
SECOND SUBSTITUTE HOUSE BILL 2009

State of Washington

54th Legislature

1995 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Casada, Huff, Campbell, Clements, Goldsmith, Elliot, Pelesky, Backlund, Reams, Smith, Delvin, Blanton and Beeksma)

Read first time 03/06/95.

1 AN ACT Relating to the energy office; amending RCW 43.140.040,
2 43.140.050, 70.94.537, 70.94.541, 70.94.960, 70.120.210, 70.120.220,
3 19.27.190, 19.27A.020, 19.27A.055, 28A.515.320, 39.35.030, 39.35C.050,
4 39.35C.090, 39.35C.100, 39.35C.110, 43.06.115, 43.19.675, 43.19.680,
5 43.31.621, 43.41.175, 43.99I.050, 47.06.110, 82.35.020, 82.35.080, and
6 90.03.247; reenacting and amending RCW 42.17.2401; adding new sections
7 to chapter 43.330 RCW; adding a new section to chapter 47.01 RCW;
8 adding a new section to chapter 38.52 RCW; creating new sections;
9 recodifying RCW 39.35C.100, 39.35C.110, and 43.21F.015; repealing RCW
10 43.21F.010, 43.21F.025, 43.21F.035, 43.21F.045, 43.21F.055, 43.21F.060,
11 43.21F.065, 43.21F.090, 39.35.050, 39.35.060, 39.35.900, 41.06.081,
12 39.35C.010, 39.35C.020, 39.35C.030, 39.35C.040, 39.35C.060, 39.35C.070,
13 39.35C.080, 39.35C.120, 39.35C.130, 39.35C.900, and 39.35C.901;
14 providing an effective date; providing an expiration date; and
15 declaring an emergency.

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

17 NEW SECTION. **Sec. 1.** Responsibilities of state government need to
18 be limited to core services in support of the public safety and
19 welfare. Some services of the state energy office are primarily

1 advisory and can be eliminated. Essential regulatory functions can be
2 performed by other state agencies and energy-related information
3 services can be provided through a private nonprofit organization.
4 This simplifies state government yet continues to maintain core
5 services. It is the intent of the legislature that the state continue
6 to receive oil overcharge restitution funds for our citizens and that
7 every effort be made to maximize federal funds available for energy
8 conservation purposes.

9 NEW SECTION. **Sec. 2.** The following acts or parts of acts are each
10 repealed:

- 11 (1) RCW 43.21F.010 and 1975-'76 2nd ex.s. c 108 s 1;
- 12 (2) RCW 43.21F.025 and 1994 c 207 s 2, 1987 c 330 s 501, & 1981 c
13 295 s 2;
- 14 (3) RCW 43.21F.035 and 1990 c 12 s 1 & 1981 c 295 s 3;
- 15 (4) RCW 43.21F.045 and 1994 c 207 s 4, 1990 c 12 s 2, 1987 c 505 s
16 29, & 1981 c 295 s 4;
- 17 (5) RCW 43.21F.055 and 1981 c 295 s 5;
- 18 (6) RCW 43.21F.060 and 1981 c 295 s 6 & 1975-'76 2nd ex.s. c 108 s
19 6;
- 20 (7) RCW 43.21F.065 and 1987 c 330 s 502 & 1981 c 295 s 8; and
- 21 (8) RCW 43.21F.090 and 1994 c 207 s 5.

22 NEW SECTION. **Sec. 3.** In recognition of the fact that some state
23 energy office functions continue and some were eliminated by chapter
24 . . . , Laws of 1995 (this act), the director of community, trade, and
25 economic development has the discretion to determine the extent to
26 which state energy office employees will be hired to perform the
27 functions transferred by chapter . . . , Laws of 1995 (this act).

28 **PART I**

29 **FUNCTIONS OF THE DEPARTMENT OF COMMUNITY, TRADE, AND** 30 **ECONOMIC DEVELOPMENT TO BE PERFORMED BY PRIVATE NONPROFIT CORPORATION**

31 NEW SECTION. **Sec. 101.** A new section is added to chapter 43.330
32 RCW to read as follows:

- 33 (1) All powers, duties, and functions of the state energy office
34 relating to the following energy efficiency, renewable energy, and

1 energy code functions are transferred to the department of community,
2 trade, and economic development:

3 (a) Providing support for increasing cost-effective energy
4 conservation, including assisting in the removal of impediments to
5 timely implementation;

6 (b) Providing support for the development of cost-effective energy
7 resources including assisting in the removal of impediments to timely
8 construction; and

9 (c) Establishing and maintaining a central repository in the state
10 for collection of existing data on energy resources, including:

11 (i) Supply, demand, costs, use technology, projections, and
12 forecasts;

13 (ii) Comparative costs of alternative energy sources, uses, and
14 applications;

15 (iii) Inventory data on energy research projects in the state
16 conducted in the public and private sectors, and the results thereof.

17 (2) The department of community, trade, and economic development
18 shall transfer the services performed under subsection (1) of this
19 section to any or all of the following successor organizations:

20 (a) A private, nonprofit corporation established through an effort
21 undertaken by the state energy office, in cooperation with other
22 agencies, organizations, and businesses within and without the state of
23 Washington;

24 (b) Any private, nonprofit corporation or corporations, including
25 trade associations, that is or are tax-exempt, nonprofit corporations
26 under section 501(c) of the federal internal revenue code, and that
27 have been involved directly or indirectly in energy conservation
28 education or assistance; and

29 (c) Any government entity duly authorized by law to perform the
30 services provided under subsection (1) of this section.

31 (3) All authority of the department of community, trade, and
32 economic development relating to the powers, duties, and functions
33 transferred under subsection (1) of this section shall cease June 30,
34 1996.

35 (4) For purposes of sections 102 and 103 of this act, "successor
36 organization" means a private, nonprofit corporation, or government
37 entity, that assumes responsibility for providing the services assigned
38 to the department under this section.

1 NEW SECTION. **Sec. 102.** A new section is added to chapter 43.330
2 RCW to read as follows:

3 (1) To accomplish the establishment of a successor organization
4 pursuant to section 101 of this act, the department may take all
5 necessary and proper steps, including:

6 (a) Transfer any equipment, software, data base, other assets, or
7 contracts for services to the successor organization under appropriate
8 terms and conditions, including reasonable compensation deemed
9 appropriate by the department;

10 (b) Unless otherwise provided by agreement, assign any duties and
11 responsibilities to the successor organization that are related to the
12 department's responsibilities under (a) of this subsection and not
13 otherwise assigned by statute; and

14 (c) Designate one or more persons to serve in the capacity of a
15 member of the board of directors of a successor organization. The
16 state shall not be liable for either the actions of the director in
17 that capacity, nor for the actions of the successor organization.

18 (2) Any appropriations made to the state energy office for carrying
19 out the powers, functions, and duties transferred shall, on the
20 effective date of this section, be transferred and credited to the
21 department of community, trade, and economic development for use by a
22 successor organization to perform the functions transferred in section
23 101 of this act.

24 NEW SECTION. **Sec. 103.** A new section is added to chapter 43.330
25 RCW to read as follows:

26 At the time certain department of community, trade, and economic
27 development services are transferred to a successor organization
28 pursuant to section 101 of this act:

29 (1) Any supplies, equipment, or other property, whether tangible or
30 intangible, not transferred to the successor organization shall remain
31 the property of the state of Washington and shall be administered by
32 the department;

33 (2) Any contracts or other obligations of the department not
34 transferred to the successor organization shall be the obligation of
35 the department.

36 **Sec. 104.** RCW 43.140.040 and 1981 c 158 s 4 are each amended to
37 read as follows:

1 Distribution of funds from the geothermal account of the general
2 fund shall be subject to the following limitations:

3 (1) (~~Thirty~~) Fifty percent to the department of natural resources
4 for geothermal exploration and assessment; and

5 (2) (~~Thirty percent to the Washington state energy office or its~~
6 ~~statutory successor for the purpose of encouraging the development of~~
7 ~~geothermal energy; and~~

8 (~~3) Forty~~) Fifty percent to the county of origin for mitigating
9 impacts caused by geothermal energy exploration, assessment, and
10 development.

11 **Sec. 105.** RCW 43.140.050 and 1981 c 158 s 5 are each amended to
12 read as follows:

13 The state treasurer shall be responsible for distribution of funds
14 to the county of origin. Each county's share of rentals and royalties
15 from a lease including lands in more than one county shall be computed
16 on the basis of the ratio that the acreage within each county has to
17 the total acreage in the lease. The (~~Washington state energy office~~
18 ~~or its statutory successor~~) department of community, trade, and
19 economic development shall obtain the necessary information to make the
20 distribution of funds on such a basis.

