AN ACT Relating to creating a framework for reducing greenhouse gases emissions in the Washington economy; amending RCW 70.94.151 and 70.94.161; adding a new section to chapter 47.01 RCW; adding a new section to chapter 43.330 RCW; adding a new chapter to Title 70 RCW; creating a new section; and repealing RCW 80.80.020.

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

NEW SECTION. Sec. 1. (1) The legislature finds that Washington has long been a national and international leader on energy conservation and environmental stewardship, including air quality protection, renewable energy development and generation, emission standards for fossil-fuel based energy generation, energy efficiency programs, natural resource conservation, vehicle emission standards, and the use of biofuels. Washington is also unique among most states in that in addition to its commitment to reduce greenhouse gas emissions, it has established goals to grow the clean energy sector and reduce its expenditures on imported fuels.

(2) The legislature further finds that Washington should continue its leadership on climate change policy by creating accountability for achieving the emission reductions established in section 3 of this act,
participating in the design of a regional multisector market-based system to help achieve those emission reductions, and ensuring the state has a well trained workforce for our clean energy future.

(3) It is the intent of the legislature that the regional multisector market-based system designed as a result of this act will:
(a) Limit and reduce emissions of greenhouse gases consistent with the emission reductions established in section 3 of this act; (b) minimize the potential to export pollution, jobs, and economic opportunities; and (c) reduce emissions at the lowest overall cost to the economy, consumers, and businesses.

(4) It is also the intent of the legislature that the regional multisector market-based system will become effective by January 1, 2012, after authority is provided to the department for its implementation. By acting now, Washington businesses and citizens will have adequate time and opportunities to be well positioned to take advantage of the low-carbon economy and to make necessary investments in low-carbon technology.

(5) It is also the intent of the legislature that the regional multisector market-based system recognize Washington's unique emissions portfolio, the opportunities presented by Washington's abundant forest resources and agriculture land, and the state's leadership in the actions it has already undertaken that have reduced its generation of greenhouse gas emissions.

(6) It is also the intent of the legislature that if any revenues that accrue to the state are created by the multisector market-based system, they will be used to further the state's efforts to achieve the goals established in section 3 of this act, address the impacts of global warming on affected habitats, species, and communities, and increase investment in the clean energy economy particularly for communities and workers that have suffered from heavy job losses and chronic unemployment and underemployment.

NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Carbon dioxide equivalents" has the same meaning as defined in RCW 80.70.010.

(2) "Climate advisory team" means the stakeholder group formed in response to executive order 07-02.
(3) "Climate impacts group" means the University of Washington's climate impacts group.

(4) "Department" means the department of ecology.

(5) "Direct emissions" means emissions from sources of emissions, including stationary combustion sources, mobile combustion emissions, process emissions, and fugitive emissions.

(6) "Director" means the director of the department.

(7) "Downstream" means the point where greenhouse gases are emitted.

(8) "Greenhouse gas" and "greenhouse gas emissions" have the same meaning as "greenhouse gases" as defined in RCW 80.80.010.

(9) "Indirect emissions" means emissions associated with the purchase of electricity, heating, cooling, or steam.

(10) "Leakage" means the movement of manufacturing or other activities that result in greenhouse gas emissions from sources or areas subject to emission limits to sources or areas that are not subject to those limits.

(11) "Motor vehicle" has the same meaning as defined in RCW 46.04.320.

(12) "Person" means an individual, partnership, franchise holder, association, corporation, a state, a city, a county, or any subdivision or instrumentality of a state.

(13) "Program" means the department's climate change program.

(14) "Total greenhouse gas emissions" means all direct emissions and all indirect emissions.

(15) "Upstream" means the point where products that will result in greenhouse gas emissions are produced or come into the state.

(16) "Verifiable" means capable of being substantiated on the basis of information and documentation that can be inspected by one or more parties, and shown to be complete, accurate, and prepared in accordance with publicly available methodologies and protocols for the measurement and quantification of greenhouse gas emissions or sequestered carbon dioxide.

