, to the greater of 50 percent below 2005 levels or 70 percent below the expected state government emissions that year.

Each state agency must report estimates of 2005 emissions to the Department of Ecology (Ecology). State agencies that are required to report emissions under the Clean Air Act must provide emission estimates as required by the act. The departments may use data such as building space occupied, electricity usage, motor vehicle fuel purchased, and miles driven to develop the estimates.

By June 30, 2011, each state agency must submit a strategy to Ecology on meeting the requirements to reduce GHG emissions. Each state agency must report to Ecology on its actions taken to reduce emissions and energy consumption. GA may report for agencies with fewer than 500 employees. In addition, Ecology must develop an emissions calculator to estimate aggregate emissions and determine emissions from a variety of ways of conducting an activity.

Ecology must report to the Governor and the appropriate legislative committees the total state agencies' GHG emissions for 2005 and actions taken to meet emission reduction targets.

For motor pools and agency vehicle fleets under their control, GA and the Office of Financial Management must phase in an average fuel economy standard of 36 miles per gallon by June 1, 2015. Motor pool is defined to mean passenger vehicles, including passenger vans and sports utility vehicles. Passenger vehicles used by the Washington State Patrol and for natural resource management in a 50 percent off-pavement capacity are exempt from this requirement.

The GA or the responsible agency must conduct an energy audit for state-owned facilities greater than 10,000 square feet that have not had an energy audit completed in the past five years. The director of GA must develop a schedule for completing the energy audits with all audits completed by December 1, 2013. Agencies must install cost effective energy conservation measures recommended in the investment grade audit by June 30, 2016. GA must report to the Governor and the Legislature on progress of developing energy audits, energy benchmarks, and planned energy efficiency measures by December 31, 2014, and a final report by December 31, 2016. Agencies implementing energy conservation measures identified above may retain the savings budgetary restraints provided.

This act must be in effect only to the extent that funds are specifically appropriated for the purposes of this act.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Environment, Water & Energy): PRO: This bill will allow the state to save money and energy. The state should serve as a leader in reducing its GHG emissions and energy consumption.

OTHER: The state can achieve goals and benchmarks through realistic energy efficiency. The state should continue with its current schedule of energy efficiency upgrades and state agencies should be the model for a carbon footprint.

Persons Testifying (Environment, Water & Energy): PRO: Carrie Dolwick, NW Energy Coalition; Bill Robinson, The Nature Conservancy; Clifford Traisman, Washington Conservation Voters, Washington Environmental Council; Heath Packard, DNR.

OTHER: Kathleen Drew, Governor's Policy Office.

Staff Summary of Public Testimony (Ways & Means): OTHER: It is important for the state to lead in GHG emission reductions. Work was done to align this version of the legislation with existing requirements in order to reduce costs. For example, the sustainability plans and measures are similar to what is needed in order to meet existing reduction targets. Legislation in 2008 incorporated some major reporting elements. The

fiscal note on this proposed legislation addresses those things that were not covered previously. Some of the costs associated with the energy audits are due to the need for consultants. However, there is likely to be savings as a result of these audits in the long run. An exemption from the fuel economy requirements is requested for sport utility and off-road vehicles used for forest management and forest fire suppression activities.

Persons Testifying (Ways & Means): OTHER: Hedia Adelman, Department of Ecology; Anne Criss, Department of Transportation; Heath Packard; Department of Natural Resources.

House Amendment(s): Requires the Office of Financial Management and GA to develop strategies to reduce fuel consumption.

Requires state agencies to phase in fuel economy standards for motor pools and leased vehicles to achieve an average fuel economy standard of 36 mpg by 2015;

Provides that vehicles purchased after June 15, 2010, must achieve a fuel economy standard of 40 mpg for light duty passenger vehicles and 27 mpg for light duty vans and SUVs.

Exempt from the fuel consumption requirements are emergency response vehicles, passenger vans with a gross vehicle weight of 8,500 lbs or more, vehicles purchased for off-payment use, and vehicles driven less than 2,000 miles per year.

Removes energy audit and energy efficiency upgrade requirements for all state-owned facilities over 10,000 square feet that have not had an energy audit completed in the last five years.

Removes energy audit and efficiency requirements that apply to any new leases entered into by state agencies for privately owned buildings over 10,000 square feet.

Requires state agencies, when distributing capital funds, to consider whether the entity receiving the funds has adopted policies to reduce GHG emissions; if the project is consistent with the state's limits on GHG emissions; goals to reduce vehicle miles traveled by 2050; and applicable federal emission reduction standards.

Requires the Governor to designate a single point of accountability for all energy and climate change initiatives within state agencies.

Prohibits state agencies from purchasing small scale gasoline and diesel fueled equipment when electric and battery alternatives are available, unless waived by the agency's administrative official.

Requires the GA to suspend the use of all spark ignition push lawnmowers, trimmers, and leaf blowers on the Capitol Campus as a demonstration to other state agencies on how to achieve the prohibition.

Adds a null and void clause.