

E2SHB 1110 - S COMM AMD

By Committee on Environment, Energy & Technology

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that rapid
4 innovations in low-carbon transportation technologies, including
5 electric vehicles and clean transportation fuels, are at the
6 threshold of widespread commercial deployment. In order to help
7 prompt the use of clean fuels, other states have successfully
8 implemented programs that reduce the carbon intensity of their
9 transportation fuels. Without disruptions to fuel markets or
10 significant impacts to the costs of transportation fuels, California
11 and Oregon have both implemented low carbon fuel standards that are
12 similar to the program created in this act. Washington state has
13 extensively studied the potential impact of a clean fuels program,
14 and most projections show that a low carbon fuel standard would
15 decrease greenhouse gas and conventional air pollutant emissions,
16 while positively impacting the state's economy.

17 (2) The legislature further finds that the health and welfare of
18 the people of the state of Washington is threatened by the prospect
19 of crumbling or swamped coastlines, rising water, and more intense
20 forest fires caused by higher temperatures and related droughts, all
21 of which are intensified and made more frequent by the volume of
22 greenhouse gas emissions. As of 2015, the transportation sector
23 contributes forty-three percent of Washington's greenhouse gas
24 emissions, and the legislature's interest in the life cycle of the
25 fuels used in the state arises from a concern for the effects of the
26 production and use of these fuels on Washington's environment and
27 public health, including its air quality, snowpack, and coastline.

28 (3) The legislature finds that the people already pay the costs
29 of multiple taxes and regulatory mandates on each molecule of fossil
30 fuels used for transportation, including:

31 (a) The state oil spill response tax;

1 (b) The state oil spill administration tax;

2 (c) The state hazardous substance tax used to fund the state
3 toxics control account, the local toxics control account, and the
4 environmental legacy and stewardship account;

5 (d) The combined state and federal motor vehicle 67.8 cent taxes
6 to fund transportation projects;

7 (e) The federal leaking underground storage tank tax and the
8 state petroleum products tax for underground storage tanks;

9 (f) Applicable state and local sales taxes; and

10 (g) The federal renewable fuel standard.

11 (4) Therefore, it is the intent of the legislature to support the
12 deployment of clean transportation fuel technologies through a
13 carefully designed program that reduces the carbon intensity of fuel
14 used in Washington, in order to:

15 (a) Reduce levels of conventional air pollutants from diesel and
16 gasoline that are harmful to public health;

17 (b) Reduce greenhouse gas emissions associated with
18 transportation fuels, which are the state's largest source of
19 greenhouse gas emissions; and

20 (c) Create jobs and spur economic development based on innovative
21 clean fuel technologies.

22 NEW SECTION. **Sec. 2.** The definitions in this section apply
23 throughout this section and sections 3 through 13 of this act unless
24 the context clearly indicates otherwise.

25 (1) "Carbon dioxide equivalents" has the same meaning as defined
26 in RCW 70.235.010.

27 (2) "Clean fuels program" means the requirements established by
28 this act.

29 (3) "Cost" means an expense connected to the manufacture,
30 distribution, or other aspects of the provision of a transportation
31 fuel product.

32 (4) "Credit" means a unit of measure equal to one metric ton of
33 carbon dioxide equivalents.

34 (5) "Deficit" means a unit of measure generated when a
35 transportation fuel with a carbon intensity that is greater than the
36 applicable standard adopted by the department under section 3 of this
37 act is produced, imported, or dispensed for use in Washington, such
38 that one deficit is equal to one metric ton of carbon dioxide
39 equivalents.

1 (6) "Electric utility" means a consumer-owned utility or
2 investor-owned utility, as those terms are defined in RCW 19.29A.010.

3 (7) "Greenhouse gas" has the same meaning as defined in RCW
4 70.235.010.

5 (8) "Military tactical vehicle" means a motor vehicle owned by
6 the United States department of defense or the United States military
7 services and that is used in combat, combat support, combat service
8 support, tactical or relief operations, or training for such
9 operations.

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

12 (10) "Price" means the amount of payment or compensation provided
13 as consideration for a specified quantity of transportation fuel by a
14 consumer or end user of the transportation fuel.

15 (11) "Renewable hydrogen" means hydrogen produced using renewable
16 resources both as the source for the hydrogen and the source for the
17 energy input into the production process.

18 (12) "Renewable natural gas" means a gas consisting largely of
19 methane and other hydrocarbons derived from the decomposition of
20 organic material in landfills, wastewater treatment facilities, and
21 anaerobic digesters.

22 (13) "Renewable resource" means: (a) Water; (b) wind; (c) solar
23 energy; (d) geothermal energy; (e) renewable natural gas as defined
24 in RCW 54.04.190; (f) renewable hydrogen; (g) wave, ocean, or tidal
25 power; (h) biodiesel fuel that is not derived from crops raised on
26 land cleared from old growth or first growth forests; or (i) biomass
27 energy.

28 (14)(a) "Tactical support equipment" means equipment using a
29 portable engine, including turbines, that meets military
30 specifications, owned by the United States military services or its
31 allies, and that is used in combat, combat support, combat service
32 support, tactical or relief operations, or training for such
33 operations.

34 (b) "Tactical support equipment" includes, but is not limited to,
35 engines associated with portable generators, aircraft start carts,
36 heaters, and lighting carts.

37 (15) "Transportation fuel" means electricity and any liquid or
38 gaseous fuel sold, supplied, offered for sale, or used for the
39 propulsion of a motor vehicle or that is intended for use for
40 transportation purposes.

1 NEW SECTION. **Sec. 3.** (1) The department shall adopt rules that
2 establish standards that reduce the greenhouse gas emissions per unit
3 of fuel energy (carbon intensity) in transportation fuels used in
4 Washington. The standards established by the rules must be based on
5 the carbon intensity of gasoline and gasoline substitutes and the
6 carbon intensity of diesel and diesel substitutes. The rules adopted
7 under this section must reduce the greenhouse gas emissions
8 attributable to each unit of the fuels to ten percent below 2017
9 levels by 2028 and twenty percent below 2017 levels by 2035. The
10 rules must establish a start date for the clean fuels program of no
11 later than January 1, 2021. To the extent the requirements of this
12 act conflict with the requirements of chapter 19.112 RCW, the
13 requirements of this act prevail.

