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SUBSTITUTE SENATE BILL 5912

State of Washington 57th Legislature 2001 Regular Session

By Senate Committee on Environment, Energy & Water (originally sponsored by Senators Fraser, Morton, Regala, Patterson, Oke, Kohl-Welles and Haugen)

READ FIRST TIME 03/05/01.

- AN ACT Relating to energy facilities; amending RCW 80.50.020,
- 2 80.50.030, 80.50.040, 80.50.060, 80.50.090, 80.50.100, and 80.50.110;
- 3 and adding new sections to chapter 80.50 RCW.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 80.50.020 and 1995 c 69 s 1 are each amended to read 6 as follows:
- 7 The definitions in this section apply throughout this chapter 8 unless the context clearly requires otherwise.
- 9 (1) "Applicant" means any person who makes application for a site 10 certification pursuant to the provisions of this chapter((\div)).
- 11 (2) "Application" means any request for approval of a particular 12 site or sites filed in accordance with the procedures established 13 pursuant to this chapter, unless the context otherwise requires($(\dot{\tau})$).
- 14 (3) "Person" means an individual, partnership, joint venture,
- 15 private or public corporation, association, firm, public service
- 16 company, political subdivision, municipal corporation, government
- 17 agency, public utility district, or any other entity, public or
- 18 private, however organized($(\dot{\tau})$).

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- 1 (4) "Site" means any proposed or approved location of an energy 2 facility($(\dot{\tau})$).
- 3 (5) "Certification" means a binding agreement between an applicant and the state which shall embody compliance to the siting guidelines, in effect as of the date of certification, which have been adopted pursuant to RCW 80.50.040 as now or hereafter amended as conditions to be met prior to or concurrent with the construction or operation of any energy facility($(\dot{\tau})$).
- 9 (6) "Associated facilities" means storage, transmission, handling, 10 or other related and supporting facilities connecting an energy plant 11 with the existing energy supply, processing, or distribution system, including, but not limited to, communications, controls, mobilizing or 12 maintenance equipment, instrumentation, and other types of ancillary 13 transmission equipment, off-line storage or venting required for 14 15 efficient operation or safety of the transmission system and overhead, and surface or subsurface lines of physical access for the inspection, 16 maintenance, and safe operations of the transmission facility and new 17 transmission lines constructed to operate at nominal voltages in excess 18 19 of 200,000 volts to connect a thermal power plant to the northwest 20 power grid: PROVIDED, That common carrier railroads or motor vehicles 21 shall not be included((\div)).
- 22 (7) "Transmission facility" means any of the following together 23 with their associated facilities:
- 24 (a) Crude or refined petroleum or liquid petroleum product 25 transmission pipeline of the following dimensions: A pipeline larger 26 than six inches minimum inside diameter between valves for the 27 transmission of these products with a total length of at least fifteen 28 miles; or
- (b) Natural gas, synthetic fuel gas, or liquified petroleum gas transmission pipeline of the following dimensions: A pipeline larger than fourteen inches minimum inside diameter between valves, for the transmission of these products, with a total length of at least fifteen miles for the purpose of delivering gas to a distribution facility, except an interstate natural gas pipeline regulated by the United States federal power commission((\div)).
- 36 (8) "Independent consultants" means those persons who have no 37 financial interest in the applicant's proposals and who are retained by 38 the council to evaluate the applicant's proposals, supporting studies, 39 or to conduct additional studies((\div)).