21 **PART II**

22 **FUNCTIONS OF THE DEPARTMENT OF TRANSPORTATION**

23 **RELATING TO ENERGY-EFFICIENT TRANSPORTATION**

24 NEW SECTION. **Sec. 201.** A new section is added to chapter 47.01
25 RCW to read as follows:

26 (1) All powers, duties, and functions of the state energy office
27 pertaining to programs providing technical assistance for energy-
28 efficient transportation are transferred to the department of
29 transportation. All references to the director or the state energy
30 office in the Revised Code of Washington shall be construed to mean the
31 secretary or the department of transportation when referring to the
32 functions transferred in this section.

33 (2)(a) All reports, documents, surveys, books, records, files,
34 papers, or written material in the possession of the state energy
35 office pertaining to the powers, functions, and duties transferred
36 shall be delivered to the custody of the department of transportation.

1 All cabinets, furniture, office equipment, motor vehicles, and other
2 tangible property employed by the state energy office in carrying out
3 the powers, functions, and duties transferred shall be made available
4 to the department of transportation. All funds, credits, or other
5 assets held in connection with the powers, functions, and duties
6 transferred shall be assigned to the department of transportation.

7 (b) Any appropriations made to the state energy office for carrying
8 out the powers, functions, and duties transferred shall, on the
9 effective date of this section, be transferred and credited to the
10 department of transportation.

11 (c) The secretary of the department of transportation shall direct
12 the closure of the financial records of the state energy office.
13 Whenever any question arises as to the transfer of any personnel,
14 funds, books, documents, records, papers, files, equipment, or other
15 tangible property used or held in the exercise of the powers and the
16 performance of the duties and functions transferred, the director of
17 financial management shall make a determination as to the proper
18 allocation and certify the same to the state agencies concerned.

19 (3) All rules and all pending business before the state energy
20 office pertaining to the powers, functions, and duties transferred
21 shall be continued and acted upon by the department of transportation.
22 All existing contracts and obligations shall remain in full force and
23 shall be performed by the department of transportation.

24 (4) The transfer of the powers, duties, functions, and personnel of
25 the state energy office shall not affect the validity of any act
26 performed before the effective date of this section.

27 (5) If apportionments of budgeted funds are required because of the
28 transfers directed by this section, the director of financial
29 management shall certify the apportionments to the agencies affected,
30 the state auditor, and the state treasurer. Each of these shall make
31 the appropriate transfer and adjustments in funds and appropriation
32 accounts and equipment records in accordance with the certification.

33 **Sec. 202.** RCW 70.94.537 and 1991 c 202 s 15 are each amended to
34 read as follows:

35 (1) A (~~twenty-three~~) twenty-two member state commute trip
36 reduction task force shall be established as follows:

37 (a) (~~The director of the state energy office or the director's~~
38 ~~designee who shall serve as chair;~~

1 (b)) The secretary of the department of transportation or the
2 secretary's designee who shall serve as chair;

3 ((e)) (b) The director of the department of ecology or the
4 director's designee;

5 ((d)) (c) The director of the department of community, trade, and
6 economic development or the director's designee;

7 ((e)) (d) The director of the department of general
8 administration or the director's designee;

9 ((f)) (e) Three representatives from counties appointed by the
10 governor from a list of at least six recommended by the Washington
11 state association of counties;

12 ((g)) (f) Three representatives from cities and towns appointed
13 by the governor from a list of at least six recommended by the
14 association of Washington cities;

15 ((h)) (g) Three representatives from transit agencies appointed
16 by the governor from a list of at least six recommended by the
17 Washington state transit association;

18 ((i)) (h) Six representatives of employers at or owners of major
19 worksites in Washington appointed by the governor from a list of at
20 least twelve recommended by the association of Washington business; and

21 ((j)) (i) Three citizens appointed by the governor.

22 Members of the commute trip reduction task force shall serve
23 without compensation but shall be reimbursed for travel expenses as
24 provided in RCW 43.03.050 and 43.03.060. Members appointed by the
25 governor shall be compensated in accordance with RCW 43.03.220. The
26 task force has all powers necessary to carry out its duties as
27 prescribed by this chapter. The task force shall be dissolved on July
28 1, 2000.

29 (2) ~~((By March 1, 1992, the commute trip reduction task force shall~~
30 ~~establish guidelines for commute trip reduction plans. The guidelines~~
31 ~~are intended to ensure consistency in commute trip reduction plans and~~
32 ~~goals among jurisdictions while fairly taking into account differences~~
33 ~~in employment and housing density, employer size, existing and~~
34 ~~anticipated levels of transit service, special employer circumstances,~~
35 ~~and other factors the task force determines to be relevant. The~~
36 ~~guidelines shall include:~~

37 (a) ~~Criteria for establishing commute trip reduction zones;~~

38 (b) ~~Methods and information requirements for determining base year~~
39 ~~values of the proportion of single-occupant vehicle commute trips and~~

1 ~~the commute trip vehicle miles traveled per employee and progress~~
2 ~~toward meeting commute trip reduction plan goals;~~

3 ~~(c) Model commute trip reduction ordinances;~~

4 ~~(d) Methods for assuring consistency in the treatment of employers~~
5 ~~who have worksites subject to the requirements of this chapter in more~~
6 ~~than one jurisdiction;~~

7 ~~(e) An appeals process by which major employers, who as a result of~~
8 ~~special characteristics of their business or its locations would be~~
9 ~~unable to meet the requirements of a commute trip reduction plan, may~~
10 ~~obtain a waiver or modification of those requirements and criteria for~~
11 ~~determining eligibility for waiver or modification;~~

12 ~~(f) Methods to ensure that employers shall receive full credit for~~
13 ~~the results of transportation demand management efforts and commute~~
14 ~~trip reduction programs which have been implemented by major employers~~
15 ~~prior to the base year;~~

16 ~~(g) Alternative commute trip reduction goals for major employers~~
17 ~~which cannot meet the goals of this chapter because of the unique~~
18 ~~nature of their business; and~~

19 ~~(h) Alternative commute trip reduction goals for major employers~~
20 ~~whose worksites change and who contribute substantially to traffic~~
21 ~~congestion in a trip reduction zone.~~

22 ~~(3) The task force shall assess the commute trip reduction options~~
23 ~~available to employers other than major employers and make~~
24 ~~recommendations to the legislature by October 1, 1992. The~~
25 ~~recommendations shall include the minimum size of employer who shall be~~
26 ~~required to implement trip reduction programs and the appropriate~~
27 ~~methods those employers can use to accomplish trip reduction goals.~~

28 ~~(4))~~ The task force ~~((shall))~~ may review progress toward
29 implementing commute trip reduction plans and programs and the costs
30 and benefits of commute trip reduction plans and programs and ~~((shall))~~
31 may make recommendations to the legislature by December 1, 1995, and
32 December 1, 1999. In assessing the costs and benefits, the task force
33 shall consider the costs of not having implemented commute trip
34 reduction plans and programs. The task force shall examine other
35 transportation demand management programs nationally and incorporate
36 its findings into its recommendations to the legislature. The
37 recommendations shall address the need for continuation, modification,
38 or termination or any or all requirements of this chapter. The
39 recommendations made December 1, 1995, shall include recommendations

1 regarding extension of the requirements of this chapter to employers
2 with fifty or more full-time employees at a single worksite who begin
3 their regular work day between 6:00 a.m. and 9:00 a.m. on weekdays for
4 more than twelve continuous months.

5 **Sec. 203.** RCW 70.94.541 and 1991 c 202 s 16 are each amended to
6 read as follows:

7 (1) A technical assistance team shall be established under the
8 direction of the (~~(state energy office)~~) department of transportation
9 and include a representative(~~(s)~~) of the department(~~(s—of~~
10 ~~transportation and)~~) of ecology. The team shall provide staff support
11 to the commute trip reduction task force in carrying out the
12 requirements of RCW 70.94.537 and to the department of general
13 administration in carrying out the requirements of RCW 70.94.551.

14 (2) The team shall provide technical assistance to counties,
15 cities, and towns, the department of general administration, other
16 state agencies, and other employers in developing and implementing
17 commute trip reduction plans and programs. The technical assistance
18 shall include: (a) Guidance in determining base and subsequent year
19 values of single-occupant vehicle commuting proportion and commute trip
20 reduction vehicle miles traveled to be used in determining progress in
21 attaining plan goals; (b) developing model plans and programs
22 appropriate to different situations; and (c) providing consistent
23 training and informational materials for the implementation of commute
24 trip reduction programs. Model plans and programs, training and
25 informational materials shall be developed in cooperation with
26 representatives of local governments, transit agencies, and employers.

27 (3) In carrying out this section the (~~(state energy office and)~~)
28 department of transportation may contract with state-wide associations
29 representing cities, towns, and counties to assist cities, towns, and
30 counties in implementing commute trip reduction plans and programs.

31 **Sec. 204.** RCW 70.94.960 and 1991 c 199 s 218 are each amended to
32 read as follows:

33 The department may disburse matching grants from funds provided by
34 the legislature from the air pollution control account, created in RCW
35 70.94.015, to units of local government to partially offset the
36 additional cost of purchasing "clean fuel" and/or operating "clean-fuel
37 vehicles" provided that such vehicles are used for public transit.