14 (2) The direction to the department to adopt rules under this
15 section is not an acknowledgment, denial, or limitation of any
16 authority of the department that existed prior to the effective date
17 of this section to adopt rules related to the greenhouse gas
18 emissions intensity of fuel under other provisions of this chapter
19 including, but not limited to, RCW 70.94.151 and 70.94.331.

20 (3) (a) Transportation fuels exported from Washington are not
21 subject to the greenhouse gas emissions reduction requirements in
22 this section.

23 (b) Electricity is not subject to the greenhouse gas emissions
24 reduction requirements in this section.

25 NEW SECTION. **Sec. 4.** The rules adopted by the department to
26 achieve the greenhouse gas emissions reductions per unit of fuel
27 energy specified in section 3 of this act must include, but are not
28 limited to, the following:

29 (1) Standards for greenhouse gas emissions attributable to the
30 transportation fuels throughout their life cycles, including but not
31 limited to emissions from the production, storage, transportation,
32 and combustion of transportation fuels and from changes in land use
33 associated with transportation fuels.

34 (a) The rules adopted by the department under this subsection (1)
35 may:

36 (i) Include provisions to address the efficiency of a fuel as
37 used in a powertrain as compared to a reference fuel; and

1 (ii) Consider carbon intensity calculations for transportation
2 fuels developed by national laboratories or used by similar programs
3 in other states.

4 (b) The rules adopted by the department under this subsection (1)
5 must:

6 (i) Neutrally consider the life-cycle emissions associated with
7 transportation fuels with respect to the political jurisdiction in
8 which the fuels originated and may not discriminate against fuels on
9 the basis of having originated in another state or jurisdiction.
10 Nothing in this subsection may be construed to prohibit inclusion or
11 assessment of emissions related to fuel production, storage,
12 transportation, or combustion or associated changes in land use in
13 determining the carbon intensity of a fuel. At minimum, the
14 department must consider associated changes in land use in
15 determining the carbon intensity of transportation fuel produced in
16 whole or in part from sugar cane;

17 (ii) Measure greenhouse gas emissions associated with electricity
18 based on a mix of generation resources specific to each electric
19 utility participating in the clean fuels program. The department may
20 apply an asset-controlling supplier emission factor certified or
21 approved by a similar program to reduce the greenhouse gas emissions
22 associated with transportation fuels in another state; and

23 (iii) Include procedures for setting and adjusting the amounts of
24 greenhouse gas emissions per unit of fuel energy that is assigned to
25 transportation fuels under this subsection.

26 (c) If the department determines that it is necessary for
27 purposes of accurately measuring greenhouse gas emissions associated
28 with transportation fuels, the department may require transportation
29 fuel suppliers to submit data or information to be used for purposes
30 of calculating greenhouse gas emissions that is different from or
31 additional to the greenhouse gas emissions data reported under RCW
32 70.94.151(5) (a) (iii).

33 (d) If the department determines that it is necessary for
34 purposes of accurately measuring greenhouse gas emissions associated
35 with electricity supplied to retail customers by an electric utility,
36 the department may require electric utilities participating in the
37 clean fuels program to submit data or information to be used for
38 purposes of calculating greenhouse gas emissions that is different
39 from or additional to the fuel mix disclosure information submitted
40 under chapter 19.29A RCW. To the extent practicable, rules adopted by

1 the department may allow data requested of utilities to be submitted
2 in a form and manner consistent with other required state or federal
3 data submissions. Under the program, zero associated lifecycle
4 greenhouse gas emissions must be attributed to electricity produced
5 from hydroelectric generation, including incremental hydroelectric
6 generation. Electricity from hydroelectric generation, including
7 incremental hydroelectric generation, that is used as transportation
8 fuel must be provided credit under the program. For the purposes of
9 this section, "incremental hydroelectric generation" means
10 electricity produced as a result of efficiency improvements from
11 hydroelectric generation projects where the additional generation
12 does not result in new water diversions or impoundments;

13 (2) Provisions allowing for the achievement of limits on the
14 greenhouse gas emissions intensity of transportation fuels in section
15 3 of this act to be achieved by any combination of credit generating
16 activities capable of meeting such standards, consistent with the
17 limitations of subsection (3)(a) of this section. Where such
18 provisions would not produce results counter to the emission
19 reduction goals of the program or prove administratively burdensome
20 for the department, the rules should provide each participant in the
21 clean fuels program with the opportunity to demonstrate appropriate
22 carbon intensity values taking into account both emissions from
23 production facilities and elsewhere in the production cycle;

24 (3)(a) Methods for assigning compliance obligations and methods
25 for tracking tradable credits. The department may assign the
26 generation of a credit when a fuel with associated life-cycle
27 greenhouse gas emissions that are lower than the applicable per-unit
28 standard adopted by the department under section 3 of this act is
29 produced, imported, or dispensed for use in Washington, or when
30 specified activities are undertaken that support the reduction of
31 greenhouse gas emissions associated with transportation in
32 Washington. Transportation fuels with associated greenhouse gas
33 emissions exceeding eighty percent of the 2017 levels established in
34 section 3 of this act are not eligible to generate credits under the
35 clean fuels program. Transportation fuels that are refined or
36 otherwise wholly or partly derived from palm oil are not eligible to
37 generate credits under the clean fuels program;

38 (b) Mechanisms that allow credits to be traded and to be banked
39 for future compliance periods; and

1 (c) Procedures for verifying the validity of credits and deficits
2 generated under the clean fuels program;

3 (4) Mechanisms to elect to participate in the clean fuels program
4 for persons associated with the supply chains of transportation fuels
5 that are eligible to generate credits consistent with subsection (3)
6 of this section, including producers, importers, distributors, users,
7 or retailers of such fuels;

8 (5) Mechanisms for persons associated with the supply chains of
9 transportation fuels that are used for purposes that are exempt from
10 the clean fuels program compliance obligations, including but not
11 limited to electricity and fuels used by aircraft, vessels, railroad
12 locomotives, and other exempt fuels specified in section 5 of this
13 act, to elect to participate in the clean fuels program by earning
14 credits for the production, import, distribution, use, or retail of
15 exempt fuels with associated life-cycle greenhouse gas emissions
16 lower than the per-unit standard established in section 3 of this
17 act;

18 (6) Cost containment mechanisms.

