

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 6468

61st Legislature
2010 Regular Session

Passed by the Senate March 9, 2010
YEAS 47 NAYS 0

President of the Senate

Passed by the House March 2, 2010
YEAS 64 NAYS 33

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6468** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 6468

AS AMENDED BY THE HOUSE

Passed Legislature - 2010 Regular Session

State of Washington 61st Legislature 2010 Regular Session

By Senate Environment, Water & Energy (originally sponsored by
Senators Kauffman, Rockefeller, Pridemore, Berkey, and Kline)

READ FIRST TIME 02/04/10.

1 AN ACT Relating to coordinating the weatherization and structural
2 rehabilitation of residential structures; amending RCW 70.164.010,
3 70.164.030, 70.164.040, and 70.164.070; and reenacting and amending RCW
4 70.164.020.

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

6 **Sec. 1.** RCW 70.164.010 and 1987 c 36 s 1 are each amended to read
7 as follows:

8 (1) The legislature finds and declares that weatherization of the
9 residences of low-income households will help conserve energy resources
10 in this state and can reduce the need to obtain energy from more costly
11 conventional energy resources. The legislature also finds that
12 ((rising energy costs have made it difficult for low income citizens of
13 the state to afford adequate fuel for residential space heat.
14 Weatherization of residences will lower energy consumption, making
15 space heat more affordable for persons in low income households. It
16 will also reduce the uncollectible accounts of fuel suppliers resulting
17 from low income customers not being able to pay fuel bills.)) while
18 many efforts have been made by the federal government and by the state,
19 including its cities, counties, and utilities, to increase both the

1 habitability and the energy efficiency of residential structures within
2 the state, stronger coordination of these efforts will result in even
3 greater energy efficiencies, increased cost savings to the state's
4 residents in the form of lower utility bills, improvements in health
5 and safety, lower greenhouse gas emissions and associated climate
6 impacts, as well as increased employment for the state's workforce.

7 (2) Therefore, it is the intent of the legislature that state funds
8 be dedicated to weatherization and energy efficiency activities as well
9 as the moderate to significant repair and rehabilitation of residential
10 structures that are required as a necessary antecedent to those
11 activities. It is also the intent of the legislature that the
12 department prioritize weatherization, energy efficiency activities, and
13 structural repair of residential structures to facilitate the
14 expeditious allocation of funds from federal energy efficiency programs
15 including, but not limited to, the weatherization assistance program,
16 the energy efficiency and conservation block grant program, residential
17 energy efficiency components of the state energy program, and the
18 retrofit ramp-up program for energy efficiency projects. The
19 legislature further intends to allocate future distributions of energy-
20 related federal jobs stimulus funding to strengthen these programs, and
21 to coordinate energy retrofit and rehabilitation improvements as
22 authorized by this act to increase the number of structures qualifying
23 for assistance under these multiple state and federal energy efficiency
24 programs.

25 (3) The program implementing the policy of this chapter is
26 necessary to support the poor and infirm and also to benefit the
27 health, safety, and general welfare of all citizens of the state.

28 **Sec. 2.** RCW 70.164.020 and 2009 c 565 s 51 and 2009 c 379 s 201
29 are each reenacted and amended to read as follows:

30 The definitions in this section apply throughout this chapter
31 unless the context clearly requires otherwise.

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

36 ~~(2))~~ "Department" means the department of commerce.

37 ~~((3))~~ (2) "Direct outreach" means:

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

4 (b) The performance of energy audits.

5 ~~((4))~~ (3) "Energy audit" means an analysis of a dwelling unit to
6 determine the need for cost-effective energy conservation measures as
7 determined by the department.

8 ~~((5))~~ ~~"Energy efficiency services" means energy audits,~~
9 ~~weatherization, energy efficiency retrofits, energy management systems~~
10 ~~as defined in RCW 39.35.030, and other activities to reduce a~~
11 ~~customer's energy consumption, and includes assistance with paperwork,~~
12 ~~arranging for financing, program design and development, and other~~
13 ~~postenergy audit assistance and education to help customers meet their~~
14 ~~energy savings goals.~~

15 ~~(6) "Financial institution" means any person doing business under~~
16 ~~the laws of this state or the United States relating to banks, bank~~
17 ~~holding companies, savings banks, trust companies, savings and loan~~
18 ~~associations, credit unions, consumer loan companies, equipment leasing~~
19 ~~and project finance and the affiliates, subsidiaries, and service~~
20 ~~corporations thereof.~~

21 ~~(7))~~ (4) "Household" means an individual or group of individuals
22 living in a dwelling unit as defined by the department.