1 Publicly owned school buses are considered public transit for the
2 purposes of this section. The department may also disburse grants to
3 vocational-technical institutes for the purpose of establishing
4 programs to certify clean-fuel vehicle mechanics. The department may
5 also distribute grants to the (~~state energy office~~) department of
6 transportation for the purpose of furthering the establishment of clean
7 fuel refueling infrastructure.

8 **Sec. 205.** RCW 70.120.210 and 1991 c 199 s 212 are each amended to
9 read as follows:

10 By July 1, 1992, the department shall develop, in cooperation with
11 the departments of general administration and transportation(~~, and the~~
12 ~~state energy office~~), aggressive clean-fuel performance and clean-fuel
13 vehicle emissions specifications including clean-fuel vehicle
14 conversion equipment. To the extent possible, such specifications
15 shall be equivalent for all fuel types. In developing such
16 specifications the department shall consider the requirements of the
17 clean air act and the findings of the environmental protection agency,
18 other states, the American petroleum institute, the gas research
19 institute, and the motor vehicles manufacturers association.

20 **Sec. 206.** RCW 70.120.220 and 1991 c 199 s 215 are each amended to
21 read as follows:

22 The department, in cooperation with the departments of general
23 administration and transportation, and the utilities and transportation
24 commission(~~, and the state energy office,~~) shall biennially prepare
25 a report to the legislature starting July 1, 1992, on:

26 (1) Progress of clean fuel and clean-fuel vehicle programs in
27 reducing automotive emissions;

28 (2) Recommendations for enhancing clean-fuel distribution systems;

29 (3) Efforts of the state, units of local government, and the
30 private sector to evaluate and utilize "clean fuel" or "clean-fuel
31 vehicles"; and

32 (4) Recommendations for changes in the existing program to make it
33 more effective and, if warranted, for expansion of the program.

34 **PART III**

35 **FUNCTIONS OF THE DEPARTMENT OF COMMUNITY, TRADE,**
36 **AND ECONOMIC DEVELOPMENT RELATING TO ENERGY EMERGENCIES**

1 NEW SECTION. **Sec. 301.** A new section is added to chapter 38.52
2 RCW to read as follows:

3 (1) All powers, duties, and functions of the state energy office
4 pertaining to state coordination and regulation of energy emergencies
5 are transferred to the department of community, trade, and economic
6 development. All references to the director or the state energy office
7 in the Revised Code of Washington shall be construed to mean the
8 director or the department of community, trade, and economic
9 development when referring to the functions transferred in this
10 section.

11 (2)(a) All reports, documents, surveys, books, records, files,
12 papers, or written material in the possession of the state energy
13 office pertaining to the powers, functions, and duties transferred
14 shall be delivered to the custody of the department of community,
15 trade, and economic development. All cabinets, furniture, office
16 equipment, motor vehicles, and other tangible property employed by the
17 state energy office in carrying out the powers, functions, and duties
18 transferred shall be made available to the department of community,
19 trade, and economic development. All funds, credits, or other assets
20 held in connection with the powers, functions, and duties transferred
21 shall be assigned to the department of community, trade, and economic
22 development.

23 (b) Any appropriations made to the state energy office for carrying
24 out the powers, functions, and duties transferred shall, on the
25 effective date of this section, be transferred and credited to the
26 department of community, trade, and economic development.

27 (c) Whenever any question arises as to the transfer of any
28 personnel, funds, books, documents, records, papers, files, equipment,
29 or other tangible property used or held in the exercise of the powers
30 and the performance of the duties and functions transferred, the
31 director of financial management shall make a determination as to the
32 proper allocation and certify the same to the state agencies concerned.

33 (3) All rules and all pending business before the state energy
34 office pertaining to the powers, functions, and duties transferred
35 shall be continued and acted upon by the department of community,
36 trade, and economic development. All existing contracts and
37 obligations shall remain in full force and shall be performed by the
38 department community, trade, and economic development.

1 (4) The transfer of the powers, duties, functions, and personnel of
2 the state energy office shall not affect the validity of any act
3 performed before the effective date of this section.

4 (5) If apportionments of budgeted funds are required because of the
5 transfers directed by this section, the director of financial
6 management shall certify the apportionments to the agencies affected,
7 the state auditor, and the state treasurer. Each of these shall make
8 the appropriate transfer and adjustments in funds and appropriation
9 accounts and equipment records in accordance with the certification.

10 (6)(a) If a bill is signed into law by June 30, 1995, transferring
11 emergency management functions from the department of community, trade,
12 and economic development to the military department, the state energy
13 office functions relating to energy emergencies transferred in
14 subsection (1) of this section shall be transferred to the military
15 department and all references to the director or the state energy
16 office in the Revised Code of Washington pertaining to the functions
17 transferred shall be construed to mean the adjutant general or the
18 military department when referring to the functions transferred.

19 (b) If functions are transferred to the military department
20 pursuant to this subsection, all references to the director or the
21 department of community, trade, and economic development in subsections
22 (2) through (5) of this section and in section 302 of this act shall be
23 construed to mean the adjutant general or the military department.

24 NEW SECTION. **Sec. 302.** A new section is added to chapter 43.330
25 RCW to read as follows:

26 The department shall prepare and update contingency plans for
27 implementation in the event of energy shortages or emergencies. The
28 plans shall conform to chapter 43.21G RCW and shall include procedures
29 for determining when these shortages or emergencies exist, the state
30 officers and agencies to participate in the determination, and actions
31 to be taken by various agencies and officers of state government in
32 order to reduce hardship and maintain the general welfare during these
33 emergencies. The department shall coordinate the activities undertaken
34 pursuant to this subsection with other persons. The components of
35 plans that require legislation for their implementation shall be
36 presented to the legislature in the form of proposed legislation at the
37 earliest practicable date. The department shall report to the governor
38 and the legislature on probable, imminent, and existing energy

1 shortages, and shall administer energy allocation and curtailment
2 programs in accordance with chapter 43.21G RCW.

3 NEW SECTION. **Sec. 303.** A new section is added to chapter 43.330
4 RCW to read as follows:

5 To supplement contingency plans prepared under section 302 of this
6 act, the department shall be the repository of the petroleum data base,
7 as maintained by the state energy office before the effective date of
8 section 2 of this act. This data base shall be updated and revised
9 pursuant to expressed legislative appropriation.

10 **PART IV**

11 **TECHNICAL CORRECTIONS**

12 **Sec. 401.** RCW 19.27.190 and 1990 c 2 s 7 are each amended to read
13 as follows:

14 (1)(a) Not later than January 1, 1991, the state building code
15 council(~~(, in consultation with the state energy office,)~~) shall
16 establish interim requirements for the maintenance of indoor air
17 quality in newly constructed residential buildings. In establishing
18 the interim requirements, the council shall take into consideration
19 differences in heating fuels and heating system types. These
20 requirements shall be in effect July 1, 1991, through June 30, 1993.

21 (b) The interim requirements for new electrically space heated
22 residential buildings shall include ventilation standards which provide
23 for mechanical ventilation in areas of the residence where water vapor
24 or cooking odors are produced. The ventilation shall be exhausted to
25 the outside of the structure. The ventilation standards shall further
26 provide for the capacity to supply outside air to each bedroom and the
27 main living area through dedicated supply air inlet locations in walls,
28 or in an equivalent manner. At least one exhaust fan in the home shall
29 be controlled by a dehumidistat or clock timer to ensure that
30 sufficient whole house ventilation is regularly provided as needed.

31 (c)(i) For new single family residences with electric space heating
32 systems, zero lot line homes, each unit in a duplex, and each attached
33 housing unit in a planned unit development, the ventilation standards
34 shall include fifty cubic feet per minute of effective installed
35 ventilation capacity in each bathroom and one hundred cubic feet per
36 minute of effective installed ventilation capacity in each kitchen.

1 (ii) For other new residential units with electric space heating
2 systems the ventilation standards may be satisfied by the installation
3 of two exhaust fans with a combined effective installed ventilation
4 capacity of two hundred cubic feet per minute.

5 (iii) Effective installed ventilation capacity means the capability
6 to deliver the specified ventilation rates for the actual design of the
7 ventilation system. Natural ventilation and infiltration shall not be
8 considered acceptable substitutes for mechanical ventilation.

9 (d) For new residential buildings that are space heated with other
10 than electric space heating systems, the interim standards shall be
11 designed to result in indoor air quality equivalent to that achieved
12 with the interim ventilation standards for electric space heated homes.

13 (e) The interim requirements for all newly constructed residential
14 buildings shall include standards for indoor air quality pollutant
15 source control, including the following requirements: All structural
16 panel components of the residence shall comply with appropriate
17 standards for the emission of formaldehyde; the back-drafting of
18 combustion by-products from combustion appliances shall be minimized
19 through the use of dampers, vents, outside combustion air sources, or
20 other appropriate technologies; and, in areas of the state where
21 monitored data indicate action is necessary to inhibit indoor radon gas
22 concentrations from exceeding appropriate health standards, entry of
23 radon gas into homes shall be minimized through appropriate foundation
24 construction measures.