19 (a) Cost containment mechanisms may include, but are not limited
20 to:

21 (i) A credit clearance market designed to make credits available
22 for sale to regulated persons after the conclusion of a compliance
23 period at a department-determined price; or

24 (ii) Similar procedures that provide a means of compliance with
25 the clean fuels program requirements in the event that a regulated
26 person has not been able to acquire sufficient volumes of credits at
27 the end of a compliance period.

28 (b) Any cost containment mechanisms must be designed to provide
29 financial disincentive for regulated persons to rely on the cost
30 containment mechanism for purposes of program compliance instead of
31 seeking to generate or acquire sufficient credits under the program;

32 (7) Authority for the department to designate an entity to
33 aggregate and use unclaimed credits associated with persons that
34 elect not to participate in the clean fuels program under subsection
35 (4) of this section.

36 NEW SECTION. **Sec. 5.** (1) The rules adopted under sections 3 and
37 4 of this act must include exemptions for, at minimum, the following
38 transportation fuels:

1 (a) Fuels used in volumes below thresholds adopted by the
2 department;

3 (b) Fuels used for the propulsion of all aircraft, vessels, and
4 railroad locomotives; and

5 (c) Fuels used for the operation of military tactical vehicles
6 and tactical support equipment.

7 (2)(a) The rules adopted under sections 3 and 4 of this act must
8 exempt the following transportation fuels from greenhouse gas
9 emission intensity reduction requirements until January 1, 2028:

10 (i) Special fuel used off-road in vehicles used primarily to
11 transport logs;

12 (ii) Dyed special fuel used in vehicles that are not designed
13 primarily to transport persons or property, that are not designed to
14 be primarily operated on highways, and that are used primarily for
15 construction work including, but not limited to, mining and timber
16 harvest operations; and

17 (iii) Dyed special fuel used for agricultural purposes exempt
18 from chapter 82.38 RCW.

19 (b) Prior to January 1, 2028, fuels identified in this subsection
20 (2) are eligible to generate credits, consistent with section 4(5) of
21 this act. Beginning January 1, 2028, the fuels identified in this
22 subsection (2) are subject to the greenhouse gas emission intensity
23 reduction requirements applicable to transportation fuels specified
24 in section 3 of this act.

25 (3) The department may adopt rules to specify the standards for
26 persons to qualify for the exemptions provided in this section. The
27 department may implement the exemptions under subsection (2) of this
28 section to align with the implementation of exemptions for similar
29 fuels exempt from chapter 82.38 RCW.

30 (4) The rules adopted under sections 3 and 4 of this act may
31 include exemptions in addition to those described in subsections (1)
32 and (2) of this section, but only if such exemptions are necessary,
33 with respect to the relationship between the program and similar
34 greenhouse gas emissions requirements or low carbon fuel standards,
35 in order to avoid:

36 (a) Mismatched incentives across programs;

37 (b) Fuel shifting between markets; or

38 (c) Other results that are counter to the intent of this act.

39 (5) Nothing in this chapter precludes the department from
40 adopting rules under sections 3 and 4 of this act that allow the

1 generation of credits associated with electric or alternative
2 transportation infrastructure that existed prior to the effective
3 date of this section or to the start date of program requirements.

4 NEW SECTION. **Sec. 6.** (1) The rules adopted under sections 3 and
5 4 of this act may allow the generation of credits from activities
6 that support the reduction of greenhouse gas emissions associated
7 with transportation in Washington, including but not limited to:

8 (a) Carbon capture and sequestration projects, including but not
9 limited to:

10 (i) Innovative crude oil production projects that include carbon
11 capture and sequestration;

12 (ii) Refinery investments in carbon capture and sequestration;

13 (iii) Investments in renewable natural gas or renewable hydrogen
14 production projects; or

15 (iv) Direct air capture projects;

16 (b) The fueling of electric vehicles using electricity certified
17 by the department to have a carbon intensity of zero. Such
18 electricity must include, at minimum:

19 (i) Electricity for which a renewable energy credit or other
20 environmental attribute has been retired or used only for purposes of
21 the clean fuels program; and

22 (ii) Electricity produced using a zero emission resource,
23 including but not limited to solar, wind, water, geothermal,
24 renewable natural gas, or the industrial combustion of biomass
25 consistent with RCW 70.235.020(3), that is directly supplied as a
26 transportation fuel by the generator of the electricity;

27 (c) The provision of zero emission vehicle refueling
28 infrastructure, including but not limited to fast charging battery
29 electric vehicle infrastructure and renewable hydrogen electric
30 vehicle refueling infrastructure; and

31 (d) The use of smart vehicle charging technology that results in
32 the fueling of an electric vehicle during times when the carbon
33 intensity of grid electricity is comparatively low.

34 (2) The rules adopted by the department may establish limits for
35 the number of credits that may be earned each year by persons
36 participating in the program for some or all of the activities
37 specified in subsection (1) of this section.

1 NEW SECTION. **Sec. 7.** (1) Except where otherwise provided in
2 sections 2 through 11 of this act, the department should seek to
3 adopt rules that are harmonized with the regulatory standards,
4 exemptions, reporting obligations, and other clean fuels program
5 compliance requirements of other states that:

6 (a) Have adopted low carbon fuel standards or similar greenhouse
7 gas emissions requirements applicable specifically to transportation
8 fuels; and

9 (b)(i) Supply, or have the potential to supply, significant
10 quantities of transportation fuel to Washington markets; or

11 (ii) To which Washington supplies, or has the potential to
12 supply, significant quantities of transportation fuel.

13 (2) In adopting rules under sections 3 and 4 of this act, the
14 department must consider whether actions taken or credits generated
15 under the clean fuels program are eligible for purposes of compliance
16 with the clean air rule, chapter 173-442 WAC as it existed as of
17 October 16, 2016, and whether actions taken or emissions reduction
18 units generated under the clean air rule may be used for purposes of
19 compliance with this section.