- 1 (9) "Thermal power plant" means, for the purpose of certification, 2 any electrical generating facility using any fuel, including nuclear 3 materials, for distribution of electricity by electric utilities((\div)).
- 4 (10) "Energy facility" means an energy plant or transmission 5 facilities: PROVIDED, That the following are excluded from the 6 provisions of this chapter:
- 7 (a) Facilities for the extraction, conversion, transmission or 8 storage of water, other than water specifically consumed or discharged 9 by energy production or conversion for energy purposes; and
- 10 (b) Facilities operated by and for the armed services for military 11 purposes or by other federal authority for the national defense((\div)).
- 12 (11) "Council" means the energy facility site evaluation council 13 created by RCW $80.50.030((\dot{\tau}))$.
- 14 (12) "Counsel for the environment" means an assistant attorney 15 general or a special assistant attorney general who shall represent the 16 public in accordance with RCW $80.50.080((\div))$.
- 17 (13) "Construction" means on-site improvements, excluding 18 exploratory work, which cost in excess of two hundred fifty thousand 19 dollars($(\dot{\tau})$).
- 20 (14) "Energy plant" means the following facilities together with 21 their associated facilities:
- (a) Any stationary thermal power plant with generating capacity ((of two)): (i) Of three hundred fifty thousand kilowatts or more, measured using maximum continuous electric generating capacity, less minimum auxiliary load, at average ambient temperature and pressure((7 and)); and (ii) from one hundred thousand up to three hundred fifty thousand kilowatts when alternative jurisdiction is sought under RCW 80.50.060;
- 29 <u>(b) F</u>loating thermal power plants of fifty thousand kilowatts or 30 more, including associated facilities;
- ((\(\frac{(b)}{D}\))) (c) Facilities which will have the capacity to receive liquified natural gas in the equivalent of more than one hundred million standard cubic feet of natural gas per day, which has been transported over marine waters;
- (((c))) (d) Facilities which will have the capacity to receive more than an average of fifty thousand barrels per day of crude or refined petroleum or liquified petroleum gas which has been or will be transported over marine waters, except that the provisions of this

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- chapter shall not apply to storage facilities unless occasioned by such 1 2 new facility construction;
- $((\frac{d}{d}))$ (e) Any underground reservoir for receipt and storage of 3 4 natural gas as defined in RCW 80.40.010 capable of delivering an 5 average of more than one hundred million standard cubic feet of natural 6 gas per day; ((and
- 7 (e))) (f) Facilities capable of processing more than twenty-five 8 thousand barrels per day of petroleum into refined products; and
- 9 (q) Facilities that exclusively use renewable resources with a 10 generating capacity of at least one thousand kilowatts when alternative jurisdiction is sought under RCW 80.50.060. 11
- 12 (15) "Land use plan" means a comprehensive plan or land use element 13 thereof adopted by a unit of local government pursuant to chapter((s)) 35.63, 35A.63, ((or)) 36.70, or 36.70A RCW $((\dot{\tau}))$. 14
- 15 (16) "Zoning ordinance" means an ordinance of a unit of local government regulating the use of land and adopted pursuant to 16 chapter((s)) 35.63, 35A.63, ((or)) 36.70, or 36.70A RCW, or Article XI 17 18 of the state Constitution.
- 19 (17) "Renewable resource" means: (a) Wind; (b) solar energy; (c) 20 geothermal energy; (d) landfill gas; or (e) biomass energy based on solid organic fuels from wood, forest, or field residues, or dedicated 21 energy crops that do not include wood pieces that have been treated 22 with chemical preservatives such as creosote, pentachlorophenol, or 23 24 copper-chrome-arsenic.
- 25 **Sec. 2.** RCW 80.50.030 and 1996 c 186 s 108 are each amended to read as follows: 26
- (1) There is created and established the energy facility site 27 28 evaluation council.
- 29 (2)(a) The ((chairman)) chair of the council shall be appointed by the governor with the advice and consent of the senate, shall have a 30 vote on matters before the council, shall serve for a term coextensive 31 with the term of the governor, and is removable for cause. 32 ((chairman)) chair may designate a member of the council to serve as 33 34 acting ((chairman)) chair in the event of the ((chairman's)) chair's absence. The ((chairman)) chair is a "state employee" for the purposes 35 36 of chapter 42.52 RCW and shall receive a salary as determined under RCW 43.03.040. As applicable, when attending meetings of the council, 37 members may receive reimbursement for travel expenses in accordance