(17) "Western climate initiative" means the collaboration of states, Canadian provinces, Mexican states, and tribes to design a multisector market-based mechanism as directed under the western regional climate action initiative signed by the governor on February 22, 2007.
NEW SECTION. Sec. 3. (1)(a) The department shall develop and implement a program to limit greenhouse gas emissions to achieve the following emission reductions for Washington state:

(i) By 2020, reduce overall greenhouse gas emissions in the state to 1990 levels;

(ii) By 2035, reduce overall greenhouse gas emissions in the state to twenty-five percent below 1990 levels;

(iii) By 2050, the state will do its part to reach global climate stabilization levels by reducing overall emissions to fifty percent below 1990 levels, or seventy percent below the state's expected emissions that year.

(b) Consistent with this directive, the department shall take the following actions:

(i) Develop and implement a system for monitoring and reporting greenhouse gas emissions as required under RCW 70.94.151; and

(ii) Track progress toward meeting the emission reductions established in this subsection, including the results from policies currently in effect that have been previously adopted by the state and policies adopted in the future, and report on that progress.

(2) By December 31st of each even-numbered year beginning in 2010, the department and the department of community, trade, and economic development shall report to the governor and the appropriate committees of the senate and house of representatives the total greenhouse gas emissions for the preceding two years, and totals in each major source sector. The department shall ensure the reporting rules adopted under RCW 70.94.151 allow it to develop a comprehensive inventory of emissions of greenhouse gases from all significant sectors of the Washington economy.

(3)(a) The director shall develop, in coordination with the western climate initiative, a design for a regional multisector market-based system to limit and reduce emissions of greenhouse gas consistent with the emission reductions established in subsection (1) of this section.

(b) By December 1, 2008, the director and the director of the department of community, trade, and economic development shall deliver to the legislature specific recommendations for implementing the preferred design of a regional multisector market-based system. These recommendations must include:
(i) Proposed legislation, necessary funding, and the schedule
necessary to implement the preferred design by January 1, 2012;
(ii) Any changes determined necessary to the reporting requirements
established under RCW 70.94.151; and
(iii) Actions that the state should take to prevent manipulation of
the multisector market-based system designed under this section.
(4) In developing the design of the regional multisector market-
based system under subsection (3) of this section, the department shall
coordinate with the department of community, trade, and economic
development, and to the extent appropriate, the Washington utilities
and transportation commission, the energy facility site evaluation
council, and the department of transportation.
(5) In developing the design for the regional multisector market-
based system under subsection (3) of this section, the department shall
provide opportunity for public review and comment.
(6) In addition to the program development requirements of
subsection (1) of this section, the department and the department of
revenue shall provide a report to the legislature on the potential
design and implementation of other strategies to achieve the greenhouse
gas emission reductions required in this section. Strategies must
include, but not be limited to, direct price signals that may be
implemented in ways that are integrated with the program developed
under subsection (1) of this section.
(7) In addition to the information required under subsection (3)(b)
of this section, the director and the director of the department of
community, trade, and economic development shall submit the following
to the legislature by December 1, 2008:
(a) Information on progress to date in achieving the requirements
of this act;
(b) The final recommendations of the climate advisory team,
including recommended most promising actions to reduce greenhouse gas
emissions or otherwise respond to climate change. These
recommendations must include strategies to adopt a low-carbon fuel
standard, to meet and exceed the renewable fuel standards in RCW
19.112.110 and 19.112.120, and recommendations to increase the use of
clean technology vehicles such as plug-in hybrid electric vehicles,
zero emission vehicles, and other clean vehicle technologies;
(c) A request for additional resources and statutory authority needed to limit and reduce emissions of greenhouse gas consistent with this act including implementation of the most promising recommendations of the climate advisory team;

(d) Recommendations on how local governments could be included in the multisector market-based system designed under subsection (3) of this section; and

(e) Recommendations developed in consultation with the department of natural resources as appropriate for policies or programs that may be part of the regional multisector market-based system designed under subsection (3) of this section, to account for, in a way that contributes to achieving the goals of this section:

(i) Forestry and agricultural practices that remove atmospheric carbon dioxide on a renewable and recurring basis and sequester it in forests, forest products, and agricultural soils; and

(ii) The production and use of energy derived from renewable and recurring biomass sources.