20 NEW SECTION. **Sec. 8.** (1)(a) Each producer or importer of any
21 amount of a transportation fuel that is ineligible to generate
22 credits consistent with the requirements of section 4(3) of this act
23 must register with the department.

24 (b) Producers, importers, distributors, users, and retailers of
25 transportation fuels that are eligible to generate credits consistent
26 with section 4(3) of this act must register with the department if
27 they elect to participate in the clean fuels program.

28 (c) Other persons must register with the department to generate
29 credits from other activities that support the reduction of
30 greenhouse gas emissions associated with transportation in
31 Washington.

32 (2) Each transaction transferring ownership of transportation
33 fuels for which clean fuels program participation is mandated or has
34 been chosen must be accompanied by documentation, in a format
35 approved by the department, that assigns the clean fuels program
36 compliance responsibility associated with the fuels, including the
37 assignment of associated credits.

38 (3) The department may adopt rules requiring the periodic
39 reporting of information to the department by persons associated with

1 the supply chains of transportation fuels participating in the clean
2 fuels program. To the extent practicable, the rules must establish
3 reporting procedures and timelines that are consistent with similar
4 programs in other states that reduce the greenhouse gas emission
5 intensity of transportation fuel and with procedures and timelines of
6 state programs requiring similar information to be reported by
7 regulated parties, including electric utilities.

8 (4) RCW 70.94.205 applies to records or information submitted to
9 the department under sections 2 through 13 of this act.

10 NEW SECTION. **Sec. 9.** (1)(a) Fifty percent of the revenues
11 generated by an electric utility from credits earned from the
12 electricity supplied to retail customers by an electric utility under
13 the clean fuels program must be expended by the electric utility on
14 transportation electrification projects, which may include projects
15 to support the production and provision of renewable hydrogen as a
16 transportation fuel.

17 (b) Sixty percent of the revenues described in (a) of this
18 subsection, or thirty percent of the revenues generated by an
19 electric utility from credits earned from the electricity supplied to
20 retail customers by an electric utility under the clean fuels
21 program, must be expended by the electric utility on transportation
22 electrification projects, which may include projects to support the
23 production and provision of renewable hydrogen as a transportation
24 fuel, located within or directly benefiting a federally designated
25 nonattainment or maintenance area, a federally designated
26 nonattainment or maintenance area that existed as of the effective
27 date of this section, or an area designated by the department as
28 being at risk of nonattainment, if such a nonattainment or
29 maintenance area is within the service area of the utility.

30 (2) The department, in partnership with electric utilities, may
31 develop guidelines for voluntary carbon reduction projects, including
32 those that may be available to a utility within its service area for
33 the expenditure of revenues from credits earned from the electricity
34 supplied to retail customers by an electric utility under the clean
35 fuels program that are applicable to the fifty percent of revenues
36 not subject to the requirements of subsection (1) of this section.

37 (3) The utilities and transportation commission, for investor-
38 owned utilities, or the governing board for consumer-owned utilities,
39 may approve expenditures to meet up to the fifty percent of revenues

1 not subject to the requirements of subsection (1) of this section for
2 the following:

3 (a) Carbon reduction projects under subsection (2) of this
4 section within or without its service area;

5 (b) Investments pursuant to section 6 of this act;

6 (c) Further investments in projects pursuant to subsection (1)(a)
7 of this section;

8 (d) To offset fuel cost increases, if any, to the utility
9 attributable to this act, based on the fuel costs estimates produced
10 in section 10(1)(c) of this act; or

11 (e) Up to ten percent of the revenues generated by an electric
12 utility from credits earned from the electricity supplied to retail
13 customers by an electric utility under the clean fuels program may be
14 expended for low-income assistance.

15 (4) Electric utilities that elect to participate in the clean
16 fuels program must annually provide information to the department
17 accounting for and briefly describing all expenditures of revenues
18 generated from credits earned under the clean fuels program.

19 NEW SECTION. **Sec. 10.** (1) Beginning May 1, 2023, and each May
20 1st thereafter, the department must post a report on the department's
21 web site that includes the following information regarding the
22 previous calendar year of clean fuels program activities:

23 (a) The program-wide number of credits and deficits generated by
24 entities participating in the clean fuels program;

25 (b) The volumes of each transportation fuel and average price per
26 credit used to comply with the requirements of the clean fuels
27 program;

28 (c) The best estimate or range in probable costs or cost savings
29 attributable to the clean fuels program per gallon of gasoline and
30 per gallon of diesel, as determined by an independent consultant
31 whose services the department has contracted. The estimate or range
32 in probable costs or cost savings from the independent consultant
33 must be announced in a press release to the news media at the time
34 that the report under this section is posted to the department's web
35 site, and must be simultaneously reported to the transportation
36 committees of the house of representatives and the senate;

37 (d) The total greenhouse gas emissions reductions attributable to
38 the clean fuels program; and

1 (e) The range in the probable cost per ton of greenhouse gas
2 emissions reductions attributable to fuels supported by the clean
3 fuels program, taking into account the information in (c) and (d) of
4 this subsection.

5 (2) By December 1, 2022, and each December 1st thereafter, the
6 department must submit recommendations to the appropriate committees
7 of the house of representatives and senate, in the form of draft
8 legislation, for any changes to sections 2 through 13 of this act
9 that are needed in order to more efficiently achieve the greenhouse
10 gas emissions reduction goals of the clean fuels program.

11 (3) The department must identify the sources of information it
12 relied upon in each report submitted under this section, including
13 peer-reviewed science.

14 NEW SECTION. **Sec. 11.** (1) In consultation with the department
15 and the department of agriculture, the department of commerce must
16 develop a periodic fuel supply forecast to project the availability
17 of fuels necessary for compliance with clean fuels program
18 requirements.

19 (2) Based upon the estimates in subsection (3) of this section,
20 the fuel supply forecast must include a prediction by the department
21 of commerce regarding whether sufficient credits will be available to
22 comply with clean fuels program requirements.