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- 1 with RCW 43.03.050 and 43.03.060, and are eligible for compensation 2 under RCW 43.03.250.
- 3 (b) The ((chairman)) chair or a designee shall execute all official
- 4 documents, contracts, and other materials on behalf of the council.
- 5 The Washington state department of community, trade, and economic
- 6 development shall provide all administrative and staff support for the
- 7 council. The director of the department of community, trade, and
- 8 economic development has supervisory authority over the staff of the
- 9 council and shall employ such personnel as are necessary to implement
- 10 this chapter. Not more than three such employees may be exempt from
- 11 chapter 41.06 RCW.
- 12 (3) The council shall consist of the directors, administrators, or
- 13 their designees, of the following departments, agencies, commissions,
- 14 and committees or their statutory successors:
- 15 (a) Department of ecology;
- 16 (b) Department of fish and wildlife;
- 17 (c) ((Department of health;
- 18 (d) Military department;
- 19 (e))) Department of community, trade, and economic development;
- 20 $((\frac{f}{f}))$ (d) Utilities and transportation commission; and
- 21 $((\frac{g}{g}))$ (e) Department of natural resources $(\frac{1}{f})$
- 22 (h) Department of agriculture;
- 23 (i) Department of transportation)).
- 24 (4) The directors, administrators, or their designees, of the
- 25 following departments or their statutory successors, may participate as
- 26 <u>councilmembers</u> at their own discretion provided they elect to
- 27 participate no later than sixty days after the application is filed:
- 28 (a) Department of agriculture;
- 29 (b) Department of transportation;
- 30 (c) Military department; and
- 31 (d) Department of health.
- 32 (5) The appropriate county legislative authority of every county
- 33 wherein an application for a proposed site is filed shall appoint a
- 34 member or designee as a voting member to the council. The member or
- 35 designee so appointed shall sit with the council only at such times as
- 36 the council considers the proposed site for the county which he or she
- 37 represents, and such member or designee shall serve until there has
- 38 been a final acceptance or rejection of the proposed site.

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- (((5))) <u>(6)</u> The city legislative authority of every city within whose corporate limits an energy plant is proposed to be located shall appoint a member or designee as a voting member to the council. The member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the city which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site.
- 8 (((6))) for any port district wherein an application for a proposed port facility is filed subject to this chapter, the port 9 10 district shall appoint a member or designee as a nonvoting member to the council. The member or designee so appointed shall sit with the 11 council only at such times as the council considers the proposed site 12 13 for the port district which he or she represents, and such member or designee shall serve until there has been a final acceptance or 14 15 rejection of the proposed site. The provisions of this subsection shall not apply if the port district is the applicant, either singly or 16 17 in partnership or association with any other person.
- 18 **Sec. 3.** RCW 80.50.040 and 1990 c 12 s 4 are each amended to read 19 as follows:
- The council shall have the following powers:
- (1) To adopt, promulgate, amend, or rescind suitable rules and regulations, pursuant to chapter 34.05 RCW, to carry out the provisions of this chapter, and the policies and practices of the council in connection therewith;
- 25 (2) To adopt rules concerning time limits for any action required 26 or authorized by this chapter;
- 27 (3) To develop and apply environmental and ecological guidelines in 28 relation to the type, design, location, construction, and operational 29 conditions of certification of energy facilities subject to this 30 chapter;
- $((\frac{3}{3}))$ (4) To establish rules of practice for the conduct of public hearings pursuant to the provisions of the Administrative Procedure Act, as found in chapter 34.05 RCW;
- $((\frac{4}{1}))$ To prescribe the form, content, and necessary supporting documentation for site certification;
- (((+5))) (6) To receive applications for energy facility locations and to investigate the sufficiency thereof;

- 1 (((6))) To make and contract, when applicable, for independent 2 studies of sites proposed by the applicant;
- 3 (((7))) (8) To conduct hearings on the proposed location of the 4 energy facilities;
- 5 ((\(\frac{(\(\frac{8}{2}\)\)}{\(\frac{9}{2}\)}\) To prepare written reports to the governor which shall include: (a) A statement indicating whether the application is in compliance with the council's guidelines, (b) criteria specific to the site and transmission line routing, (c) a council recommendation as to the disposition of the application, and (d) a draft certification agreement when the council recommends approval of the application;
- (((9))) (10) To prescribe the means for monitoring of the effects 11 arising from the construction and the operation of energy facilities to 12 assure continued compliance with terms of certification and/or permits 13 issued by the council pursuant to chapter 90.48 RCW or subsection 14 15 $((\frac{12}{12}))$ of this section: PROVIDED, That any on-site inspection 16 required by the council shall be performed by other state agencies 17 pursuant to interagency agreement: PROVIDED FURTHER, That the council ((shall)) may retain authority for determining compliance relative to 18 19 monitoring;
- $((\frac{10}{10}))$ (11) To integrate its site evaluation activity with activities of federal agencies having jurisdiction in such matters to avoid unnecessary duplication;
- (((11))) <u>(12)</u> To present state concerns and interests to other states, regional organizations, and the federal government on the location, construction, and operation of any energy facility which may affect the environment, health, or safety of the citizens of the state of Washington;
- 28 $((\frac{12}{12}))$ (13) To issue permits in compliance with applicable provisions of the federally approved state implementation plan adopted 29 30 in accordance with the Federal Clean Air Act, as now existing or hereafter amended, for the new construction, reconstruction, or 31 enlargement or operation of energy facilities: PROVIDED, That such 32 permits shall become effective only if the governor approves an 33 34 application for certification and executes a certification agreement 35 pursuant to this chapter: AND PROVIDED FURTHER, That all such permits be conditioned upon compliance with all provisions of the federally 36 37 approved state implementation plan which apply to energy facilities covered within the provisions of this chapter; and 38

