

SENATE BILL REPORT

SB 5526

As Reported by Senate Committee On:
Business, Financial Services & Trade, February 1, 2022

Title: An act relating to studying the global availability of lithium and rare earth minerals for battery manufacturing.

Brief Description: Studying the global availability of lithium and rare earth minerals for battery manufacturing. [**Revised for 1st Substitute:** Concerning the global availability of lithium and critical materials for battery manufacturing.]

Sponsors: Senators Fortunato, Padden and Wilson, J..

Brief History:

Committee Activity: Business, Financial Services & Trade: 1/20/22, 2/01/22 [DPS].

Brief Summary of First Substitute Bill

- Requires the Department of Commerce to submit a report with draft legislation on electric vehicle battery materials and recycling to the Legislature by June 30, 2023

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES & TRADE

Majority Report: That Substitute Senate Bill No. 5526 be substituted therefor, and the substitute bill do pass.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Dozier, Ranking Member; Brown, Frockt, Lovick and Wilson, L.

Staff: Kellee Gunn (786-7429)

Background: Electric vehicle batteries . Electric vehicle (EV) batteries consist of a number of critical raw materials. Types and amounts of materials used depend on the type of battery and model of vehicle. For a lithium-ion EV battery, critical materials include

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lithium, cobalt, nickel, manganese, iron, copper, aluminum, and phosphorous. Lithium-ion batteries are considered hazardous waste and can cause harm to human health or the environment if not disposed of properly.

Summary of Bill (First Substitute): Subject to the availability of amounts appropriated for this specific purpose, the Department of Commerce (Commerce) must conduct a literature review of the global availability of lithium and critical materials used in EV batteries. Commerce must also research successful approaches and methods used by other states, countries, and by private companies to develop infrastructure for recycling EV batteries, as well as incentives for manufacturers to extract critical materials for reuse and requirements for designing EV batteries to be recycled.

By June 30, 2023, Commerce, in collaboration with the Department of Ecology, must submit a report on their research with draft legislation to establish a statewide recycling program for EV batteries to the Legislature. The Pacific Northwest National Laboratory and the Joint Center for Deployment and Research in Earth Abundant Materials may be consulted in the preparation of the report and legislation.

EFFECT OF CHANGES MADE BY BUSINESS, FINANCIAL SERVICES & TRADE COMMITTEE (First Substitute):

- Requires Commerce to:
 - conduct a literature review of the global availability of lithium, critical materials, and other materials used in electric vehicle batteries;
 - research successful approaches and methods used by other states and entities to develop infrastructure for recycling batteries used in EVs. Methods include both designing batteries to be recycled, and incentives to manufactures for recycling EV batteries;
 - collaborate with Ecology on draft legislation to establish a statewide program for EV battery recycling; and
 - submit a report to the legislature, with draft legislation, by June 30, 2023.
- Establishes that the report and draft legislation is subject to appropriation.
- Establishes an intent for Washington to become a global leader in the recycling of electric vehicle batteries.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill: *The committee recommended a*

different version of the bill than what was heard. PRO: A delegation from the Congo recently came to visit our state. One of their concerns was running out of lithium and cobalt, elements used in battery production. Many people are talking about running out of gas but not about these elements or rare earth minerals. Solar relies on the use of batteries that use these elements. Many of the products we use such as cell phones are dependent on these elements.

OTHER: Auto wrecking yards would like to see one more thing added to this bill. There is nothing being done about the recycling of these batteries. Recycling could be one of the best sources of these elements and rare earth minerals. Lithium and rare earth mining is dangerous and bad for the environment. Building up our recycling of this will be helpful to everyone. Batteries are currently just sitting in wrecking yards, and they cannot be piled up because that is dangerous. We need to build this recycling infrastructure. California has had a task force on recycling these types of batteries and has looked at other issues around electric vehicles. California is about two years ahead of us on this. We shouldn't wait until there is a situation like what we had with our nuclear waste.

Persons Testifying: PRO: Senator Phil Fortunato, Prime Sponsor.

OTHER: Jim King, Independent Business Association.

Persons Signed In To Testify But Not Testifying: No one.