23 (3) The fuel supply forecast for each upcoming compliance period
24 must include, but is not limited to, the following:

25 (a) An estimate of the volume of each transportation fuel
26 available in Washington;

27 (b) An estimate of the total banked credits and deficits from
28 previous compliance periods; and

29 (c) An estimate of the number of credits needed to meet the
30 applicable clean fuels program requirements during the forecasted
31 compliance period.

32 (4) The department of commerce must finalize a fuel supply
33 forecast for an upcoming compliance period by no later than ninety
34 days prior to the start of the compliance period.

35 (5) The department of commerce must identify the sources of
36 information it relied upon in each fuel supply forecast submitted
37 under this section, including peer-reviewed science.

1 NEW SECTION. **Sec. 12.** (1) The department may require that
2 persons that are required or elect to register or report under
3 sections 2 through 13 of this act pay a fee. If the department elects
4 to require program participants to pay a fee, the department must,
5 after an opportunity for public review and comment, adopt rules to
6 establish a process to determine the payment schedule and the amount
7 of the fee charged. The amount of the fee must be set so as to equal
8 but not exceed the projected direct and indirect costs to the
9 department for developing and implementing the program and the
10 projected direct and indirect costs to the department of commerce to
11 carry out its responsibilities under section 11 of this act. The
12 department and the department of commerce must prepare a biennial
13 workload analysis and provide an opportunity for public review of and
14 comment on the workload analysis. The department shall enter into an
15 interagency agreement with the department of commerce to implement
16 this section.

17 (2) The clean fuels program account is created in the state
18 treasury. All receipts from fees and penalties received under the
19 program created in this section and sections 2 through 11 of this act
20 must be deposited into the account. Moneys in the account may be
21 spent only after appropriation. The department may only use
22 expenditures from the account for carrying out the program created in
23 this section and sections 2 through 11 of this act.

24 NEW SECTION. **Sec. 13.** (1) By December 1, 2027, the joint
25 legislative audit and review committee must analyze the impacts of
26 the initial five years of clean fuels program implementation and must
27 submit a report summarizing the analysis to the legislature. The
28 analysis must include, at minimum, the following components:

29 (a) Costs and benefits, including environmental and public health
30 costs and benefits, associated with this act for categories of
31 persons participating in the clean fuels program or that are most
32 impacted by air pollution, as defined in consultation with the
33 departments of ecology and health and as measured on a census tract
34 scale. This component of the analysis must, at minimum, assess the
35 costs and benefits of changes in the following metrics since the
36 start of the program:

37 (i) Levels of greenhouse gas emissions and criteria air
38 pollutants for which the United States environmental protection
39 agency has established national ambient air quality standards;

1 (ii) Fuel prices; and
2 (iii) Total employment in categories of industries generating
3 credits or deficits. The categories of industries assessed must
4 include but are not limited to electric utilities, oil refineries,
5 and other industries involved in the production of high carbon fuels,
6 industries involved in the delivery and sale of high carbon fuels,
7 biofuel refineries, and industries involved in the delivery and sale
8 of low carbon fuels;

9 (b) An evaluation of the information calculated and provided by
10 the department under section 10(1) of this act; and

11 (c) A summary of the estimated total statewide costs and benefits
12 attributable to the clean fuels program, including state agency
13 administrative costs and regulated entity compliance costs. For
14 purposes of calculating the benefits of the program, the summary may
15 rely, in part, on a constant value of the social costs attributable
16 to greenhouse gas emissions, as identified in contemporary
17 internationally accepted estimates of such global social cost. This
18 summary must include an estimate of the total statewide costs of the
19 program per ton of greenhouse gas emissions reductions achieved by
20 the clean fuels program.

21 (2) This section expires June 30, 2028.

22 **Sec. 14.** RCW 46.17.365 and 2015 3rd sp.s. c 44 s 202 are each
23 amended to read as follows:

24 (1) A person applying for a motor vehicle registration and paying
25 the vehicle license fee required in RCW 46.17.350(1) (a), (d), (e),
26 (h), (j), (n), and (o) shall pay a motor vehicle weight fee in
27 addition to all other fees and taxes required by law.

28 (a) For vehicle registrations that are due or become due before
29 July 1, 2016, the motor vehicle weight fee:

30 (i) Must be based on the motor vehicle scale weight;

31 (ii) Is the difference determined by subtracting the vehicle
32 license fee required in RCW 46.17.350 from the license fee in
33 Schedule B of RCW 46.17.355, plus two dollars; and

34 (iii) Must be distributed under RCW 46.68.415.

35 (b) For vehicle registrations that are due or become due on or
36 after July 1, 2016, the motor vehicle weight fee:

37 (i) Must be based on the motor vehicle scale weight as follows:

	WEIGHT	FEE
1		
2	4,000 pounds	\$ 25.00
3	6,000 pounds	\$ 45.00
4	8,000 pounds	\$ 65.00
5	16,000 pounds and over	\$ 72.00;

(ii) If the resultant motor vehicle scale weight is not listed in the table provided in (b) (i) of this subsection, must be increased to the next highest weight; and

(iii) Must be distributed under RCW 46.68.415 unless prior to July 1, 2023, the actions described in (b) (iii) (A) or (B) of this subsection occur, in which case the portion of the revenue that is the result of the fee increased in this subsection must be distributed to the connecting Washington account created under RCW 46.68.395.

(A) Any state agency files a notice of rule making under chapter 34.05 RCW, absent explicit legislative authorization enacted subsequent to July 1, 2015, for a rule regarding a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.

(B) Any state agency otherwise enacts, adopts, orders, or in any way implements a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard, without explicit legislative authorization enacted subsequent to July 1, 2015.

(C) Nothing in this subsection acknowledges, establishes, or creates legal authority for the department of ecology or any other state agency to enact, adopt, order, or in any way implement a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.

(2) A person applying for a motor home vehicle registration shall, in lieu of the motor vehicle weight fee required in subsection (1) of this section, pay a motor home vehicle weight fee of seventy-five dollars in addition to all other fees and taxes required by law. The motor home vehicle weight fee must be distributed under RCW 46.68.415.