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- 1 (((13))) (14) To serve as an interagency coordinating body for 2 energy-related issues.
- 3 **Sec. 4.** RCW 80.50.060 and 1977 ex.s. c 371 s 5 are each amended to 4 read as follows:
- (1) The provisions of this chapter shall apply to the construction 5 of energy facilities which includes the new construction of energy 6 7 facilities and the reconstruction or enlargement of existing energy 8 facilities where the net increase in physical capacity or dimensions 9 resulting from such reconstruction or enlargement meets or exceeds those capacities or dimensions set forth in RCW 80.50.020 (7) and 10 (((17), as now or hereafter amended)) (14). No construction of such 11 energy facilities may be undertaken, except as otherwise provided in 12 this chapter, after July 15, 1977, without first obtaining 13 14 certification in the manner provided in this chapter.
- 15 (2) The provisions of this chapter shall not apply to normal 16 maintenance and repairs which do not increase the capacity or 17 dimensions beyond those set forth in RCW 80.50.020 (7) and ($(\frac{17}{17})$, as 18 now or hereafter amended)) (14).
- (3) Applications for certification of energy facilities made prior to July 15, 1977 shall continue to be governed by the applicable provisions of law in effect on the day immediately preceding July 15, 1977 with the exceptions of RCW 80.50.190 and 80.50.071 which shall apply to such prior applications and to site certifications prospectively from July 15, 1977.
- 25 (4) Applications for certification shall be upon forms prescribed 26 by the council and shall be supported by such information and technical 27 studies as the council may require.
- (5) As an alternative to any other process required by state or 28 29 <u>local law</u>, <u>applicants may elect to use the siting process established</u> in this chapter for the siting of stationary thermal power plants and 30 energy facilities that exclusively use renewable resources with 31 generating capacities from less than three hundred fifty thousand to 32 33 one hundred thousand kilowatts. In addition, applicants may elect to use the siting process established in this chapter for energy 34 35 facilities that exclusively use renewable resources with a generating 36 capacity from less than one hundred thousand to one thousand kilowatts.

- 1 **Sec. 5.** RCW 80.50.090 and 1989 c 175 s 173 are each amended to 2 read as follows:
- (1) The council shall conduct a public hearing in the county of the proposed site ((within sixty days of)) as soon as practicable after receipt of an application for site certification: PROVIDED, That the place of such public hearing shall be as close as practical to the proposed site.
- 8 (2) The council ((must)) shall conduct a public hearing to 9 determine ((at the initial public hearing)) whether or not the proposed 10 site is consistent and in compliance with city, county, or regional land use plans or zoning ordinances and other applicable state and 11 local siting standards. If it is determined that the proposed site 12 does conform with existing land use plans or zoning ordinances in 13 effect as of the date of the application, the county or regional 14 15 planning authority shall not thereafter change such land use plans or 16 zoning ordinances so as to affect the proposed site.
- (3) Prior to the issuance of a council recommendation to the governor under RCW 80.50.100 a public hearing, conducted as an adjudicative proceeding under chapter 34.05 RCW, the Administrative Procedure Act, shall be held. At such public hearing any person shall be entitled to be heard in support of or in opposition to the application for certification.
- 23 (4) Additional public hearings shall be held as deemed appropriate 24 by the council in the exercise of its functions under this chapter.
- 25 **Sec. 6.** RCW 80.50.100 and 1989 c 175 s 174 are each amended to 26 read as follows:
- (1)(a) The council shall report to the governor its recommendations 27 as to the approval or rejection of an application for certification 28 29 within ((twelve)) nine months of receipt by the council of such an 30 application, or such later time as is mutually agreed by the council and the applicant. Pursuant to RCW 34.05.476, the council's report to 31 the governor shall be based on the administrative record developed 32 33 during the public hearing held under RCW 80.50.090(3), along with the environmental impact statement prepared under RCW 43.21C.030, and 34 relevant information presented at other public hearings held by the 35 36 council under this chapter. If the council recommends approval of an 37 application for certification, it shall also submit a draft certification agreement with the report. The council shall include 38