25 (2) No later than January 1, 1993, the state building code
26 council(~~(, in consultation with the state energy office,)~~) shall
27 establish final requirements for the maintenance of indoor air quality
28 in newly constructed residences to be in effect beginning July 1, 1993.
29 For new electrically space heated residential buildings, these
30 requirements shall maintain indoor air quality equivalent to that
31 provided by the mechanical ventilation and indoor air pollutant source
32 control requirements included in the February 7, 1989, Bonneville power
33 administration record of decision for the environmental impact
34 statement on new energy efficient homes programs (DOE/EIS-0127F) built
35 with electric space heating. In residential units other than single
36 family, zero lot line, duplexes, and attached housing units in planned
37 unit developments, ventilation requirements may be satisfied by the
38 installation of two exhaust fans with a combined effective installed
39 ventilation capacity of two hundred cubic feet per minute. For new

1 residential buildings that are space heated with other than electric
2 space heating systems, the standards shall be designed to result in
3 indoor air quality equivalent to that achieved with the ventilation and
4 source control standards for electric space heated homes. In
5 establishing the final requirements, the council shall take into
6 consideration differences in heating fuels and heating system types.

7 **Sec. 402.** RCW 19.27A.020 and 1994 c 226 s 1 are each amended to
8 read as follows:

9 (1) No later than January 1, 1991, the state building code council
10 shall promulgate rules to be known as the Washington state energy code
11 as part of the state building code.

12 (2) The council shall follow the legislature's standards set forth
13 in this section to promulgate rules to be known as the Washington state
14 energy code. The Washington state energy code shall be designed to
15 require new buildings to meet a certain level of energy efficiency, but
16 allow flexibility in building design, construction, and heating
17 equipment efficiencies within that framework. The Washington state
18 energy code shall be designed to allow space heating equipment
19 efficiency to offset or substitute for building envelope thermal
20 performance.

21 (3) The Washington state energy code shall take into account
22 regional climatic conditions. Climate zone 1 shall include all
23 counties not included in climate zone 2. Climate zone 2 includes:
24 Adams, Chelan, Douglas, Ferry, Grant, Kittitas, Lincoln, Okanogan, Pend
25 Oreille, Spokane, Stevens, and Whitman counties.

26 (4) The Washington state energy code for residential buildings
27 shall require:

28 (a) New residential buildings that are space heated with electric
29 resistance heating systems to achieve energy use equivalent to that
30 used in typical buildings constructed with:

31 (i) Ceilings insulated to a level of R-38. The code shall contain
32 an exception which permits single rafter or joist vaulted ceilings
33 insulated to a level of R-30 (R value includes insulation only);

34 (ii) In zone 1, walls insulated to a level of R-19 (R value
35 includes insulation only), or constructed with two by four members,
36 R-13 insulation batts, R-3.2 insulated sheathing, and other normal
37 assembly components; in zone 2 walls insulated to a level of R-24 (R
38 value includes insulation only), or constructed with two by six

1 members, R-22 insulation batts, R-3.2 insulated sheathing, and other
2 normal construction assembly components; for the purpose of determining
3 equivalent thermal performance, the wall U-value shall be 0.058 in zone
4 1 and 0.044 in zone 2;

5 (iii) Below grade walls, insulated on the interior side, to a level
6 of R-19 or, if insulated on the exterior side, to a level of R-10 in
7 zone 1 and R-12 in zone 2 (R value includes insulation only);

8 (iv) Floors over unheated spaces insulated to a level of R-30 (R
9 value includes insulation only);

10 (v) Slab on grade floors insulated to a level of R-10 at the
11 perimeter;

12 (vi) Double glazed windows with values not more than U-0.4;

13 (vii) In zone 1 the glazing area may be up to twenty-one percent of
14 floor area and in zone 2 the glazing area may be up to seventeen
15 percent of floor area where consideration of the thermal resistance
16 values for other building components and solar heat gains through the
17 glazing result in thermal performance equivalent to that achieved with
18 thermal resistance values for other components determined in accordance
19 with the equivalent thermal performance criteria of (a) of this
20 subsection and glazing area equal to fifteen percent of the floor area.
21 Throughout the state for the purposes of determining equivalent thermal
22 performance, the maximum glazing area shall be fifteen percent of the
23 floor area; and

24 (viii) Exterior doors insulated to a level of R-5; or an exterior
25 wood door with a thermal resistance value of less than R-5 and values
26 for other components determined in accordance with the equivalent
27 thermal performance criteria of (a) of this subsection.

28 (b) New residential buildings which are space-heated with all other
29 forms of space heating to achieve energy use equivalent to that used in
30 typical buildings constructed with:

31 (i) Ceilings insulated to a level of R-30 in zone 1 and R-38 in
32 zone 2 the code shall contain an exception which permits single rafter
33 or joist vaulted ceilings insulated to a level of R-30 (R value
34 includes insulation only);

35 (ii) Walls insulated to a level of R-19 (R value includes
36 insulation only), or constructed with two by four members, R-13
37 insulation batts, R-3.2 insulated sheathing, and other normal assembly
38 components;

1 (iii) Below grade walls, insulated on the interior side, to a level
2 of R-19 or, if insulated on the exterior side, to a level of R-10 in
3 zone 1 and R-12 in zone 2 (R value includes insulation only);

4 (iv) Floors over unheated spaces insulated to a level of R-19 in
5 zone 1 and R-30 in zone 2 (R value includes insulation only);

6 (v) Slab on grade floors insulated to a level of R-10 at the
7 perimeter;

8 (vi) Heat pumps with a minimum heating season performance factor
9 (HSPF) of 6.8 or with all other energy sources with a minimum annual
10 fuel utilization efficiency (AFUE) of seventy-eight percent;

11 (vii) Double glazed windows with values not more than U-0.65 in
12 zone 1 and U-0.60 in zone 2. The state building code council(~~(in~~
13 ~~consultation with the state energy office,~~) shall review these U-
14 values, and, if economically justified for consumers, shall amend the
15 Washington state energy code to improve the U-values by December 1,
16 1993. The amendment shall not take effect until July 1, 1994; and

17 (viii) In zone 1, the maximum glazing area shall be twenty-one
18 percent of the floor area. In zone 2 the maximum glazing area shall be
19 seventeen percent of the floor area. Throughout the state for the
20 purposes of determining equivalent thermal performance, the maximum
21 glazing area shall be fifteen percent of the floor area.

22 (c) The requirements of (b)(ii) of this subsection do not apply to
23 residences with log or solid timber walls with a minimum average
24 thickness of three and one-half inches and with space heat other than
25 electric resistance.

26 (d) The state building code council may approve an energy code for
27 pilot projects of residential construction that use innovative energy
28 efficiency technologies intended to result in savings that are greater
29 than those realized in the levels specified in this section.

30 (5) U-values for glazing shall be determined using the area
31 weighted average of all glazing in the building. U-values for vertical
32 glazing shall be determined, certified, and labeled in accordance with
33 the appropriate national fenestration rating council (NFRC) standard,
34 as determined and adopted by the state building code council.
35 Certification of U-values shall be conducted by a certified,
36 independent agency licensed by the NFRC. The state building code
37 council may develop and adopt alternative methods of determining,
38 certifying, and labeling U-values for vertical glazing that may be used
39 by fenestration manufacturers if determined to be appropriate by the

1 council. The state building code council shall review and consider the
2 adoption of the NFRC standards for determining, certifying, and
3 labeling U-values for doors and skylights when developed and published
4 by the NFRC. The state building code council may develop and adopt
5 appropriate alternative methods for determining, certifying, and
6 labeling U-values for doors and skylights. U-values for doors and
7 skylights determined, certified, and labeled in accordance with the
8 appropriate NFRC standard shall be acceptable for compliance with the
9 state energy code. Sealed insulation glass, where used, shall conform
10 to, or be in the process of being tested for, ASTM E-774-81 class A or
11 better.

12 (6) The minimum state energy code for new nonresidential buildings
13 shall be the Washington state energy code, 1986 edition, as amended.

14 (7)(a) Except as provided in (b) of this subsection, the Washington
15 state energy code for residential structures shall preempt the
16 residential energy code of each city, town, and county in the state of
17 Washington.

18 (b) The state energy code for residential structures does not
19 preempt a city, town, or county's energy code for residential
20 structures which exceeds the requirements of the state energy code and
21 which was adopted by the city, town, or county prior to March 1, 1990.
22 Such cities, towns, or counties may not subsequently amend their energy
23 code for residential structures to exceed the requirements adopted
24 prior to March 1, 1990.

