CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 6468

Chapter 287, Laws of 2010

61st Legislature
2010 Regular Session

LOW-INCOME RESIDENTIAL WEATHERIZATION AND STRUCTURAL REHABILITATION

EFFECTIVE DATE: 06/10/10

Passed by the Senate March 9, 2010
YEAS 47  NAYS 0

BRAD OWEN
President of the Senate

Passed by the House March 2, 2010
YEAS 64  NAYS 33

FRANK CHOPP
Speaker of the House of Representatives

Approved April 1, 2010, 3:14 p.m.

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is ENGROSSED SUBSTITUTE SENATE BILL 6468 as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN
Secretary

FILED
April 2, 2010

CHRISTINE GREGOIRE
Governor of the State of Washington

Secretary of State
State of Washington
AN ACT Relating to coordinating the weatherization and structural rehabilitation of residential structures; amending RCW 70.164.010, 70.164.030, 70.164.040, and 70.164.070; and reenacting and amending RCW 70.164.020.

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

Sec. 1. RCW 70.164.010 and 1987 c 36 s 1 are each amended to read as follows:

(1) The legislature finds and declares that weatherization of the residences of low-income households will help conserve energy resources in this state and can reduce the need to obtain energy from more costly conventional energy resources. The legislature also finds that rising energy costs have made it difficult for low-income citizens of the state to afford adequate fuel for residential space heat. Weatherization of residences will lower energy consumption, making space heat more affordable for persons in low-income households. It will also reduce the uncollectible accounts of fuel suppliers resulting from low-income customers not being able to pay fuel bills.) while many efforts have been made by the federal government and by the state, including its cities, counties, and utilities, to increase both the
habitability and the energy efficiency of residential structures within
the state, stronger coordination of these efforts will result in even
greater energy efficiencies, increased cost savings to the state's
residents in the form of lower utility bills, improvements in health
and safety, lower greenhouse gas emissions and associated climate
impacts, as well as increased employment for the state's workforce.

(2) Therefore, it is the intent of the legislature that state funds
be dedicated to weatherization and energy efficiency activities as well
as the moderate to significant repair and rehabilitation of residential
structures that are required as a necessary antecedent to those
activities. It is also the intent of the legislature that the
department prioritize weatherization, energy efficiency activities, and
structural repair of residential structures to facilitate the
expeditious allocation of funds from federal energy efficiency programs
including, but not limited to, the weatherization assistance program,
the energy efficiency and conservation block grant program, residential
energy efficiency components of the state energy program, and the
retrofit ramp-up program for energy efficiency projects. The
legislature further intends to allocate future distributions of energy-
related federal jobs stimulus funding to strengthen these programs, and
to coordinate energy retrofit and rehabilitation improvements as
authorized by this act to increase the number of structures qualifying
for assistance under these multiple state and federal energy efficiency
programs.

(3) The program implementing the policy of this chapter is
necessary to support the poor and infirm and also to benefit the
health, safety, and general welfare of all citizens of the state.

Sec. 2. RCW 70.164.020 and 2009 c 565 s 51 and 2009 c 379 s 201
are each reenacted and amended to read as follows:

The definitions in this section apply throughout this chapter
unless the context clearly requires otherwise.

(1) "Credit enhancement" means instruments that enhance the
security for the payment of the lender's obligations and includes, but
is not limited to insurance, letters of credit, lines of credit, or
other similar agreements.

(2) "Department" means the department of commerce.

"Direct outreach" means:
(a) The use of door-to-door contact, community events, and other methods of direct interaction with customers to inform them of energy efficiency and weatherization opportunities; and

(b) The performance of energy audits.

"Energy audit" means an analysis of a dwelling unit to determine the need for cost-effective energy conservation measures as determined by the department.

"Energy efficiency services" means energy audits, weatherization, energy efficiency retrofits, energy management systems as defined in RCW 39.35.030, and other activities to reduce a customer's energy consumption, and includes assistance with paperwork, arranging for financing, program design and development, and other postenergy audit assistance and education to help customers meet their energy saving goals.

"Financial institution" means any person doing business under the laws of this state or the United States relating to banks, bank holding companies, savings banks, trust companies, savings and loan associations, credit unions, consumer loan companies, equipment leasing and project finance and the affiliates, subsidiaries, and service corporations thereof.