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- 1 conditions in the draft certification agreement to implement the
- 2 provisions of this chapter((, including, but not limited to, conditions
- 3 to protect state or local governmental or community interests affected
- 4 by the construction or operation of the energy facility, and conditions
- 5 designed to recognize the purpose of laws or ordinances, or rules or
- 6 regulations promulgated thereunder, that are preempted or superseded
- 7 pursuant to RCW 80.50.110 as now or hereafter amended)). Any condition
- 8 that constitutes a variance to an otherwise applicable state or local
- 9 standard must be based on a finding that the variance will adequately
- 10 protect against the harm sought to be prevented by the state or local
- 11 standard being varied.
- 12 (b) If a draft certification recommends the use of public property,
- 13 the council's report to the governor shall state the views of state
- 14 agencies or local governments with authority over the public property.
- 15 (2) Within ((sixty)) thirty days of receipt of the council's report
- 16 the governor shall take one of the following actions:
- 17 (a) Approve the application and execute the draft certification
- 18 agreement; or
- 19 (b) Reject the application; or
- 20 (c) Direct the council to reconsider certain aspects of the draft
- 21 certification agreement.
- 22 The council shall reconsider such aspects of the draft
- 23 certification agreement by reviewing the existing record of the
- 24 application or, as necessary, by reopening the adjudicative proceeding
- 25 for the purposes of receiving additional evidence. Such
- 26 reconsideration shall be conducted expeditiously. The council shall
- 27 resubmit the draft certification to the governor incorporating any
- 28 amendments deemed necessary upon reconsideration within forty-five days
- 29 of receipt of such direction for reconsideration. Within ((sixty))
- 30 thirty days of receipt of such draft certification agreement, the
- 31 governor shall either approve the application and execute the
- 32 certification agreement or reject the application. The certification
- 33 agreement shall be binding upon execution by the governor and the
- 34 applicant.
- 35 (3) The rejection of an application for certification by the
- 36 governor shall be final as to that application but shall not preclude
- 37 submission of a subsequent application for the same site on the basis
- 38 of changed conditions or new information.

- NEW SECTION. Sec. 7. A new section is added to chapter 80.50 RCW to read as follows:
- 3 (1) No city or county comprehensive plan or zoning ordinance may 4 preclude the siting of energy facilities.
- 5 (2) The council may adopt standards by rule to guide cities and 6 counties in determining whether a particular comprehensive plan or 7 zoning ordinance provision may have a preclusionary effect on the 8 siting of one or more types of energy facilities.
- 9 <u>NEW SECTION.</u> **Sec. 8.** A new section is added to chapter 80.50 RCW 10 to read as follows:
- The joint select committee on the energy facility site evaluation 11 12 council is created and is composed of one member from each major caucus in the senate, appointed by the president of the senate, and one member 13 14 of each major caucus in the house of representatives, appointed by the 15 appropriate co-speaker of the house of representatives, and the governor or the governor's designee. The joint select committee on the 16 energy facility site evaluation council shall undertake an evaluation 17 18 of the operations of the council to assess means to enhance its 19 efficiency. The assessment must include whether the efficiency of the siting process would be improved by conducting the process under the 20 21 state environmental policy act in a particular sequence relative to the 22 adjudicative proceeding. The results of this assessment may include 23 recommendations for administrative changes, statutory changes, or 24 expanded staffing levels. The governor shall implement the 25 recommendations for enhanced efficiency of the energy facility siting 26 process.
- 27 **Sec. 9.** RCW 80.50.110 and 1975-'76 2nd ex.s. c 108 s 37 are each 28 amended to read as follows:
- (1) If any provision of this chapter is in conflict with any other provision, limitation, or restriction which is now in effect under any other law of this state, or any rule or regulation promulgated thereunder, this chapter shall govern and control and such other law or rule or regulation promulgated thereunder shall be deemed superseded for the purposes of this chapter.
- 35 (2) Except as provided in subsection (3) of this section, the state 36 hereby preempts the regulation and certification of the location,

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1 construction, and operational conditions of certification of the energy

(3) Nothing in this section shall be construed to preempt the

- 2 facilities included under RCW 80.50.060 as now or hereafter amended.
- 4 authority of state agencies or local governments regarding the
- 5 management or use of public property proposed for the siting of energy

6 <u>facilities</u>.

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