25 ~~(8) ((The state building code council shall consult with the state
26 energy office as provided in RCW 34.05.310 prior to publication of
27 proposed rules. The state energy office shall review the proposed
28 rules for consistency with the guidelines adopted in subsection (4) of
29 this section. The director of the state energy office shall recommend
30 to the state building code council any changes necessary to conform the
31 proposed rules to the requirements of this section.~~

32 (9)) The state building code council shall conduct a study of
33 county and city enforcement of energy codes in the state. In
34 conducting the study, the council shall conduct public hearings at
35 designated council meetings to seek input from interested individuals
36 and organizations, and to the extent possible, hold these meetings in
37 conjunction with adopting rules under this section. The study shall
38 include recommendations as to how code enforcement may be improved.

1 The findings of the study shall be submitted in a report to the
2 legislature no later than January 1, 1991.

3 ~~((10))~~ (9) If any electric utility providing electric service to
4 customers in the state of Washington purchases at least one percent of
5 its firm energy load from a federal agency, pursuant to section
6 5.(b)(1) of the Pacific Northwest electric power planning and
7 conservation act (P.L. 96-501), and such utility is unable to obtain
8 from that agency at least fifty percent of the funds for payments
9 required by RCW 19.27A.035, the amendments to this section by chapter
10 2, Laws of 1990 shall be null and void, and the 1986 state energy code
11 shall be in effect, except that a city, town, or county may enforce a
12 local energy code with more stringent energy requirements adopted prior
13 to March 1, 1990. This subsection shall expire June 30, 1995.

14 **Sec. 403.** RCW 19.27A.055 and 1990 c 2 s 6 are each amended to read
15 as follows:

16 There is hereby created in the state treasury the energy code
17 training account. The ~~((Washington state energy office))~~ department of
18 community, trade, and economic development shall administer
19 expenditures from this account for the purpose of providing training
20 for the inspection and training for the enforcement by local
21 governments of the Washington state energy code in effect pursuant to
22 RCW 19.27A.020. The revenues into this account shall derive from
23 assessments by the ~~((state energy office))~~ department of community,
24 trade, and economic development on all investor-owned and publicly
25 owned gas and electric utilities in the state of Washington in
26 proportion to the number of housing starts served by a utility in 1989,
27 based on an amount of one hundred fifty dollars per energy code
28 inspection or enforcement official that is within the service area of
29 the utility. Assessments may be made between January 1, 1991, and July
30 1, 1991. Federal funds available to qualifying utilities for code
31 inspection retraining shall be used before obtaining funds from
32 utilities under this section. Additional funds may be deposited in the
33 account from federal agencies or other sources. All or a portion of
34 the funds for the cost of local government inspection and enforcement
35 may be accepted from federal agencies or other sources.

36 **Sec. 404.** RCW 28A.515.320 and 1991 sp.s. c 13 s 58 are each
37 amended to read as follows:

1 The common school construction fund is to be used exclusively for
2 the purpose of financing the construction of facilities for the common
3 schools. The sources of said fund shall be: (1) Those proceeds
4 derived from sale or appropriation of timber and other crops from
5 school and state land other than those granted for specific purposes;
6 (2) the interest accruing on the permanent common school fund less the
7 allocations to the state treasurer's service (~~((account-[fund]))~~) fund
8 pursuant to RCW 43.08.190 and the state investment board expense
9 account pursuant to RCW 43.33A.160 together with all rentals and other
10 revenue derived therefrom and from land and other property devoted to
11 the permanent common school fund; (3) all moneys received by the state
12 from the United States under the provisions of section 191, Title 30,
13 United States Code, Annotated, and under section 810, chapter 12, Title
14 16, (Conservation), United States Code, Annotated, except moneys
15 received before June 30, 2001, and when thirty megawatts of geothermal
16 power is certified as commercially available by the receiving utilities
17 (~~((and the state energy office))~~), eighty percent of such moneys, under
18 the Geothermal Steam Act of 1970 pursuant to RCW 43.140.030; and (4)
19 such other sources as the legislature may direct. That portion of the
20 common school construction fund derived from interest on the permanent
21 common school fund may be used to retire such bonds as may be
22 authorized by law for the purpose of financing the construction of
23 facilities for the common schools.

24 The interest accruing on the permanent common school fund less the
25 allocations to the state treasurer's service (~~((account-[fund]))~~) fund
26 pursuant to RCW 43.08.190 and the state investment board expense
27 account pursuant to RCW 43.33A.160 together with all rentals and other
28 revenues accruing thereto pursuant to subsection (2) of this section
29 prior to July 1, 1967, shall be exclusively applied to the current use
30 of the common schools.

31 To the extent that the moneys in the common school construction
32 fund are in excess of the amount necessary to allow fulfillment of the
33 purpose of said fund, the excess shall be available for deposit to the
34 credit of the permanent common school fund or available for the current
35 use of the common schools, as the legislature may direct. Any money
36 from the common school construction fund which is made available for
37 the current use of the common schools shall be restored to the fund by
38 appropriation, including interest income foregone, before the end of
39 the next fiscal biennium following such use.

1 **Sec. 405.** RCW 39.35.030 and 1994 c 242 s 1 are each amended to
2 read as follows:

3 For the purposes of this chapter the following words and phrases
4 shall have the following meanings unless the context clearly requires
5 otherwise:

6 (1) "Public agency" means every state office, officer, board,
7 commission, committee, bureau, department, and all political
8 subdivisions of the state.

9 (2) ~~("Office" means the Washington state energy office.~~

10 ~~(3))~~ (3) "Major facility" means any publicly owned or leased building
11 having twenty-five thousand square feet or more of usable floor space.

12 ~~((4))~~ (3) "Initial cost" means the moneys required for the
13 capital construction or renovation of a major facility.

14 ~~((5))~~ (4) "Renovation" means additions, alterations, or repairs
15 within any twelve-month period which exceed fifty percent of the value
16 of a major facility and which will affect any energy system.

17 ~~((6))~~ (5) "Economic life" means the projected or anticipated
18 useful life of a major facility as expressed by a term of years.

19 ~~((7))~~ (6) "Life-cycle cost" means the initial cost and cost of
20 operation of a major facility over its economic life. This shall be
21 calculated as the initial cost plus the operation, maintenance, and
22 energy costs over its economic life, reflecting anticipated increases
23 in these costs discounted to present value at the current rate for
24 borrowing public funds, as determined by the office of financial
25 management. The energy cost projections used shall be those provided
26 by ~~(the state energy office. The office shall update these~~
27 ~~projections at least every two years))~~ a professional energy consultant
28 on an as-needed basis.

29 ~~((8))~~ (7) "Life-cycle cost analysis" includes, but is not limited
30 to, the following elements:

31 (a) The coordination and positioning of a major facility on its
32 physical site;

33 (b) The amount and type of fenestration employed in a major
34 facility;

35 (c) The amount of insulation incorporated into the design of a
36 major facility;

37 (d) The variable occupancy and operating conditions of a major
38 facility; and

39 (e) An energy-consumption analysis of a major facility.

1 ~~((9))~~ (8) "Energy systems" means all utilities, including, but
2 not limited to, heating, air-conditioning, ventilating, lighting, and
3 the supplying of domestic hot water.

4 ~~((10))~~ (9) "Energy-consumption analysis" means the evaluation of
5 all energy systems and components by demand and type of energy
6 including the internal energy load imposed on a major facility by its
7 occupants, equipment, and components, and the external energy load
8 imposed on a major facility by the climatic conditions of its location.
9 An energy-consumption analysis of the operation of energy systems of a
10 major facility shall include, but not be limited to, the following
11 elements:

12 (a) The comparison of three or more system alternatives, at least
13 one of which shall include renewable energy systems;

14 (b) The simulation of each system over the entire range of
15 operation of such facility for a year's operating period; and

16 (c) The evaluation of the energy consumption of component equipment
17 in each system considering the operation of such components at other
18 than full or rated outputs.

19 The energy-consumption analysis shall be prepared by a professional
20 engineer or licensed architect who may use computers or such other
21 methods as are capable of producing predictable results.

22 ~~((11))~~ (10) "Renewable energy systems" means methods of facility
23 design and construction and types of equipment for the utilization of
24 renewable energy sources including, but not limited to, active or
25 passive solar space heating or cooling, domestic solar water heating,
26 windmills, waste heat, biomass and/or refuse-derived fuels,
27 photovoltaic devices, and geothermal energy.

28 ~~((12) "Cogeneration" means the sequential generation of two or
29 more forms of energy from a common fuel or energy source. Where these
30 forms are electricity and thermal energy, then the operating and
31 efficiency standards established by 18 C.F.R. Sec. 292.205 and the
32 definitions established by 18 C.F.R. 292.202 (c) through (m) as of July
33 28, 1991, shall apply.)~~

34 (13) "Selected buildings" means educational, office, residential
35 care, and correctional facilities that are designed to comply with the
36 design standards analyzed and recommended by the office.