(3) Beginning July 1, 2022, in addition to the motor vehicle weight fee as provided in subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by

1 the director must require an applicant to pay an additional weight
2 fee of ten dollars, which must be distributed to the multimodal
3 transportation account under RCW 47.66.070 unless prior to July 1,
4 2023, the actions described in (a) or (b) of this subsection occur,
5 in which case the portion of the revenue that is the result of the
6 fee increased in this subsection must be distributed to the
7 connecting Washington account created under RCW 46.68.395.

8 (a) Any state agency files a notice of rule making under chapter
9 34.05 RCW, absent explicit legislative authorization enacted
10 subsequent to July 1, 2015, for a rule regarding a fuel standard
11 based upon or defined by the carbon intensity of fuel, including a
12 low carbon fuel standard or clean fuel standard.

13 (b) Any state agency otherwise enacts, adopts, orders, or in any
14 way implements a fuel standard based upon or defined by the carbon
15 intensity of fuel, including a low carbon fuel standard or clean fuel
16 standard, without explicit legislative authorization enacted
17 subsequent to July 1, 2015.

18 (c) Nothing in this subsection acknowledges, establishes, or
19 creates legal authority for the department of ecology or any other
20 state agency to enact, adopt, order, or in any way implement a fuel
21 standard based upon or defined by the carbon intensity of fuel,
22 including a low carbon fuel standard or clean fuel standard.

23 (4) The department shall:

24 (a) Rely on motor vehicle empty scale weights provided by vehicle
25 manufacturers, or other sources defined by the department, to
26 determine the weight of each motor vehicle; and

27 (b) Adopt rules for determining weight for vehicles without
28 manufacturer empty scale weights.

29 **Sec. 15.** RCW 46.25.100 and 2015 3rd sp.s. c 44 s 208 are each
30 amended to read as follows:

31 (1) When a person has been disqualified from operating a
32 commercial motor vehicle, the person is not entitled to have the
33 commercial driver's license or commercial learner's permit restored
34 until after the expiration of the appropriate disqualification period
35 required under RCW 46.25.090 or until the department has received a
36 drug and alcohol assessment and evidence is presented of satisfactory
37 participation in or completion of any required drug or alcohol
38 treatment program for ending the disqualification under RCW
39 46.25.090(7). After expiration of the appropriate period and upon

1 payment of a requalification fee of twenty dollars until June 30,
2 2016, and thirty-five dollars beginning July 1, 2016, or one hundred
3 fifty dollars if the person has been disqualified under RCW
4 46.25.090(7), the person may apply for a new, duplicate, or renewal
5 commercial driver's license or commercial learner's permit as
6 provided by law. If the person has been disqualified for a period of
7 one year or more, the person shall demonstrate that he or she meets
8 the commercial driver's license or commercial learner's permit
9 qualification standards specified in RCW 46.25.060.

10 (2) The fees under this section must be deposited into the
11 highway safety fund unless prior to July 1, 2023, the actions
12 described in (a) or (b) of this subsection occur, in which case the
13 portion of the revenue that is the result of the fee increased in
14 section 208, chapter 44, Laws of 2015 3rd sp. sess. must be
15 distributed to the connecting Washington account created under RCW
16 46.68.395.

17 (a) Any state agency files a notice of rule making under chapter
18 34.05 RCW, absent explicit legislative authorization enacted
19 subsequent to July 1, 2015, for a rule regarding a fuel standard
20 based upon or defined by the carbon intensity of fuel, including a
21 low carbon fuel standard or clean fuel standard.

22 (b) Any state agency otherwise enacts, adopts, orders, or in any
23 way implements a fuel standard based upon or defined by the carbon
24 intensity of fuel, including a low carbon fuel standard or clean fuel
25 standard, without explicit legislative authorization enacted
26 subsequent to July 1, 2015.

27 (c) Nothing in this subsection acknowledges, establishes, or
28 creates legal authority for the department of ecology or any other
29 state agency to enact, adopt, order, or in any way implement a fuel
30 standard based upon or defined by the carbon intensity of fuel,
31 including a low carbon fuel standard or clean fuel standard.

32 **Sec. 16.** RCW 46.20.202 and 2017 c 310 s 3 are each amended to
33 read as follows:

34 (1) The department may enter into a memorandum of understanding
35 with any federal agency for the purposes of facilitating the crossing
36 of the border between the state of Washington and the Canadian
37 province of British Columbia.

1 (2) The department may enter into an agreement with the Canadian
2 province of British Columbia for the purposes of implementing a
3 border-crossing initiative.

4 (3) (a) The department may issue an enhanced driver's license or
5 identicard for the purposes of crossing the border between the state
6 of Washington and the Canadian province of British Columbia to an
7 applicant who provides the department with proof of: United States
8 citizenship, identity, and state residency. The department shall
9 continue to offer a standard driver's license and identicard. If the
10 department chooses to issue an enhanced driver's license, the
11 department must allow each applicant to choose between a standard
12 driver's license or identicard, or an enhanced driver's license or
13 identicard.

14 (b) The department shall implement a one-to-many biometric
15 matching system for the enhanced driver's license or identicard. An
16 applicant for an enhanced driver's license or identicard shall submit
17 a biometric identifier as designated by the department. The biometric
18 identifier must be used solely for the purpose of verifying the
19 identity of the holders and for any purpose set out in RCW 46.20.037.
20 Applicants are required to sign a declaration acknowledging their
21 understanding of the one-to-many biometric match.

22 (c) The enhanced driver's license or identicard must include
23 reasonable security measures to protect the privacy of Washington
24 state residents, including reasonable safeguards to protect against
25 unauthorized disclosure of data about Washington state residents. If
26 the enhanced driver's license or identicard includes a radio
27 frequency identification chip, or similar technology, the department
28 shall ensure that the technology is encrypted or otherwise secure
29 from unauthorized data access.

30 (d) The requirements of this subsection are in addition to the
31 requirements otherwise imposed on applicants for a driver's license
32 or identicard. The department shall adopt such rules as necessary to
33 meet the requirements of this subsection. From time to time the
34 department shall review technological innovations related to the
35 security of identity cards and amend the rules related to enhanced
36 driver's licenses and identicards as the director deems consistent
37 with this section and appropriate to protect the privacy of
38 Washington state residents.

39 (e) Notwithstanding RCW 46.20.118, the department may make images
40 associated with enhanced drivers' licenses or identicards from the

1 negative file available to United States customs and border agents
2 for the purposes of verifying identity.

