

2 ESHB 2522 - S COMM AMD

3 By Committee on Environment, Energy & Water

4 ADOPTED 03/07/02

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 43.19.1905 and 1995 c 269 s 1402 are each amended to
8 read as follows:

9 The director of general administration shall establish overall
10 state policy for compliance by all state agencies, including
11 educational institutions, regarding the following purchasing and
12 material control functions:

13 (1) Development of a state commodity coding system, including
14 common stock numbers for items maintained in stores for reissue;

15 (2) Determination where consolidations, closures, or additions of
16 stores operated by state agencies and educational institutions should
17 be initiated;

18 (3) Institution of standard criteria for determination of when and
19 where an item in the state supply system should be stocked;

20 (4) Establishment of stock levels to be maintained in state stores,
21 and formulation of standards for replenishment of stock;

22 (5) Formulation of an overall distribution and redistribution
23 system for stock items which establishes sources of supply support for
24 all agencies, including interagency supply support;

25 (6) Determination of what function data processing equipment,
26 including remote terminals, shall perform in statewide purchasing and
27 material control for improvement of service and promotion of economy;

28 (7) Standardization of records and forms used statewide for supply
29 system activities involving purchasing, receiving, inspecting, storing,
30 requisitioning, and issuing functions, including a standard
31 notification form for state agencies to report cost-effective direct
32 purchases, which shall at least identify the price of the goods as
33 available through the division of purchasing, the price of the goods as
34 available from the alternative source, the total savings, and the
35 signature of the notifying agency's director or the director's
36 designee;

- 1 (8) Screening of supplies, material, and equipment excess to the
2 requirements of one agency for overall state need before sale as
3 surplus;
- 4 (9) Establishment of warehouse operation and storage standards to
5 achieve uniform, effective, and economical stores operations;
- 6 (10) Establishment of time limit standards for the issuing of
7 material in store and for processing requisitions requiring purchase;
- 8 (11) Formulation of criteria for determining when centralized
9 rather than decentralized purchasing shall be used to obtain maximum
10 benefit of volume buying of identical or similar items, including
11 procurement from federal supply sources;
- 12 (12) Development of criteria for use of leased, rather than state
13 owned, warehouse space based on relative cost and accessibility;
- 14 (13) Institution of standard criteria for purchase and placement of
15 state furnished materials, carpeting, furniture, fixtures, and nonfixed
16 equipment, in newly constructed or renovated state buildings;
- 17 (14) Determination of how transportation costs incurred by the
18 state for materials, supplies, services, and equipment can be reduced
19 by improved freight and traffic coordination and control;
- 20 (15) Establishment of a formal certification program for state
21 employees who are authorized to perform purchasing functions as agents
22 for the state under the provisions of chapter 43.19 RCW;
- 23 (16) Development of performance measures for the reduction of total
24 overall expense for material, supplies, equipment, and services used
25 each biennium by the state;
- 26 (17) Establishment of a standard system for all state organizations
27 to record and report dollar savings and cost avoidance which are
28 attributable to the establishment and implementation of improved
29 purchasing and material control procedures;
- 30 (18) Development of procedures for mutual and voluntary cooperation
31 between state agencies, including educational institutions, and
32 political subdivisions for exchange of purchasing and material control
33 services;
- 34 (19) Resolution of all other purchasing and material matters which
35 require the establishment of overall statewide policy for effective and
36 economical supply management;
- 37 (20) Development of guidelines and criteria for the purchase of
38 vehicles, high gas mileage vehicles, alternate vehicle fuels and
39 systems, equipment, and materials that reduce overall energy-related

1 costs and energy use by the state, including investigations into all
2 opportunities to aggregate the purchasing of clean technologies by
3 state and local governments, and including the requirement that new
4 passenger vehicles purchased by the state meet the minimum standards
5 for passenger automobile fuel economy established by the United States
6 secretary of transportation pursuant to the energy policy and
7 conservation act (15 U.S.C. Sec. 2002).

8 **Sec. 2.** RCW 43.19.570 and 1989 c 113 s 1 are each amended to read
9 as follows:

10 (1) The department shall direct and be responsible for the
11 acquisition, operation, maintenance, storage, repair, and replacement
12 of state motor vehicles under its control. The department shall
13 utilize state facilities available for the maintenance, repair, and
14 storage of such motor vehicles, and may provide directly or by contract
15 for the maintenance, repair, and servicing of all motor vehicles, and
16 other property related thereto and under its control.