37 (14) "Design standards" means the heating, air-conditioning,
38 ventilating, and renewable resource systems identified, analyzed, and

1 recommended by the office as providing an efficient energy system or
2 systems based on the economic life of the selected buildings.

3 **Sec. 406.** RCW 39.35C.050 and 1991 c 201 s 6 are each amended to
4 read as follows:

5 In addition to any other authorities conferred by law:

6 (~~(1) ((The energy office, with the consent of the state agency or~~
7 ~~school district responsible for a facility,))~~) A state or regional
8 university acting independently(~~((7))~~) and any other state agency acting
9 through the department of general administration or as otherwise
10 authorized by law, may:

11 (a) Develop and finance conservation at public facilities in
12 accordance with express provisions of this chapter;

13 (b) Contract for energy services, including performance-based
14 contracts; and

15 (c) Contract to sell energy savings from a conservation project at
16 public facilities to local utilities or the Bonneville power
17 administration.

18 (2) A state or regional university acting independently, and any
19 other state agency acting through the department of general
20 administration or as otherwise authorized by law, may undertake
21 procurements for third-party development of conservation at its
22 facilities.

23 (3) A school district may:

24 (a) Develop and finance conservation at school district facilities;

25 (b) Contract for energy services, including performance-based
26 contracts at school district facilities; and

27 (c) Contract to sell energy savings from energy conservation
28 projects at school district facilities to local utilities or the
29 Bonneville power administration directly or to local utilities or the
30 Bonneville power administration through third parties.

31 (~~((4) In exercising the authority granted by subsections (1), (2),~~
32 ~~and (3) of this section, a school district or state agency must comply~~
33 ~~with the provisions of RCW 39.35C.040.))~~)

34 **Sec. 407.** RCW 39.35C.090 and 1991 c 201 s 10 are each amended to
35 read as follows:

36 In addition to any other authorities conferred by law:

1 ~~((The energy office, with the consent of the state agency~~
2 ~~responsible for a facility,))~~ A state or regional university acting
3 independently(~~(, and any other state agency acting through the~~
4 ~~department of general administration or as otherwise authorized by~~
5 ~~law,))~~ may:

6 (a) Contract to sell electric energy generated at state facilities
7 to a utility; and

8 (b) Contract to sell thermal energy produced at state facilities to
9 a utility.

10 (2) A state or regional university acting independently(~~(, and any~~
11 ~~other state agency acting through the department of general~~
12 ~~administration or as otherwise authorized by law,))~~ may:

13 (a) Acquire, install, permit, construct, own, operate, and maintain
14 cogeneration and facility heating and cooling measures or equipment, or
15 both, at its facilities;

16 (b) Lease state property for the installation and operation of
17 cogeneration and facility heating and cooling equipment at its
18 facilities;

19 (c) Contract to purchase all or part of the electric or thermal
20 output of cogeneration plants at its facilities;

21 (d) Contract to purchase or otherwise acquire fuel or other energy
22 sources needed to operate cogeneration plants at its facilities; and

23 (e) Undertake procurements for third-party development of
24 cogeneration projects at its facilities, with successful bidders to be
25 selected based on the responsible bid, including nonprice elements
26 listed in RCW 43.19.1911, that offers the greatest net achievable
27 benefits to the state and its agencies.

28 ~~((3) After July 28, 1991, a state agency shall consult with the~~
29 ~~energy office prior to exercising any authority granted by this~~
30 ~~section.~~

31 ~~(4) In exercising the authority granted by subsections (1) and (2)~~
32 ~~of this section, a state agency must comply with the provisions of RCW~~
33 ~~39.35C.080.)~~

34 **Sec. 408.** RCW 39.35C.100 and 1991 c 201 s 11 are each amended to
35 read as follows:

36 (1) The energy efficiency construction account is hereby created in
37 the state treasury. Moneys in the account may be spent only after
38 appropriation and only for the following purposes:

1 (a) Construction of energy efficiency projects, including project
2 evaluation and verification of benefits, project design, project
3 development, project construction, and project administration.

4 (b) Payment of principal and interest and other costs required
5 under bond covenant on bonds issued for the purpose of (a) of this
6 subsection.

7 (2) Sources for this account may include:

8 (a) General obligation and revenue bond proceeds appropriated by
9 the legislature;

10 (b) Loan repayments under RCW 39.35C.060 sufficient to pay
11 principal and interest obligations; and

12 (c) Funding from federal, state, and local agencies.

13 (3) The ((energy office)) department shall establish criteria for
14 approving energy efficiency projects to be financed from moneys
15 disbursed from this account. The criteria shall include
16 cost-effectiveness, reliability of energy systems, and environmental
17 costs or benefits. The ((energy office)) department shall ensure that
18 the criteria are applied with professional standards for engineering
19 and review.

20 **Sec. 409.** RCW 39.35C.110 and 1991 c 201 s 12 are each amended to
21 read as follows:

22 (1) The energy efficiency services account is created in the state
23 treasury. Moneys in the account may be spent only after appropriation.
24 Expenditures from the account may be used only (a) for the ((energy
25 office)) department to provide energy efficiency services to state
26 agencies and school districts including review of life-cycle cost
27 analyses and (b) for transfer by the legislature to the state general
28 fund.

29 (2) All receipts from the following sources shall be deposited into
30 the account:

31 (a) Project fees charged under this section and RCW 39.35C.020,
32 39.35C.070, and 39.35.060;

33 (b) After payment of any principal and interest obligations, moneys
34 from repayments of loans under RCW 39.35C.060;

35 (c) Revenue from sales of energy generated or saved at public
36 facilities under this chapter, except those retained by state agencies
37 and school districts under RCW 39.35C.120; and

1 (d) Payments by utilities and federal power marketing agencies
2 under this chapter, except those retained by state agencies and school
3 districts under RCW 39.35C.120.

4 (3) The (~~energy office~~) department may accept moneys and make
5 deposits to the account from federal, state, or local government
6 agencies.

7 (4) Within one hundred eighty days after July 28, 1991, the
8 (~~energy office~~) department shall adopt rules establishing criteria
9 and procedures for setting a fee schedule, establishing working capital
10 requirements, and receiving deposits for this account.

11 **Sec. 410.** RCW 42.17.2401 and 1993 sp.s. c 2 s 18, 1993 c 492 s
12 488, and 1993 c 281 s 43 are each reenacted and amended to read as
13 follows:

14 For the purposes of RCW 42.17.240, the term "executive state
15 officer" includes:

16 (1) The chief administrative law judge, the director of
17 agriculture, the administrator of the office of marine safety, the
18 administrator of the Washington basic health plan, the director of the
19 department of services for the blind, the director of the state system
20 of community and technical colleges, the director of community, trade,
21 and economic development, the secretary of corrections, the director of
22 ecology, the commissioner of employment security, the chairman of the
23 energy facility site evaluation council, (~~the director of the energy~~
24 ~~office,~~) the secretary of the state finance committee, the director of
25 financial management, the director of fish and wildlife, the executive
26 secretary of the forest practices appeals board, the director of the
27 gambling commission, the director of general administration, the
28 secretary of health, the administrator of the Washington state health
29 care authority, the executive secretary of the health care facilities
30 authority, the executive secretary of the higher education facilities
31 authority, the executive secretary of the horse racing commission, the
32 executive secretary of the human rights commission, the executive
33 secretary of the indeterminate sentence review board, the director of
34 the department of information services, the director of the interagency
35 committee for outdoor recreation, the executive director of the state
36 investment board, the director of labor and industries, the director of
37 licensing, the director of the lottery commission, the director of the
38 office of minority and women's business enterprises, the director of

1 parks and recreation, the director of personnel, the executive director
2 of the public disclosure commission, the director of retirement
3 systems, the director of revenue, the secretary of social and health
4 services, the chief of the Washington state patrol, the executive
5 secretary of the board of tax appeals, (~~the director of trade and~~
6 ~~economic development,~~) the secretary of transportation, the secretary
7 of the utilities and transportation commission, the director of
8 veterans affairs, the president of each of the regional and state
9 universities and the president of The Evergreen State College, each
10 district and each campus president of each state community college;

11 (2) Each professional staff member of the office of the governor;

12 (3) Each professional staff member of the legislature; and

13 (4) Central Washington University board of trustees, board of
14 trustees of each community college, each member of the state board for
15 community and technical colleges, state convention and trade center
16 board of directors, committee for deferred compensation, Eastern
17 Washington University board of trustees, Washington economic
18 development finance authority, The Evergreen State College board of
19 trustees, forest practices appeals board, forest practices board,
20 gambling commission, Washington health care facilities authority, each
21 member of the Washington health services commission, higher education
22 coordinating board, higher education facilities authority, horse racing
23 commission, state housing finance commission, human rights commission,
24 indeterminate sentence review board, board of industrial insurance
25 appeals, information services board, interagency committee for outdoor
26 recreation, state investment board, liquor control board, lottery
27 commission, marine oversight board, (~~oil and gas conservation~~
28 ~~committee,~~) Pacific Northwest electric power and conservation planning
29 council, parks and recreation commission, personnel appeals board,
30 board of pilotage commissioners, pollution control hearings board,
31 public disclosure commission, public pension commission, shorelines
32 hearing board, public employees' benefits board, board of tax appeals,
33 transportation commission, University of Washington board of regents,
34 utilities and transportation commission, Washington state maritime
35 commission, Washington personnel resources board, Washington public
36 power supply system executive board, Washington State University board
37 of regents, Western Washington University board of trustees, and fish
38 and wildlife commission.