Sec. 4. RCW 70.94.151 and 2005 c 138 s 1 are each amended to read as follows:

(1) The board of any activated authority or the department, may classify air contaminant sources, by ordinance, resolution, rule or regulation, which in its judgment may cause or contribute to air pollution, according to levels and types of emissions and other characteristics which cause or contribute to air pollution, and may require registration or reporting or both for any such class or classes. Classifications made pursuant to this section may be for application to the area of jurisdiction of such authority, or the state as a whole or to any designated area within the jurisdiction, and shall be made with special reference to effects on health, economic and social factors, and physical effects on property. In the case of greenhouse gas emissions as defined in section 2 of this act, the department shall adopt rules requiring reporting of those emissions. The rules must require that emissions from fossil fuels and those from fuels from biomass are reported separately.

(2) Except as provided in subsection (3) of this section, any person operating or responsible for the operation of air contaminant sources of any class for which the ordinances, resolutions, rules or
regulations of the department or board of the authority, require registration ((and)) or reporting shall register therewith and make reports containing information as may be required by such department or board concerning location, size and height of contaminant outlets, processes employed, nature of the contaminant emission and such other information as is relevant to air pollution and available or reasonably capable of being assembled. For greenhouse gas emissions as defined in section 2 of this act, the department shall determine by rule whether an air contaminant source must register with and report to the department. The department or board may require that such registration or reporting be accompanied by a fee, and may determine the amount of such fee for such class or classes: PROVIDED, That the amount of the fee shall only be to compensate for the costs of administering such registration or reporting program which shall be defined as initial registration and annual or other periodic reports from the source owner providing information directly related to air pollution registration, on-site inspections necessary to verify compliance with registration requirements, data storage and retrieval systems necessary for support of the registration program, emission inventory reports and emission reduction credits computed from information provided by sources pursuant to registration program requirements, staff review, including engineering or other reliable analysis for accuracy and currentness, of information provided by sources pursuant to registration program requirements, clerical and other office support provided in direct furtherance of the registration program, and administrative support provided in directly carrying out the registration program: PROVIDED FURTHER, That any such registration made with either the board or the department shall preclude a further registration and reporting with any other board or the department, except for greenhouse gas emissions as defined in section 2 of this act, which must be reported as required under subsection (5) of this section.

All registration program and reporting fees collected by the department shall be deposited in the air pollution control account. All registration program fees collected by the local air authorities shall be deposited in their respective treasuries.

(3) If a registration or report has been filed for a grain warehouse or grain elevator as required under this section, registration, reporting, or a registration program fee shall not, after
January 1, 1997, again be required under this section for the warehouse or elevator unless the capacity of the warehouse or elevator as listed as part of the license issued for the facility has been increased since the date the registration or reporting was last made. If the capacity of the warehouse or elevator listed as part of the license is increased, any registration or reporting required for the warehouse or elevator under this section must be made by the date the warehouse or elevator receives grain from the first harvest season that occurs after the increase in its capacity is listed in the license.

This subsection does not apply to a grain warehouse or grain elevator if the warehouse or elevator handles more than ten million bushels of grain annually.

(4) For the purposes of subsection (3) of this section:

(a) A "grain warehouse" or "grain elevator" is an establishment classified in standard industrial classification (SIC) code 5153 for wholesale trade for which a license is required and includes, but is not limited to, such a licensed facility that also conducts cleaning operations for grain;

(b) A "license" is a license issued by the department of agriculture licensing a facility as a grain warehouse or grain elevator under chapter 22.09 RCW or a license issued by the federal government licensing a facility as a grain warehouse or grain elevator for purposes similar to those of licensure for the facility under chapter 22.09 RCW; and

(c) "Grain" means a grain or a pulse.