17 (2) The department may arrange, by agreement with agencies, for the
18 utilization by one of the storage, repair, or maintenance facilities of
19 another, with such provision for charges and credits as may be agreed
20 upon. The department may acquire and maintain storage, repair, and
21 maintenance facilities for the motor vehicles under its control from
22 such funds as may be appropriated by the legislature.

23 (3)(a) The legislature finds that a clean environment is important
24 and that global warming effects may be offset by decreasing the
25 emissions of harmful compounds from motor vehicles. The legislature
26 further finds that the state is in a position to set an example of
27 large scale use of alternative fuels in motor vehicles and other clean
28 technologies.

29 (b) The department shall consider the use of state vehicles to
30 conduct field tests on alternative fuels in areas where air pollution
31 constraints may be eased by these optional fuels. These fuels should
32 include but are not limited to gas-powered and electric-powered
33 vehicles.

34 (c) For planned purchases of vehicles using alternative fuels, the
35 department and other state agencies shall explore opportunities to
36 purchase these vehicles together with the federal government, agencies
37 of other states, other Washington state agencies, local governments, or
38 private organizations for less cost. All state agencies must

1 investigate and determine whether or not they can make clean
2 technologies more cost-effective by combining their purchasing power
3 before completing a planned vehicle purchase.

4 **Sec. 3.** RCW 43.19.637 and 1991 c 199 s 213 are each amended to
5 read as follows:

6 (1) At least thirty percent of all new vehicles purchased through
7 a state contract shall be clean-fuel vehicles.

8 (2) The percentage of clean-fuel vehicles purchased through a state
9 contract shall increase at the rate of five percent each year.

10 (3) In meeting the procurement requirement established in this
11 section, preference shall be given to vehicles designed to operate
12 exclusively on clean fuels. In the event that vehicles designed to
13 operate exclusively on clean fuels are not available or would not meet
14 the operational requirements for which a vehicle is to be procured,
15 conventionally powered vehicles may be converted to clean fuel or dual
16 fuel use to meet the requirements of this section.

17 (4) Fuel purchased through a state contract shall be a clean fuel
18 when the fuel is purchased for the operation of a clean-fuel vehicle.

19 (5)(a) Weight classes are established by the following motor
20 vehicle types:

21 (i) Passenger cars;

22 (ii) Light duty trucks, trucks with a gross vehicle weight rating
23 by the vehicle manufacturer of less than eight thousand five hundred
24 pounds;

25 (iii) Heavy duty trucks, trucks with a gross vehicle weight rating
26 by the vehicle manufacturer of eight thousand five hundred pounds or
27 more.

28 (b) This subsection does not place an obligation upon the state or
29 its political subdivisions to purchase vehicles in any number or weight
30 class other than to meet the percent procurement requirement.

31 (6) The provisions for purchasing clean-fuel vehicles under
32 subsections (1) and (2) of this section are intended as minimum levels.
33 The department should seek to increase the purchasing levels of clean-
34 fuel vehicles above the minimum. The department must also investigate
35 all opportunities to aggregate their purchasing with local governments
36 to determine whether or not they can lower their costs and make it
37 cost-efficient to increase the percentage of clean-fuel or high gas
38 mileage vehicles in both the state and local fleets.

1 (7) For the purposes of this section, "clean fuels" and "clean-fuel
2 vehicles" shall be those fuels and vehicles meeting the specifications
3 provided for in RCW 70.120.210.

4 NEW SECTION. **Sec. 4.** A new section is added to chapter 39.35B RCW
5 to read as follows:

6 (1) The department of general administration, in cooperation with
7 public agencies, shall investigate opportunities to aggregate the
8 purchase of clean technologies with other public agencies to determine
9 whether or not combined purchasing can reduce the unit cost of clean
10 technologies.

11 (2) State agencies that are retail electric customers shall
12 investigate opportunities to aggregate the purchase of electricity
13 produced from generation resources that are fueled by wind or solar
14 energy for their facilities located within a single utility's service
15 area, to determine whether or not combined purchasing can reduce the
16 unit cost of those resources.

17 (3) No public agency is required under this section to purchase
18 clean technologies at prohibitive costs.

19 (4)(a) "Electric utility" shall have the same meaning as provided
20 under RCW 19.29A.010.

21 (b) "Clean technology" includes, but may not be limited to,
22 alternative fueled hybrid-electric and fuel cell vehicles, and
23 distributive power generation.

24 (c) "Distributive power generation" means the generation of
25 electricity from an integrated or stand-alone power plant that
26 generates electricity from wind energy, solar energy, or fuel cells.