1 **Sec. 411.** RCW 43.06.115 and 1993 c 421 s 2 are each amended to
2 read as follows:

3 (1) The governor may, by executive order, after consultation with
4 or notification of the executive-legislative committee on economic
5 development created by chapter . . . (Senate Bill No. 5300), Laws of
6 1993, declare a community to be a "military impacted area." A
7 "military impacted area" means a community or communities, as
8 identified in the executive order, that experience serious social and
9 economic hardships because of a change in defense spending by the
10 federal government in that community or communities.

11 (2) If the governor executes an order under subsection (1) of this
12 section, the governor shall establish a response team to coordinate
13 state efforts to assist the military impacted community. The response
14 team may include, but not be limited to, one member from each of the
15 following agencies: (a) The department of community, trade, and
16 economic development; (b) ~~((the department of trade and economic~~
17 ~~development;—(c))~~ the department of social and health services;
18 ~~((+d))~~ (c) the employment security department; ~~((+e))~~ (d) the state
19 board for community and technical colleges; ~~((+f))~~ (e) the higher
20 education coordinating board; ~~((+g))~~ and (f) the department of
21 transportation~~((; and (h) the Washington energy office))~~. The governor
22 may appoint a response team coordinator. The governor shall seek to
23 actively involve the impacted community or communities in planning and
24 implementing a response to the crisis. The governor may seek input or
25 assistance from the community diversification advisory committee, and
26 the governor may establish task forces in the community or communities
27 to assist in the coordination and delivery of services to the local
28 community. The state and community response shall consider economic
29 development, human service, and training needs of the community or
30 communities impacted.

31 (3) The governor shall report at the beginning of the next
32 legislative session to the legislature and the executive-legislative
33 committee on economic development created by chapter . . . (Senate Bill
34 No. 5300), Laws of 1993, as to the designation of a military impacted
35 area. The report shall include recommendations regarding whether a
36 military impacted area should become eligible for (a) funding provided
37 by the community economic revitalization board, public facilities
38 construction loan revolving account, Washington state development loan
39 fund, basic health plan, the public works assistance account,

1 department of community, trade, and economic development, employment
2 security department, and department of transportation; (b) training for
3 dislocated defense workers; or (c) services for dislocated defense
4 workers.

5 **Sec. 412.** RCW 43.19.675 and 1982 c 48 s 2 are each amended to read
6 as follows:

7 The director of general administration(~~(, in cooperation with the~~
8 ~~director of the state energy office,~~)) shall conduct, by contract or
9 other arrangement, an energy audit for each state-owned facility. All
10 energy audits shall be coordinated with and complement other
11 governmental energy audit programs. The energy audit for each state-
12 owned facility located on the capitol campus shall be completed no
13 later than July 1, 1981, and the results and findings of each energy
14 audit shall be compiled and transmitted to the governor and the
15 legislature no later than October 1, 1981. For every other state-owned
16 facility, the energy consumption surveys shall be completed no later
17 than October 1, 1982, and the walk-through surveys shall be completed
18 no later than July 1, 1983.

19 **Sec. 413.** RCW 43.19.680 and 1986 c 325 s 2 are each amended to
20 read as follows:

21 (1) Upon completion of each walk-through survey required by RCW
22 43.19.675, the director of general administration or the agency
23 responsible for the facility if other than the department of general
24 administration shall implement energy conservation maintenance and
25 operation procedures that may be identified for any state-owned
26 facility. These procedures shall be implemented as soon as possible
27 but not later than twelve months after the walk-through survey.

28 (2) By December 31, 1981, for the capitol campus the director of
29 general administration(~~(, in cooperation with the director of the state~~
30 ~~energy office,~~)) shall prepare and transmit to the governor and the
31 legislature an implementation plan.

32 (3) By December 31, 1983, for all other state-owned facilities, the
33 director of general administration (~~(in cooperation with the director~~
34 ~~of the state energy office)~~) shall prepare and transmit to the governor
35 and the legislature the results of the energy consumption and walk-
36 through surveys and a schedule for the conduct of technical assistance
37 studies. This submission shall contain the energy conservation

1 measures planned for installation during the ensuing biennium.
2 Priority considerations for scheduling technical assistance studies
3 shall include but not be limited to a facility's energy efficiency,
4 responsible agency participation, comparative cost and type of fuels,
5 possibility of outside funding, logistical considerations such as
6 possible need to vacate the facility for installation of energy
7 conservation measures, coordination with other planned facility
8 modifications, and the total cost of a facility modification, including
9 other work which would have to be done as a result of installing energy
10 conservation measures. Energy conservation measure acquisitions and
11 installations shall be scheduled to be twenty-five percent complete by
12 June 30, 1985, or at the end of the capital budget biennium which
13 includes that date, whichever is later, fifty-five percent complete by
14 June 30, 1989, or at the end of the capital budget biennium which
15 includes that date, whichever is later, eighty-five percent complete by
16 June 30, 1993, or at the end of the capital budget biennium which
17 includes that date, whichever is later, and fully complete by June 30,
18 1995, or at the end of the capital budget biennium which includes that
19 date, whichever is later. Each state agency shall implement energy
20 conservation measures with a payback period of twenty-four months or
21 less that have a positive cash flow in the same biennium.

22 For each biennium until all measures are installed, the director of
23 general administration shall report to the governor and legislature
24 installation progress, measures planned for installation during the
25 ensuing biennium, and changes, if any, to the technical assistance
26 study schedule. This report shall be submitted by December 31, 1984,
27 or at the end of the following year whichever immediately precedes the
28 capital budget adoption, and every two years thereafter until all
29 measures are installed.

30 (4) The director of general administration shall adopt rules to
31 facilitate private investment in energy conservation measures for
32 state-owned buildings consistent with state law.

33 **Sec. 414.** RCW 43.31.621 and 1994 c 264 s 18 are each amended to
34 read as follows:

35 (1) There is established the agency timber task force. The task
36 force shall be chaired by the timber recovery coordinator. It shall be
37 the responsibility of the coordinator that all directives of chapter
38 314, Laws of 1991 are carried out expeditiously by the agencies

1 represented in the task force. The task force shall consist of the
2 directors, or representatives of the directors, of the following
3 agencies: The department of community, trade, and economic
4 development, employment security department, department of social and
5 health services, state board for community and technical colleges,
6 state work force training and education coordinating board, or its
7 replacement entity, department of natural resources, department of
8 transportation, (~~state energy office,~~) department of fish and
9 wildlife, University of Washington center for international trade in
10 forest products, and department of ecology. The task force may consult
11 and enlist the assistance of the following: The higher education
12 coordinating board, University of Washington college of forest
13 resources, Washington State University school of forestry, Northwest
14 policy center, state superintendent of public instruction, the
15 Evergreen partnership, Washington association of counties, and rural
16 development council.

17 (2) This section shall expire June 30, 1995.

18 **Sec. 415.** RCW 43.41.175 and 1986 c 325 s 4 are each amended to
19 read as follows:

20 The (~~state energy office~~) department of general administration
21 shall provide the office of financial management with energy
22 consumption data necessary to implement RCW 43.41.170. Facilities or
23 the agencies responsible for them shall report accurate monthly energy
24 consumption and cost figures for all fuels to the (~~state energy~~
25 ~~office~~) department of general administration quarterly, including any
26 changes in total space served or facility operations.

27 **Sec. 416.** RCW 43.99I.050 and 1991 sp.s. c 31 s 5 are each amended
28 to read as follows:

29 In addition to any other charges authorized by law and to assist in
30 the reimbursement of principal and interest payments on bonds issued
31 for the purposes of RCW 43.99I.020 (3) and (4), the director of the
32 (~~energy office~~) department of community, trade, and economic
33 development shall cause to be accumulated in the energy efficiency
34 construction account, from project revenues, loan repayments, and other
35 moneys legally available for such purposes, amounts adequate to make
36 payments of principal of and interest coming due on general obligation
37 bonds issued for the purposes of RCW 43.99I.020 (3) and (4). As needed

1 during each fiscal year, the director shall cause amounts so
2 accumulated to be deposited into the general fund of the state
3 treasury. If the director is unable to accumulate and transfer the
4 full amount necessary for such payments of principal of and interest
5 coming due on the bonds, any shortfall shall be credited to an account
6 receivable from the (~~energy office~~) department of community, trade,
7 and economic development to the state treasury.