(5)(a) Except as provided in (b) of this subsection, the department shall, under the authority granted in subsection (1) of this section, adopt rules requiring annual reporting of total greenhouse gas emissions by any person who operates or is responsible for: (i) Operation of on-road motor vehicles that emit at least twenty-five hundred metric tons of greenhouse gas annually in the state to report the greenhouse gas emissions generated from or emitted by those on-road motor vehicles; or (ii) operations that emit at least ten thousand metric tons of greenhouse gas annually in the state. In calculating greenhouse gas emissions for purposes of determining whether or not reporting is required, only direct emissions shall be included. The greenhouse gas emissions must be reported as carbon dioxide equivalents. The rules must require that persons report 2009 emissions
starting in 2010. The rules must establish an annual reporting schedule that takes into account the time needed to allow the person reporting their greenhouse gas emissions to gather the information needed and to verify the emissions being reported. However, in no event may reports be submitted later than October 31st of the year in which the report is due. The department may phase in the reporting requirements for operations under (a)(ii) of this subsection until the reporting threshold is met, which must be met by January 1, 2012. The department may from time to time amend the rules to include other persons that emit less than the annual greenhouse gas emission levels set out in this subsection if necessary to comply with any federal reporting requirements for greenhouse gas emissions. In its rules, the department may also include reporting of emissions within the threshold established in (a)(ii) of this subsection resulting from upstream and downstream sources.

(b) In its rules, the department may defer the reporting requirement under (a) of this subsection for emissions associated with interstate commercial aircraft, rail, or marine vessels until (i) there is a federal requirement to report these emissions; or (ii) the department finds that there is a generally accepted reporting protocol for determining interstate emissions from these sources.

(c) The department shall share any reporting information reported to it with the local air authority in which the person reporting under the rules adopted by the department operates.

(d) Persons required to report under (a) of this subsection who fail to report or pay the fee are subject to enforcement penalties under this chapter. The department shall enforce the reporting rule requirements unless it approves a local air authority's request to enforce the requirements for persons operating within the authority's jurisdiction.

(e) The energy facility site evaluation council shall, simultaneously with the department, adopt rules that impose the same greenhouse gas reporting requirements in site certifications on persons operating or responsible for the operation of a facility permitted by the energy facility site evaluation council. The department shall share any information reported to it from facilities permitted by the energy facility site evaluation council with the council, including
notice of a facility that has failed to report as required. The energy
facility site evaluation council shall contract with the department to
monitor the reporting requirements adopted under this section.

(f) In developing its rules, the department shall, with the
assistance of the department of transportation, identify a mechanism to
report an aggregate estimate of the annual greenhouse gas emissions
generated from or emitted by otherwise unreported on-road motor
vehicles.

(g) The inclusion or failure to include any person, classes of
persons, or types of greenhouse gas emissions into the department's
rules for reporting under this section does not indicate whether such
a person or category is appropriate for inclusion in the multisector
market-based system designed under section 3 of this act.

(h) Should the federal government adopt rules governing the
reporting of greenhouse gases, the department shall propose amendments
to its rules, as necessary, to ensure administrative consistency with
the federal rules and ensure duplicate reporting is not required.
Nothing in this section requires the department to increase the
reporting threshold established in (a) of this subsection or otherwise
requires the department's rules be identical to the federal rules in
scope.

(i) The definitions in section 2 of this act apply throughout this
subsection (5) unless the context clearly requires otherwise.

Sec. 5. RCW 70.94.161 and 1993 c 252 s 5 are each amended to read
as follows:

The department of ecology, or board of an authority, shall require
renewable permits for the operation of air contaminant sources subject
to the following conditions and limitations:

(1) Permits shall be issued for a term of five years. A permit may
be modified or amended during its term at the request of the permittee,
or for any reason allowed by the federal clean air act. The rules
adopted pursuant to subsection (2) of this section shall include rules
for permit amendments and modifications. The terms and conditions of
a permit shall remain in effect after the permit itself expires if the
permittee submits a timely and complete application for permit renewal.

(2)(a) Rules establishing the elements for a statewide operating
permit program and the process for permit application and renewal

2SHB 2815 p. 10
consistent with federal requirements shall be established by the department by January 1, 1993. The rules shall provide that every proposed permit must be reviewed prior to issuance by a professional engineer or staff under the direct supervision of a professional engineer in the employ of the permitting authority. The permit program established by these rules shall be administered by the department and delegated local air authorities. Rules developed under this subsection shall not preclude a delegated local air authority from including in a permit its own more stringent emission standards and operating restrictions.