27 (d) "Retail electric customer" shall have the same meaning as
28 provided under RCW 19.29A.010.

29 (e) "Facility" means any building owned or leased by a public
30 agency.

31 NEW SECTION. **Sec. 5.** In preparing the biennial energy report
32 required under RCW 43.21F.045(2)(h) to be transmitted to the governor
33 and the legislature by December 1, 2002, the department of community,
34 trade, and economic development must include the following information:

35 (1) The percentage of clean-fuel vehicles purchased in 2001 through
36 a state contract pursuant to RCW 43.19.637; and

1 (2) The results of efforts by the department of general
2 administration and other state agencies to aggregate purchasing of
3 clean technologies.

4 **Sec. 6.** RCW 19.29A.090 and 2001 c 214 s 28 are each amended to
5 read as follows:

6 (1) Beginning January 1, 2002, each electric utility must provide
7 to its retail electricity customers a voluntary option to purchase
8 qualified alternative energy resources in accordance with this section.

9 (2) Each electric utility must include with its retail electric
10 customer's regular billing statements, at least quarterly, a voluntary
11 option to purchase qualified alternative energy resources. The option
12 may allow customers to purchase qualified alternative energy resources
13 at fixed or variable rates and for fixed or variable periods of time,
14 including but not limited to monthly, quarterly, or annual purchase
15 agreements. A utility may provide qualified alternative energy
16 resource options through either: (a) Resources it owns or contracts
17 for; or (b) the purchase of credits issued by a clearinghouse or other
18 system by which the utility may secure, for trade or other
19 consideration, verifiable evidence that a second party has a qualified
20 alternative energy resource and that the second party agrees to
21 transfer such evidence exclusively to the benefit of the utility.

22 (3) For the purposes of this section, a "qualified alternative
23 energy resource" means the electricity produced from generation
24 facilities that are fueled by: (a) Wind; (b) solar energy; (c)
25 geothermal energy; (d) landfill gas; (e) wave or tidal action; (f) gas
26 produced during the treatment of wastewater; (g) qualified hydropower;
27 or (h) biomass energy based on solid organic fuels from wood, forest,
28 or field residues, or dedicated energy crops that do not include wood
29 pieces that have been treated with chemical preservatives such as
30 creosote, pentachlorophenol, or copper-chrome-arsenic.

31 (4) For the purposes of this section, "qualified hydropower" means
32 the energy produced either: (a) As a result of modernizations or
33 upgrades made after June 1, 1998, to hydropower facilities operating on
34 May 8, 2001, that have been demonstrated to reduce the mortality of
35 anadromous fish; or (b) by run of the river or run of the canal
36 hydropower facilities that are not responsible for obstructing the
37 passage of anadromous fish.

1 (5) The rates, terms, conditions, and customer notification of each
2 utility's option or options offered in accordance with this section
3 must be approved by the governing body of the consumer-owned utility or
4 by the commission for investor-owned utilities. All costs and benefits
5 associated with any option offered by an electric utility under this
6 section must be allocated to the customers who voluntarily choose that
7 option and may not be shifted to any customers who have not chosen such
8 option. Utilities may pursue known, lawful aggregated purchasing of
9 qualified alternative energy resources with other utilities to the
10 extent aggregated purchasing can reduce the unit cost of qualified
11 alternative energy resources, and are encouraged to investigate
12 opportunities to aggregate the purchase of alternative energy resources
13 by their customers. Aggregated purchases by investor-owned utilities
14 must comply with any applicable rules or policies adopted by the
15 commission related to least-cost planning or the acquisition of
16 renewable resources.

17 (6) Each consumer-owned utility must report annually to the
18 department and each investor-owned utility must report annually to the
19 commission beginning October 1, 2002, until October 1, 2012, describing
20 the option or options it is offering its customers under the
21 requirements of this section, the rate of customer participation, the
22 amount of qualified alternative energy resources purchased by
23 customers, ((and)) the amount of utility investments in qualified
24 alternative energy resources, and the results of pursuing aggregated
25 purchasing opportunities. The department and the commission together
26 shall report annually to the legislature, beginning December 1, 2002,
27 until December 1, 2012, with the results of the utility reports."

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31 On page 1, line 1 of the title, after "technologies;" strike the
32 remainder of the title and insert "amending RCW 43.19.1905, 43.19.570,
33 43.19.637, and 19.29A.090; adding a new section to chapter 39.35B RCW;
34 and creating a new section."

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