23 ~~((8))~~ (5) "Low income" means household income as defined by the
24 department, provided that the definition may not exceed eighty percent
25 of median household income, adjusted for household size, for the county
26 in which the dwelling unit to be weatherized is located.

27 ~~((9))~~ (6) "Nonutility sponsor" means any sponsor other than a
28 public service company, municipality, public utility district, mutual
29 or cooperative, furnishing gas or electricity used to heat low-income
30 residences.

31 ~~((10))~~ (7) "Residence" means a dwelling unit as defined by the
32 department.

33 ~~((11))~~ (8) "Sponsor" means any entity that submits a proposal
34 under RCW 70.164.040, including but not limited to any local community
35 action agency, tribal nation, community service agency, or any other
36 participating agency or any public service company, municipality,
37 public utility district, mutual or cooperative, or any combination of
38 such entities that jointly submits a proposal.

1 ~~((+12+))~~ (9) "Sponsor match" means the share of the cost of
2 weatherization to be paid by the sponsor.

3 ~~((+13+))~~ (10) "Sustainable residential weatherization" or
4 "weatherization" means activities that use funds administered by the
5 department for one or more of the following: (a) Energy and resource
6 conservation; (b) energy efficiency improvements; (c) repairs, indoor
7 air quality improvements, and health and safety improvements; and (d)
8 client education. Funds administered by the department for activities
9 authorized under this subsection may only be used for the preservation
10 of a dwelling unit occupied by a low-income household and must, to the
11 extent feasible, be used to support and advance sustainable
12 technologies.

13 ~~((+14+))~~ (11) "Weatherizing agency" means any approved department
14 grantee, tribal nation, or any public service company, municipality,
15 public utility district, mutual or cooperative, or other entity that
16 bears the responsibility for ensuring the performance of weatherization
17 of residences under this chapter and has been approved by the
18 department.

19 **Sec. 3.** RCW 70.164.030 and 1991 sp.s. c 13 s 62 are each amended
20 to read as follows:

21 (1) The low-income weatherization and structural rehabilitation
22 assistance account is created in the state treasury. All moneys from
23 the money distributed to the state pursuant to *Exxon v. United States*,
24 561 F.Supp. 816 (1983), affirmed 773 F.2d 1240 (1985), or any other oil
25 overcharge settlements or judgments distributed by the federal
26 government, that are allocated to the low-income weatherization and
27 structural rehabilitation assistance account shall be deposited in the
28 account. The department may accept such gifts, grants, and endowments
29 from public or private sources as may be made from time to time, in
30 trust or otherwise, and shall deposit such funds in the account. Any
31 moneys received from sponsor match payments shall be deposited in the
32 account. The legislature may also appropriate moneys to the account.
33 Moneys in the account shall be spent pursuant to appropriation and only
34 for the purposes and in the manner provided in RCW 70.164.040. Any
35 moneys appropriated that are not spent by the department shall return
36 to the account.

1 (2) The purposes of the low-income weatherization and structural
2 rehabilitation assistance account are to:

3 (a) Maximize the number of energy efficient residential structures
4 in the state;

5 (b) Achieve the greatest possible expected monetary and energy
6 savings by low-income households and other energy consumers over the
7 longest period of time;

8 (c) Identify and correct, to the extent practicable, health and
9 safety problems for residents of low-income households, including
10 asbestos, lead, and mold hazards;

11 (d) Leverage the many available state and federal programs aimed at
12 increasing the quality and energy efficiency of low-income residences
13 in the state;

14 (e) Create family-wage jobs that may lead to careers in the
15 construction trades or in the energy efficiency sectors; and

16 (f) Leverage, to the extent feasible, sustainable technologies,
17 practices, and designs, including renewable energy systems.

18 **Sec. 4.** RCW 70.164.040 and 2009 c 379 s 202 are each amended to
19 read as follows:

20 (1) The department shall solicit proposals for low-income
21 weatherization programs from potential sponsors. A proposal shall
22 state the amount of the sponsor match, the amount requested, the name
23 of the weatherizing agency, and any other information required by the
24 department.

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

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

33 (c) No proposal may require any contribution as a condition of
34 weatherization from any household whose residence is weatherized under
35 the proposal.

36 (d) Proposals shall provide that full levels of all cost-effective,

1 structurally feasible, sustainable residential weatherization
2 materials, measures, and practices, as determined by the department,
3 shall be installed when a low-income residence is weatherized.

4 (3)(a) The department may in its discretion accept, accept in part,
5 or reject proposals submitted.