(b) The board of any local air pollution control authority may apply to the department of ecology for a delegation order authorizing the local authority to administer the operating permit program for sources under that authority's jurisdiction. The department shall, by order, approve such delegation, if the department finds that the local authority has the technical and financial resources, to discharge the responsibilities of a permitting authority under the federal clean air act. A delegation request shall include adequate information about the local authority's resources to enable the department to make the findings required by this subsection((provided)). However, any delegation order issued under this subsection shall take effect ninety days after the environmental protection agency authorizes the local authority to issue operating permits under the federal clean air act.

(c) Except for the authority granted the energy facility site evaluation council to issue permits for the new construction, reconstruction, or enlargement or operation of new energy facilities under chapter 80.50 RCW, the department may exercise the authority, as delegated by the environmental protection agency, to administer Title IV of the federal clean air act as amended and to delegate such administration to local authorities as applicable pursuant to (b) of this subsection.

(3) In establishing technical standards, defined in RCW 70.94.030, the permitting authority shall consider and, if found to be appropriate, give credit for waste reduction within the process.

(4) Operating permits shall apply to all sources (a) where required by the federal clean air act, and (b) for any source that may cause or contribute to air pollution in such quantity as to create a threat to the public health or welfare. Subsection (b) of this subsection is not
intended to apply to small businesses except when both of the following limitations are satisfied: (i) The source is in an area exceeding or threatening to exceed federal or state air quality standards; and (ii) the department provides a reasonable justification that requiring a source to have a permit is necessary to meet a federal or state air quality standard, or to prevent exceeding a standard in an area threatening to exceed the standard. For purposes of this subsection "areas threatening to exceed air quality standards" shall mean areas projected by the department to exceed such standards within five years. Prior to identifying threatened areas the department shall hold a public hearing or hearings within the proposed areas.

(5) Sources operated by government agencies are not exempt under this section.

(6) Within one hundred eighty days after the United States environmental protection agency approves the state operating permit program, a person required to have a permit shall submit to the permitting authority a compliance plan and permit application, signed by a responsible official, certifying the accuracy of the information submitted. Until permits are issued, existing sources shall be allowed to operate under presently applicable standards and conditions provided that such sources submit complete and timely permit applications.

(7) All draft permits shall be subject to public notice and comment. The rules adopted pursuant to subsection (2) of this section shall specify procedures for public notice and comment. Such procedures shall provide the permitting agency with an opportunity to respond to comments received from interested parties prior to the time that the proposed permit is submitted to the environmental protection agency for review pursuant to section 505(a) of the federal clean air act. In the event that the environmental protection agency objects to a proposed permit pursuant to section 505(b) of the federal clean air act, the permitting authority shall not issue the permit, unless the permittee consents to the changes required by the environmental protection agency.

(8) The procedures contained in chapter 43.21B RCW shall apply to permit appeals. The pollution control hearings board may stay the effectiveness of any permit issued under this section during the pendency of an appeal filed by the permittee, if the permittee demonstrates that compliance with the permit during the pendency of the
appeal would require significant expenditures that would not be necessary in the event that the permittee prevailed on the merits of the appeal.

(9) After the effective date of any permit program promulgated under this section, it shall be unlawful for any person to: (a) Operate a permitted source in violation of any requirement of a permit issued under this section; or (b) fail to submit a permit application at the time required by rules adopted under subsection (2) of this section.

(10) Each air operating permit shall state the origin of and specific legal authority for each requirement included therein. Every requirement in an operating permit shall be based upon the most stringent of the following requirements:

(a) The federal clean air act and rules implementing that act, including provision of the approved state implementation plan;
(b) This chapter and rules adopted thereunder;
(c) In permits issued by a local air pollution control authority, the requirements of any order or regulation adopted by that authority;
(d) Chapter 70.98 RCW and rules adopted thereunder; and
(e) Chapter 80.50 RCW and rules adopted thereunder.

(11) Consistent with the provisions of the federal clean air act, the permitting authority may issue general permits covering categories of permitted sources, and temporary permits authorizing emissions from similar operations at multiple temporary locations.