3 (4) Beginning on July 23, 2017, the fee for an enhanced driver's
4 license or enhanced identicard is twenty-four dollars, which is in
5 addition to the fees for any regular driver's license or identicard.
6 If the enhanced driver's license or enhanced identicard is issued,
7 renewed, or extended for a period other than six years, the fee for
8 each class is four dollars for each year that the enhanced driver's
9 license or enhanced identicard is issued, renewed, or extended.

10 (5) The enhanced driver's license and enhanced identicard fee
11 under this section must be deposited into the highway safety fund
12 unless prior to July 1, 2023, the actions described in (a) or (b) of
13 this subsection occur, in which case the portion of the revenue that
14 is the result of the fee increased in section 209, chapter 44, Laws
15 of 2015 3rd sp. sess. must be distributed to the connecting
16 Washington account created under RCW 46.68.395.

17 (a) Any state agency files a notice of rule making under chapter
18 34.05 RCW, absent explicit legislative authorization enacted
19 subsequent to July 1, 2015, for a rule regarding a fuel standard
20 based upon or defined by the carbon intensity of fuel, including a
21 low carbon fuel standard or clean fuel standard.

22 (b) Any state agency otherwise enacts, adopts, orders, or in any
23 way implements a fuel standard based upon or defined by the carbon
24 intensity of fuel, including a low carbon fuel standard or clean fuel
25 standard, without explicit legislative authorization enacted
26 subsequent to July 1, 2015.

27 (c) Nothing in this subsection acknowledges, establishes, or
28 creates legal authority for the department of ecology or any other
29 state agency to enact, adopt, order, or in any way implement a fuel
30 standard based upon or defined by the carbon intensity of fuel,
31 including a low carbon fuel standard or clean fuel standard.

32 **Sec. 17.** RCW 46.25.052 and 2015 3rd sp.s. c 44 s 206 are each
33 amended to read as follows:

34 (1) The department may issue a CLP to an applicant who is at
35 least eighteen years of age and holds a valid Washington state
36 driver's license and who has:

37 (a) Submitted an application on a form or in a format provided by
38 the department;

1 (b) Passed the general knowledge examination required for
2 issuance of a CDL under RCW 46.25.060 for the commercial motor
3 vehicle classification in which the applicant operates or expects to
4 operate; and

5 (c) Paid the appropriate examination fee or fees and an
6 application fee of ten dollars until June 30, 2016, and forty dollars
7 beginning July 1, 2016.

8 (2) A CLP must be marked "commercial learner's permit" or "CLP,"
9 and must be, to the maximum extent practicable, tamperproof. Other
10 than a photograph of the applicant, it must include, but not be
11 limited to, the information required on a CDL under RCW 46.25.080(1).

12 (3) The holder of a CLP may drive a commercial motor vehicle on a
13 highway only when in possession of a valid driver's license and
14 accompanied by the holder of a valid CDL who has the proper CDL
15 classification and endorsement or endorsements necessary to operate
16 the commercial motor vehicle. The CDL holder must at all times be
17 physically present in the front seat of the vehicle next to the CLP
18 holder or, in the case of a passenger vehicle, directly behind or in
19 the first row behind the driver and must have the CLP holder under
20 observation and direct supervision.

21 (4) A CLP may be classified in the same manner as a CDL under RCW
22 46.25.080(2)(a).

23 (5) CLPs may be issued with only P, S, or N endorsements as
24 described in RCW 46.25.080(2)(b).

25 (a) The holder of a CLP with a P endorsement must have taken and
26 passed the P endorsement knowledge examination. The holder of a CLP
27 with a P endorsement is prohibited from operating a commercial motor
28 vehicle carrying passengers other than authorized employees or
29 representatives of the department and the federal motor carrier
30 safety administration, examiners, other trainees, and the CDL holder
31 accompanying the CLP holder as required under subsection (2) of this
32 section. The P endorsement must be class specific.

33 (b) The holder of a CLP with an S endorsement must have taken and
34 passed the S endorsement knowledge examination. The holder of a CLP
35 with an S endorsement is prohibited from operating a school bus with
36 passengers other than authorized employees or representatives of the
37 department and the federal motor carrier safety administration,
38 examiners, other trainees, and the CDL holder accompanying the CLP
39 holder as required under subsection (2) of this section.

1 (c) The holder of a CLP with an N endorsement must have taken and
2 passed the N endorsement knowledge examination. The holder of a CLP
3 with an N endorsement may only operate an empty tank vehicle and is
4 prohibited from operating any tank vehicle that previously contained
5 hazardous materials and has not been purged of any residue.

6 (6) A CLP may be issued with appropriate restrictions as
7 described in RCW 46.25.080(2)(c). In addition, a CLP may be issued
8 with the following restrictions:

9 (a) "P" restricts the driver from operating a bus with
10 passengers;

11 (b) "X" restricts the driver from operating a tank vehicle that
12 contains cargo; and

13 (c) Any restriction as established by rule of the department.

14 (7) The holder of a CLP is not authorized to operate a commercial
15 motor vehicle transporting hazardous materials.

16 (8) A CLP may not be issued for a period to exceed one hundred
17 eighty days. The department may renew the CLP for one additional one
18 hundred eighty-day period without requiring the CLP holder to retake
19 the general and endorsement knowledge examinations.

20 (9) The department must transmit the fees collected for CLPs to
21 the state treasurer for deposit in the highway safety fund unless
22 prior to July 1, 2023, the actions described in (a) or (b) of this
23 subsection occur, in which case the portion of the revenue that is
24 the result of the fee increased in section 206, chapter 44, Laws of
25 2015 3rd sp. sess. must be distributed to the connecting Washington
26 account created under RCW 46.68.395.

27 (a) Any state agency files a notice of rule making under chapter
28 34.05 RCW, absent explicit legislative authorization enacted
29 subsequent to July 1, 2015, for a rule regarding a fuel standard
30 based upon or defined by the carbon intensity of fuel, including a
31 low carbon fuel standard or clean fuel standard.