6 (b) The department shall prioritize allocating funds from the low-
7 income weatherization and rehabilitation account to projects that
8 maximize energy efficiency and extend the usable life of an affordable
9 home by: (i) Installing energy efficiency measures; and (ii) providing
10 structural rehabilitation and repairs, so that funding from federal
11 energy efficiency programs such as the weatherization assistance
12 program, the energy efficiency and conservation block grant program,
13 residential energy efficiency components of the state energy program,
14 and the retrofit ramp-up program is distributed expeditiously.

15 (c) When allocating funds from the low-income weatherization and
16 rehabilitation account, the department shall, to the extent feasible,
17 consider local and state benefits including pledged sponsor match,
18 available energy efficiency, repair, and rehabilitation funds from
19 other sources, the preservation of affordable housing, and balance of
20 participation in proportion to population among low-income households
21 for: (i) Geographic regions in the state; (ii) types of fuel used for
22 heating, except that the department shall encourage the use of energy
23 efficient sustainable technologies; (iii) owner-occupied and rental
24 residences; and (iv) single-family and multifamily dwellings.

25 (d) The department shall then allocate funds appropriated from the
26 low-income weatherization and structural rehabilitation assistance
27 account for energy efficiency and repair activities among proposals
28 accepted or accepted in part ((so as to:

29 ~~(i) Achieve the greatest possible expected monetary and energy~~
30 ~~savings by low income households and other energy consumers over the~~
31 ~~longest period of time;~~

32 ~~(ii) Identify and correct, to the extent practical, health and~~
33 ~~safety problems for residents of low income households, including~~
34 ~~asbestos, lead, and mold hazards;~~

35 ~~(iii) Create family wage jobs that may lead to careers in the~~
36 ~~construction trades or in the energy efficiency sectors; and~~

37 ~~(iv) Leverage, to the extent feasible, environmentally friendly~~
38 ~~sustainable technologies, practices, and designs)).~~

1 ~~((b) The department shall, to the extent feasible, ensure a~~
2 ~~balance of participation in proportion to population among low-income~~
3 ~~households for: (i) Geographic regions in the state; (ii) types of~~
4 ~~fuel used for heating, except that the department shall encourage the~~
5 ~~use of energy efficient sustainable technologies; (iii) owner-occupied~~
6 ~~and rental residences; and (iv) single family and multifamily~~
7 ~~dwellings.~~

8 ~~(c))~~ (e) The department shall develop policies to ensure prudent,
9 cost-effective investments are made in homes and buildings requiring
10 energy efficiency, repair, and rehabilitation improvements that will
11 maximize energy savings and extend the life of a home.

12 (f) The department shall give priority to the structural
13 rehabilitation and weatherization of dwelling units occupied by low-
14 income households with incomes at or below one hundred twenty-five
15 percent of the federally established poverty level.

16 ~~((d))~~ (g) The department may allocate funds to a nonutility
17 sponsor without requiring a sponsor match if the department determines
18 that such an allocation is necessary to provide the greatest benefits
19 to low-income residents of the state.

20 ~~((e))~~ (h) The department shall require ~~((sponsors))~~ weatherizing
21 agencies to employ individuals trained from workforce training and
22 apprentice programs established under chapter 536, Laws of 2009 if
23 these workers are available, pay prevailing wages under chapter 39.12
24 RCW, hire from the community in which the program is located, and
25 create employment opportunities for veterans, members of the national
26 guard, and low-income and disadvantaged populations.

27 (4)(a) A sponsor may elect to: (i) Pay a sponsor match as a lump
28 sum at the time of structural rehabilitation or weatherization~~((τ))~~; or
29 (ii) make yearly payments to the low-income weatherization and
30 structural rehabilitation assistance account over a period not to
31 exceed ten years. If a sponsor elects to make yearly payments, the
32 value of the payments shall not be less than the value of the lump sum
33 payment that would have been made under (a)(i) of this subsection.

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

37 (5) ~~((Programs))~~ Service providers receiving funding under this
38 section must report to the department ~~((every six months following the~~

1 receipt of a grant regarding the number of dwelling units)) at least
2 quarterly, or in alignment with federal reporting, whichever is the
3 greater frequency, the project costs, and the number of dwelling units
4 repaired, rehabilitated, and weatherized, the number of jobs created or
5 maintained, and the number of individuals trained through workforce
6 training and apprentice programs(~~(, with the last report submitted six~~
7 ~~months after program completion)~~). The director of the department
8 shall review the accuracy of these reports.

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

10 **Sec. 5.** RCW 70.164.070 and 1987 c 36 s 7 are each amended to read
11 as follows:

12 Payments to the low-income weatherization and structural
13 rehabilitation assistance account shall be treated, for purposes of
14 state law, as payments for energy conservation and shall be eligible
15 for any tax credits or deductions, equity returns, or other benefits
16 for which conservation investments are eligible.

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