(12) Permit program sources within the territorial jurisdiction of an authority delegated the operating permit program shall file their permit applications with that authority, except that permit applications for sources regulated on a statewide basis pursuant to RCW 70.94.395 shall be filed with the department. Permit program sources outside the territorial jurisdiction of a delegated authority shall file their applications with the department. Permit program sources subject to chapter 80.50 RCW shall, irrespective of their location, file their applications with the energy facility site evaluation council.

(13) When issuing operating permits to coal fired electric generating plants, the permitting authority shall establish requirements consistent with Title IV of the federal clean air act.
(14)(a) The department and the local air authorities are authorized to assess and to collect, and each source emitting one hundred tons or more per year of a regulated pollutant shall pay an interim assessment to fund the development of the operating permit program during fiscal year 1994.

(b) The department shall conduct a workload analysis and prepare an operating permit program development budget for fiscal year 1994. The department shall allocate among all sources emitting one hundred tons or more per year of a regulated pollutant during calendar year 1992 the costs identified in its program development budget according to a three-tiered model, with each of the three tiers being equally weighted, based upon:

(i) The number of sources;

(ii) The complexity of sources; and

(iii) The size of sources, as measured by the quantity of each regulated pollutant emitted by the source.

(c) Each local authority and the department shall collect from sources under their respective jurisdictions the interim fee determined by the department and shall remit the fee to the department.

(d) Each local authority may, in addition, allocate its fiscal year 1994 operating permit program development costs among the sources under its jurisdiction emitting one hundred tons or more per year of a regulated pollutant during calendar year 1992 and may collect an interim fee from these sources. A fee assessed pursuant to this subsection (14)(d) shall be collected at the same time as the fee assessed pursuant to (c) of this subsection.

(e) The fees assessed to a source under this subsection shall be limited to the first seven thousand five hundred tons for each regulated pollutant per year.

(15)(a) The department shall determine the persons liable for the fee imposed by subsection (14) of this section, compute the fee, and provide by November 1, 1993, the identity of the fee payer with the computation of the fee to each local authority and to the department of revenue for collection. The department of revenue shall collect the fee computed by the department from the fee payers under the jurisdiction of the department. The administrative, collection, and penalty provisions of chapter 82.32 RCW shall apply to the collection of the fee by the department of revenue. The department
shall provide technical assistance to the department of revenue for decisions made by the department of revenue pursuant to RCW 82.32.160 and 82.32.170. All interim fees collected by the department of revenue on behalf of the department and all interim fees collected by local authorities on behalf of the department shall be deposited in the air operating permit account. The interim fees collected by the local air authorities to cover their permit program development costs under subsection (14)(d) of this section shall be deposited in the dedicated accounts of their respective treasuries.

(b) All fees identified in this section shall be due and payable on March 1, 1994, except that the local air pollution control authorities may adopt by rule an earlier date on which fees are to be due and payable. The section 5, chapter 252, Laws of 1993 amendments to RCW 70.94.161 do not have the effect of terminating, or in any way modifying, any liability, civil or criminal, incurred pursuant to the provisions of RCW 70.94.161 (15) and (17) as they existed prior to July 25, 1993.

(16) For sources or source categories not required to obtain permits under subsection (4) of this section, the department or local authority may establish by rule control technology requirements. If control technology rule revisions are made by the department or local authority under this subsection, the department or local authority shall consider the remaining useful life of control equipment previously installed on existing sources before requiring technology changes. The department or any local air authority may issue a general permit, as authorized under the federal clean air act, for such sources.

(17) Except in the case of greenhouse gas emissions as defined in section 2 of this act, RCW 70.94.151 shall not apply to any permit program source after the effective date of United States environmental protection agency approval of the state operating permit program.

NEW SECTION. Sec. 6. Within eighteen months of the next and each successive global or national assessment of climate change science, the department shall consult with the climate impacts group at the University of Washington regarding the science on human-caused climate change and provide a report to the legislature summarizing that science
and make recommendations regarding whether the greenhouse gas emissions reductions required under section 3 of this act need to be updated.