8 **Sec. 417.** RCW 47.06.110 and 1993 c 446 s 11 are each amended to
9 read as follows:

10 The state-interest component of the state-wide multimodal
11 transportation plan shall include a state public transportation plan
12 that:

13 (1) Articulates the state vision of an interest in public
14 transportation and provides quantifiable objectives, including benefits
15 indicators;

16 (2) Identifies the goals for public transit and the roles of
17 federal, state, regional, and local entities in achieving those goals;

18 (3) Recommends mechanisms for coordinating state, regional, and
19 local planning for public transportation;

20 (4) Recommends mechanisms for coordinating public transportation
21 with other transportation services and modes;

22 (5) Recommends criteria, consistent with the goals identified in
23 subsection (2) of this section and with RCW 82.44.180 (2) and (3), for
24 existing federal authorizations administered by the department to
25 transit agencies; and

26 (6) Recommends a state-wide public transportation facilities and
27 equipment management system as required by federal law.

28 In developing the state public transportation plan, the department
29 shall involve local jurisdictions, public and private providers of
30 transportation services, nonmotorized interests, and state agencies
31 with an interest in public transportation, including but not limited to
32 the departments of community, trade, and economic development, social
33 and health services, and ecology, (~~the state energy office,~~) the
34 office of the superintendent of public instruction, the office of the
35 governor, and the office of financial management.

36 The department shall submit an initial report to the legislative
37 transportation committee by December 1, 1993, and shall provide annual
38 reports summarizing the plan's progress each year thereafter.

1 **Sec. 418.** RCW 82.35.020 and 1979 ex.s. c 191 s 2 are each amended
2 to read as follows:

3 As used in this chapter, the following terms have the meanings
4 indicated unless the context clearly requires otherwise.

5 (1) "Cogeneration" means the sequential generation of electrical or
6 mechanical power and useful heat from the same primary energy source or
7 fuel.

8 (2) "Cogeneration facility" means any machinery, equipment,
9 structure, process, or property, or any part thereof, installed or
10 acquired for the primary purpose of cogeneration by a person or
11 corporation other than an electric utility.

12 (3) "Certificate" means a cogeneration tax credit certificate
13 granted by the department.

14 (4) "Cost" means only the cost of a cogeneration facility which is
15 in addition to the cost that the applicant otherwise would incur to
16 meet the applicant's demands for useful heat. "Cost" does not include
17 expenditures which are offset by cost savings, including but not
18 limited to savings resulting from early retirement of existing
19 equipment.

20 (5) "Department" means the department of revenue.

21 (6) "Electric utility" means any person, corporation, or
22 governmental subdivision authorized and operating under the
23 Constitution and laws of the state of Washington which is primarily
24 engaged in the generation or sale of electric energy.

25 (~~(7) "Office" means the state energy office.~~)

26 **Sec. 419.** RCW 82.35.080 and 1979 ex.s. c 191 s 8 are each amended
27 to read as follows:

28 (1) Except as provided in subsection (2) of this section, the
29 department shall revoke any certificate issued under this chapter if it
30 finds that any of the following have occurred with respect to the
31 certificate:

32 (a) The certificate was obtained by fraud or deliberate
33 misrepresentation;

34 (b) The certificate was obtained through the use of inaccurate data
35 but without any intention to commit fraud or misrepresentation;

1 (c) The facility was constructed or operated in violation of any
2 provision of this chapter or provision imposed by the department as a
3 condition of certification; or

4 (d) The cogeneration facility is no longer capable of being
5 operated for the primary purpose of cogeneration.

6 (2) If the department finds that there are few inaccuracies under
7 subsection (1)(b) of this section and that cumulatively they are
8 insignificant in terms of the cost or operation of the facility or that
9 the inaccurate data is not attributable to carelessness or negligence
10 and its inclusion was reasonable under the circumstances, then the
11 department may provide for the continuance of the certificate and
12 whatever modification it considers in the public interest.

13 (3) Any person, firm, corporation, or organization that obtains a
14 certificate revoked under this section shall be liable for the total
15 amount of money saved by claiming the credits and exemptions provided
16 under this chapter and RCW 84.36.485. The total amount of the credits
17 shall be collected as delinquent business and occupation taxes, and the
18 total of the exemptions shall be collected and distributed as
19 delinquent property taxes. Interest shall accrue on the amounts of the
20 credits and exemptions from the date the taxes were otherwise due.

21 ~~((4) The office shall provide technical assistance to the
22 department in carrying out its responsibilities under this section.))~~

23 **Sec. 420.** RCW 90.03.247 and 1994 c 264 s 82 are each amended to
24 read as follows:

25 Whenever an application for a permit to make beneficial use of
26 public waters is approved relating to a stream or other water body for
27 which minimum flows or levels have been adopted and are in effect at
28 the time of approval, the permit shall be conditioned to protect the
29 levels or flows. No agency may establish minimum flows and levels or
30 similar water flow or level restrictions for any stream or lake of the
31 state other than the department of ecology whose authority to establish
32 is exclusive, as provided in chapter 90.03 RCW and RCW 90.22.010 and
33 90.54.040. The provisions of other statutes, including but not limited
34 to RCW 75.20.100 and chapter 43.21C RCW, may not be interpreted in a
35 manner that is inconsistent with this section. In establishing such
36 minimum flows, levels, or similar restrictions, the department shall,
37 during all stages of development by the department of ecology of
38 minimum flow proposals, consult with, and carefully consider the

1 recommendations of, the department of fish and wildlife, (~~the state~~
2 ~~energy office,~~) the department of agriculture, and representatives of
3 the affected Indian tribes. Nothing herein shall preclude the
4 department of fish and wildlife(~~(, the energy office,~~) or the
5 department of agriculture from presenting its views on minimum flow
6 needs at any public hearing or to any person or agency, and the
7 department of fish and wildlife(~~(, the energy office,~~) and the
8 department of agriculture are each empowered to participate in
9 proceedings of the federal energy regulatory commission and other
10 agencies to present its views on minimum flow needs.

11 NEW SECTION. **Sec. 421.** A new section is added to chapter 43.330
12 RCW to read as follows:

13 The department shall provide assistance, space, and other support
14 as may be necessary for the activities of the state's two
15 representatives to the Pacific Northwest electric power and
16 conservation planning council. To the extent consistent with federal
17 law, the department shall request that Washington's councilmembers
18 request the administrator of the Bonneville power administration to
19 reimburse the state for the expenses associated with the support as
20 provided in the Pacific Northwest electric power planning and
21 conservation act (P.L. 96-501).

22 NEW SECTION. **Sec. 422.** The following acts or parts of acts are
23 each repealed:

- 24 (1) RCW 39.35.050 and 1994 c 242 s 3 & 1991 c 201 s 15;
25 (2) RCW 39.35.060 and 1991 c 201 s 16;
26 (3) RCW 39.35.900 and 1975 1st ex.s. c 177 s 5; and
27 (4) RCW 41.06.081 and 1981 c 295 s 10.

28 **PART V**

29 **ELIMINATION OF COGENERATION PROJECTS**

30 NEW SECTION. **Sec. 501.** The following acts or parts of acts are
31 each repealed:

- 32 (1) RCW 39.35C.010 and 1991 c 201 s 2;
33 (2) RCW 39.35C.020 and 1991 c 201 s 3;
34 (3) RCW 39.35C.030 and 1991 c 201 s 4;
35 (4) RCW 39.35C.040 and 1991 c 201 s 5;

- 1 (5) RCW 39.35C.060 and 1991 c 201 s 7;
2 (6) RCW 39.35C.070 and 1991 c 201 s 8;
3 (7) RCW 39.35C.080 and 1991 c 201 s 9;
4 (8) RCW 39.35C.120 and 1991 c 201 s 13;
5 (9) RCW 39.35C.130 and 1991 c 201 s 17;
6 (10) RCW 39.35C.900 and 1991 c 201 s 22; and
7 (11) RCW 39.35C.901 and 1991 c 201 s 24.

8 **PART VI**
9 **MISCELLANEOUS**

10 NEW SECTION. **Sec. 601.** RCW 39.35C.100 and 39.35C.110 as amended
11 by this act and RCW 43.21F.015 are each recodified as new sections in
12 chapter 43.330 RCW.

13 NEW SECTION. **Sec. 602.** Part headings used in this act do not
14 constitute any part of the law.

15 NEW SECTION. **Sec. 603.** Section 3 of this act shall expire
16 December 31, 1996.

17 NEW SECTION. **Sec. 604.** This act is necessary for the immediate
18 preservation of the public peace, health, or safety, or support of the
19 state government and its existing public institutions, and shall take
20 effect July 1, 1995.

21 NEW SECTION. **Sec. 605.** If any provision of this act or its
22 application to any person or circumstance is held invalid, the
23 remainder of the act or the application of the provision to other
24 persons or circumstances is not affected.

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