"Household" means an individual or group of individuals living in a dwelling unit as defined by the department.

"Low income" means household income as defined by the department, provided that the definition may not exceed eighty percent of median household income, adjusted for household size, for the county in which the dwelling unit to be weatherized is located.

"Nonutility sponsor" means any sponsor other than a public service company, municipality, public utility district, mutual or cooperative, furnishing gas or electricity used to heat low-income residences.

"Residence" means a dwelling unit as defined by the department.

"Sponsor" means any entity that submits a proposal under RCW 70.164.040, including but not limited to any local community action agency, tribal nation, community service agency, or any other participating agency or any public service company, municipality, public utility district, mutual or cooperative, or any combination of such entities that jointly submits a proposal.
"Sponsor match" means the share of the cost of weatherization to be paid by the sponsor.

"Sustainable residential weatherization" or "weatherization" means activities that use funds administered by the department for one or more of the following: (a) Energy and resource conservation; (b) energy efficiency improvements; (c) repairs, indoor air quality improvements, and health and safety improvements; and (d) client education. Funds administered by the department for activities authorized under this subsection may only be used for the preservation of a dwelling unit occupied by a low-income household and must, to the extent feasible, be used to support and advance sustainable technologies.

"Weatherizing agency" means any approved department grantee, tribal nation, or any public service company, municipality, public utility district, mutual or cooperative, or other entity that bears the responsibility for ensuring the performance of weatherization of residences under this chapter and has been approved by the department.

Sec. 3. RCW 70.164.030 and 1991 sp.s. c 13 s 62 are each amended to read as follows:

(1) The low-income weatherization and structural rehabilitation assistance account is created in the state treasury. All moneys from the money distributed to the state pursuant to Exxon v. United States, 561 F.Supp. 816 (1983), affirmed 773 F.2d 1240 (1985), or any other oil overcharge settlements or judgments distributed by the federal government, that are allocated to the low-income weatherization and structural rehabilitation assistance account shall be deposited in the account. The department may accept such gifts, grants, and endowments from public or private sources as may be made from time to time, in trust or otherwise, and shall deposit such funds in the account. Any moneys received from sponsor match payments shall be deposited in the account. The legislature may also appropriate moneys to the account. Moneys in the account shall be spent pursuant to appropriation and only for the purposes and in the manner provided in RCW 70.164.040. Any moneys appropriated that are not spent by the department shall return to the account.
The purposes of the low-income weatherization and structural rehabilitation assistance account are to:

(a) Maximize the number of energy efficient residential structures in the state;
(b) Achieve the greatest possible expected monetary and energy savings by low-income households and other energy consumers over the longest period of time;
(c) Identify and correct, to the extent practicable, health and safety problems for residents of low-income households, including asbestos, lead, and mold hazards;
(d) Leverage the many available state and federal programs aimed at increasing the quality and energy efficiency of low-income residences in the state;
(e) Create family-wage jobs that may lead to careers in the construction trades or in the energy efficiency sectors; and
(f) Leverage, to the extent feasible, sustainable technologies, practices, and designs, including renewable energy systems.

Sec. 4. RCW 70.164.040 and 2009 c 379 s 202 are each amended to read as follows:
(1) The department shall solicit proposals for low-income weatherization programs from potential sponsors. A proposal shall state the amount of the sponsor match, the amount requested, the name of the weatherizing agency, and any other information required by the department.

(2)(a) A sponsor may use its own moneys, including corporate or ratepayer moneys, or moneys provided by landlords, charitable groups, government programs, the Bonneville power administration, or other sources to pay the sponsor match.
(b) Moneys provided by a sponsor pursuant to requirements in this section shall be in addition to and shall not supplant any funding for low-income weatherization that would otherwise have been provided by the sponsor or any other entity enumerated in (a) of this subsection.
(c) No proposal may require any contribution as a condition of weatherization from any household whose residence is weatherized under the proposal.
(d) Proposals shall provide that full levels of all cost-effective,
structurally feasible, sustainable residential weatherization materials, measures, and practices, as determined by the department, shall be installed when a low-income residence is weatherized.