NEW SECTION. Sec. 7. A new section is added to chapter 47.01 RCW to read as follows:

(1) To support the implementation of RCW 47.04.280 and 47.01.078(4), the department shall adopt broad statewide goals to reduce annual per capita vehicle miles traveled by 2050 consistent with the stated goals of executive order 07-02. Consistent with these goals, the department shall:

(a) Work with the climate advisory team and develop recommendations to:

(i) Decrease the annual per capita vehicle miles traveled by eighteen percent by 2020;

(ii) Decrease the annual per capita vehicle miles traveled by thirty percent by 2035; and

(iii) Decrease the annual per capita vehicle miles traveled by fifty percent by 2050; and

(b) Include in those recommendations a set of tools and best practices to assist state, regional, and local entities in making progress towards the recommendations established in this subsection.

(3) The climate advisory team process must:

(a) Provide for participation from regional transportation planning organizations, the Washington state transit association, the Puget Sound clean air agency, and at least one major private employer that participates in the commute trip reduction program;

(b) Identify current strategies to reduce vehicle miles traveled in the state as well as successful strategies in other jurisdictions that may be applicable in the state; and

(c) Identify potential new revenue options for local and regional governments to authorize to finance vehicle miles traveled reduction efforts.

(4) The definitions in section 2 of this act apply throughout this section unless the context clearly requires otherwise.

NEW SECTION. Sec. 8. A new section is added to chapter 43.330 RCW to read as follows:

(1) The legislature establishes the clean energy jobs growth
initiative in support of a clean energy sector jobs goal of, by 2020, increasing the number of clean energy sector jobs to twenty-five thousand from the eight thousand four hundred jobs the state had in 2004. The department, in consultation with the University of Washington business and economic development center, shall: Analyze the current opportunities for and participation in the clean energy economy by minority and women-owned business enterprises in Washington; identify existing barriers to their successful participation in the clean energy economy; and develop strategies with specific policy recommendations to improve their successful participation in the clean energy economy. The research may be informed by the research of the Puget Sound regional council prosperity partnership, as well as other entities. The department shall report to the appropriate committees of the house of representatives and the senate on their research, analysis, and recommendations by December 1, 2008.

(2) The legislature directs the employment security department, in consultation with the department, the state workforce training and education coordinating board, and the Washington State University extension energy program to conduct a survey of employers to estimate the number of clean energy firms in existing Washington state industries. The survey must also provide wage and employment estimates for clean energy sectors. After completing the survey, the employment security department must analyze the current labor market and projected job growth in clean energy sectors, the wage and benefits ranges of jobs within clean energy sectors, and the education and training requirements of entry-level and incumbent workers within those sectors. Based on this research, the department, in consultation with the employment security department, and taking into account the requirements and goals of chapters 80.80 and 19.285 RCW and other state clean energy and energy efficiency policies, shall propose which industries will be considered high-demand green industries, based on current and projected job creation and their strategic importance to the development of the state's clean energy economy, and which jobs within those industries will be considered high-wage occupations and occupations that are part of career pathways to the same, based on family-sustaining wage and benefits ranges. These designations, and the results of the employment security department's broader labor market research, shall inform the planning and strategic direction of
the selected industry skill panels under subsection (3) of this section, where timely and relevant, and the selection by the state board for community and technical colleges of recipients of green collar job training account grants under subsection (4) of this section.

(3) The state workforce training and education coordinating board shall create and pilot green energy industry skill panels and distribute grants to the panels on a competitive basis. The green energy industry skill panels consist of business representatives from industry sectors related to clean energy, labor unions representing workers in those industries or labor affiliates administering state-approved, joint apprenticeship programs or labor-management partnership programs that train workers for these industries, employer associations, educational institutions, and local workforce investment boards within the region that the panels propose to operate, and other key stakeholders as determined by the applicant. Any of these stakeholder organizations are eligible to receive a grant and serve as the intermediary that convenes and leads the panel. Panel applicants must provide labor market and industry analysis that demonstrates high demand, or demand of strategic importance to the development of the state's clean energy economy as identified in subsection (2) of this section, for high-wage occupations, or occupations that are part of career pathways to the same, within the relevant industry sector. The panel shall:

(a) Conduct labor market and industry analyses, in consultation with the employment security department, and drawing on the findings of its research when available;

(b) Plan strategies to meet the recruitment and training needs of the industry; and

(c) Leverage and align other public and private funding sources.

(4)(a) The green collar job training account is created in the state treasury. All receipts from appropriations directed to the account must be deposited in the account. Expenditures from the account may be used only for the purpose of training workers for high-wage occupations or occupations that are part of career pathways to the same in high-demand industries related to clean energy. The state board for community and technical colleges, in consultation with the state workforce training and education coordinating board, and
informed by the labor market research of the employment security department and the green energy industry skill panels, may authorize expenditures from the account. The state board for community and technical colleges will distribute grants from the account on a competitive basis. Applicants eligible to receive these grants may be any organization or a partnership of organizations that has demonstrated expertise in:

(i) Implementing effective education and training programs that meet industry demand; and

(ii) Recruiting and supporting, to successful completion of those training programs carried out under these grants, the target populations of workers under (c) of this subsection.

(b) In awarding grants from the green collar job training account, the state board for community and technical colleges shall give priority to applicants that demonstrate the ability to:

(i) Use labor market and industry analysis developed by the employment security department and green energy industry skill panels under subsection (3) of this section in the design and delivery of the relevant education and training program, and otherwise utilize strategies developed by green energy industry skill panels;

(ii) Leverage and align existing public programs and resources and private resources, toward the goal of recruiting, supporting, educating, and training target populations of workers under (c) of this subsection;

(iii) Work collaboratively with other relevant stakeholders in the regional economy;

(iv) Link adult basic and remedial education, where necessary, with occupation skills training;

(v) Involve employers and, where applicable, labor unions in the determination of relevant skills and competencies and, where relevant, the validation of career pathways; and

(vi) Ensure that supportive services, where necessary, are integrated with education and training, and delivered by organizations with direct access to and experience with targeted population of workers identified under (c) of this subsection.

(c) Target populations of workers include:

(i) Low-income adults and youth in families under two hundred
percent of the federal poverty guidelines or a locally defined
self-sufficiency standard;

(ii) Entry-level or incumbent workers in high-demand green
industries who are in, or are preparing for, high-wage occupations;
(iii) Dislocated workers in declining industries who may be
retrained for high-wage occupations in high-demand green industries;
(iv) Adults and youth eligible to participate in the opportunity
grant program pursuant to RCW 28B.50.271; or
(v) Eligible veteran or national guard member.

(d) Allowable uses of these grant funds, which should be used when
other public or private funds are insufficient or unavailable, may
include:

(i) Tuition assistance and the purchase of either books or
work-related supplies and tools, or both;
(ii) Curriculum development;
(iii) Outreach, recruitment, career guidance, counseling, and case
management services;
(iv) Occupational skills training, on-the-job training, customized
training, and classroom training;
(v) Basic skills, literacy, general education development
certificate, English as a second language, and preapprenticeship
training;
(vi) Transitional jobs strategies; and
(vii) Support services, including income support, child care,
transportation, and related services.

(e) Training and education programs identified within high-demand
green industries or high-wage occupations and occupations that are part
of career pathways within high-demand green industries are eligible to
participate in the opportunity grant program under RCW 28B.50.271.

(5) Beginning in 2010, the state workforce training and education
coordinating board shall conduct an evaluation of the job training
program established in subsection (4) of this section. The evaluation
shall include, but not be limited to, measures of employment, earnings,
and skill attainment for participants in the program. The workforce
training and education coordinating board shall report the findings of
the evaluation to the governor and the relevant policy committees of
the legislature by December 1, 2012.
NEW SECTION. Sec. 9. Except where explicitly stated otherwise, nothing in this act alters or limits any authorities of the department as they existed prior to the effective date of this section.

NEW SECTION. Sec. 10. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 11. RCW 80.80.020 (Greenhouse gases emissions reduction--Clean energy economy--Goals--Reports) and 2007 c 307 s 3 are each repealed.

NEW SECTION. Sec. 12. Sections 1 through 3, 6, 9, and 10 of this act constitute a new chapter in Title 70 RCW.

NEW SECTION. Sec. 13. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2008, in the omnibus appropriations act, this act is null and void.

--- END ---