(3)(a) The department may in its discretion accept, accept in part, or reject proposals submitted.

(b) The department shall prioritize allocating funds from the low-income weatherization and rehabilitation account to projects that maximize energy efficiency and extend the usable life of an affordable home by: (i) Installing energy efficiency measures; and (ii) providing structural rehabilitation and repairs, so that funding from federal energy efficiency programs, such as the weatherization assistance program, the energy efficiency and conservation block grant program, residential energy efficiency components of the state energy program, and the retrofit ramp-up program is distributed expeditiously.

(c) When allocating funds from the low-income weatherization and rehabilitation account, the department shall, to the extent feasible, consider local and state benefits including pledged sponsor match, available energy efficiency, repair, and rehabilitation funds from other sources, the preservation of affordable housing, and balance of participation in proportion to population among low-income households for: (i) Geographic regions in the state; (ii) types of fuel used for heating, except that the department shall encourage the use of energy efficient sustainable technologies; (iii) owner-occupied and rental residences; and (iv) single-family and multifamily dwellings.

(d) The department shall then allocate funds appropriated from the low-income weatherization and structural rehabilitation assistance account for energy efficiency and repair activities among proposals accepted or accepted in part ((so as to:

(i) Achieve the greatest possible expected monetary and energy savings by low-income households and other energy consumers over the longest period of time;

(ii) Identify and correct, to the extent practical, health and safety problems for residents of low-income households, including asbestos, lead, and mold hazards;

(iii) Create family-wage jobs that may lead to careers in the construction trades or in the energy efficiency sectors; and

(iv) Leverage, to the extent feasible, environmentally friendly sustainable technologies, practices, and designs)).
The department shall, to the extent feasible, ensure a balance of participation in proportion to population among low-income households for: (i) Geographic regions in the state; (ii) types of fuel used for heating, except that the department shall encourage the use of energy efficient sustainable technologies; (iii) owner-occupied and rental residences; and—(iv) single-family and—multifamily dwellings.

The department shall develop policies to ensure prudent, cost-effective investments are made in homes and buildings requiring energy efficiency, repair, and rehabilitation improvements that will maximize energy savings and extend the life of a home.

The department shall give priority to the structural rehabilitation and weatherization of dwelling units occupied by low-income households with incomes at or below one hundred twenty-five percent of the federally established poverty level.

The department may allocate funds to a nonutility sponsor without requiring a sponsor match if the department determines that such an allocation is necessary to provide the greatest benefits to low-income residents of the state.

The department shall require weatherizing agencies to employ individuals trained from workforce training and apprentice programs established under chapter 536, Laws of 2009 if these workers are available, pay prevailing wages under chapter 39.12 RCW, hire from the community in which the program is located, and create employment opportunities for veterans, members of the national guard, and low-income and disadvantaged populations.

A sponsor may elect to: (i) Pay a sponsor match as a lump sum at the time of structural rehabilitation or weatherization; or (ii) make yearly payments to the low-income weatherization and structural rehabilitation assistance account over a period not to exceed ten years. If a sponsor elects to make yearly payments, the value of the payments shall not be less than the value of the lump sum payment that would have been made under (a)(i) of this subsection.

The department may permit a sponsor to meet its match requirement in whole or in part through providing labor, materials, or other in-kind expenditures.

Service providers receiving funding under this section must report to the department every six months following the
receipt of a grant regarding the number of dwelling units) at least quarterly, or in alignment with federal reporting, whichever is the greater frequency, the project costs, and the number of dwelling units repaired, rehabilitated, and weatherized, the number of jobs created or maintained, and the number of individuals trained through workforce training and apprentice programs((, with the last report submitted six months after program completion)). The director of the department shall review the accuracy of these reports.

(6) The department shall adopt rules to carry out this section.

Sec. 5. RCW 70.164.070 and 1987 c 36 s 7 are each amended to read as follows:

Payments to the low-income weatherization and structural rehabilitation assistance account shall be treated, for purposes of state law, as payments for energy conservation and shall be eligible for any tax credits or deductions, equity returns, or other benefits for which conservation investments are eligible.

Passed by the Senate March 9, 2010.
Passed by the House March 2, 2010.
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