32 (b) Any state agency otherwise enacts, adopts, orders, or in any
33 way implements a fuel standard based upon or defined by the carbon
34 intensity of fuel, including a low carbon fuel standard or clean fuel
35 standard, without explicit legislative authorization enacted
36 subsequent to July 1, 2015.

37 (c) Nothing in this subsection acknowledges, establishes, or
38 creates legal authority for the department of ecology or any other
39 state agency to enact, adopt, order, or in any way implement a fuel

1 standard based upon or defined by the carbon intensity of fuel,
2 including a low carbon fuel standard or clean fuel standard.

3 **Sec. 18.** RCW 46.25.060 and 2015 3rd sp.s. c 44 s 207 are each
4 amended to read as follows:

5 (1)(a) No person may be issued a commercial driver's license
6 unless that person:

7 (i) Is a resident of this state;

8 (ii) Has successfully completed a course of instruction in the
9 operation of a commercial motor vehicle that has been approved by the
10 director or has been certified by an employer as having the skills
11 and training necessary to operate a commercial motor vehicle safely;

12 (iii) If he or she does not hold a valid commercial driver's
13 license of the appropriate classification, has been issued a
14 commercial learner's permit under RCW 46.25.052; and

15 (iv) Has passed a knowledge and skills examination for driving a
16 commercial motor vehicle that complies with minimum federal standards
17 established by federal regulation enumerated in 49 C.F.R. Part 383,
18 subparts F, G, and H, in addition to other requirements imposed by
19 state law or federal regulation. The department may not allow the
20 person to take the skills examination during the first fourteen days
21 after initial issuance of the person's commercial learner's permit.
22 The examinations must be prescribed and conducted by the department.

23 (b) In addition to the fee charged for issuance or renewal of any
24 license, the applicant shall pay a fee of no more than ten dollars
25 until June 30, 2016, and thirty-five dollars beginning July 1, 2016,
26 for the classified knowledge examination, classified endorsement
27 knowledge examination, or any combination of classified license and
28 endorsement knowledge examinations. The applicant shall pay a fee of
29 no more than one hundred dollars until June 30, 2016, and two hundred
30 fifty dollars beginning July 1, 2016, for each classified skill
31 examination or combination of classified skill examinations conducted
32 by the department.

33 (c) The department may authorize a person, including an agency of
34 this or another state, an employer, a private driver training
35 facility, or other private institution, or a department, agency, or
36 instrumentality of local government, to administer the skills
37 examination specified by this section under the following conditions:

38 (i) The examination is the same which would otherwise be
39 administered by the state;

1 (ii) The third party has entered into an agreement with the state
2 that complies with the requirements of 49 C.F.R. Sec. 383.75; and

3 (iii) The director has adopted rules as to the third party
4 testing program and the development and justification for fees
5 charged by any third party.

6 (d) If the applicant's primary use of a commercial driver's
7 license is for any of the following, then the applicant shall pay a
8 fee of no more than seventy-five dollars until June 30, 2016, and two
9 hundred twenty-five dollars beginning July 1, 2016, for the
10 classified skill examination or combination of classified skill
11 examinations whether conducted by the department or a third-party
12 tester:

13 (i) Public benefit not-for-profit corporations that are federally
14 supported head start programs; or

15 (ii) Public benefit not-for-profit corporations that support
16 early childhood education and assistance programs as described in RCW
17 (~~43.215.405(2)~~) 43.216.505(2).

18 (e) Beginning July 1, 2016, if the applicant's primary use of a
19 commercial driver's license is to drive a school bus, the applicant
20 shall pay a fee of no more than one hundred dollars for the
21 classified skill examination or combination of classified skill
22 examinations conducted by the department.

23 (f) Beginning July 1, 2016, payment of the examination fees under
24 this subsection entitles the applicant to take the examination up to
25 two times in order to pass.

26 (2)(a) The department may waive the skills examination and the
27 requirement for completion of a course of instruction in the
28 operation of a commercial motor vehicle specified in this section for
29 a commercial driver's license applicant who meets the requirements of
30 49 C.F.R. Sec. 383.77.

31 (b) An applicant who operates a commercial motor vehicle for
32 agribusiness purposes is exempt from the course of instruction
33 completion and employer skills and training certification
34 requirements under this section. By January 1, 2010, the department
35 shall submit recommendations regarding the continuance of this
36 exemption to the transportation committees of the legislature. For
37 purposes of this subsection (2)(b), "agribusiness" means a private
38 carrier who in the normal course of business primarily transports:

39 (i) Farm machinery, farm equipment, implements of husbandry, farm
40 supplies, and materials used in farming;

1 (ii) Agricultural inputs, such as seed, feed, fertilizer, and
2 crop protection products;

3 (iii) Unprocessed agricultural commodities, as defined in RCW
4 17.21.020, where such commodities are produced by farmers, ranchers,
5 vineyardists, or orchardists; or

6 (iv) Any combination of (b)(i) through (iii) of this subsection.

7 The department shall notify the transportation committees of the
8 legislature if the federal government takes action affecting the
9 exemption provided in this subsection (2)(b).

10 (3) A commercial driver's license or commercial learner's permit
11 may not be issued to a person while the person is subject to a
12 disqualification from driving a commercial motor vehicle, or while
13 the person's driver's license is suspended, revoked, or canceled in
14 any state, nor may a commercial driver's license be issued to a
15 person who has a commercial driver's license issued by any other
16 state unless the person first surrenders all such licenses, which
17 must be returned to the issuing state for cancellation.

18 (4) The fees under this section must be deposited into the
19 highway safety fund unless prior to July 1, 2023, the actions
20 described in (a) or (b) of this subsection occur, in which case the
21 portion of the revenue that is the result of the fee increased in
22 section 207, chapter 44, Laws of 2015 3rd sp. sess. must be
23 distributed to the connecting Washington account created under RCW
24 46.68.395.

25 (a) Any state agency files a notice of rule making under chapter
26 34.05 RCW, absent explicit legislative authorization enacted
27 subsequent to July 1, 2015, for a rule regarding a fuel standard
28 based upon or defined by the carbon intensity of fuel, including a
29 low carbon fuel standard or clean fuel standard.

30 (b) Any state agency otherwise enacts, adopts, orders, or in any
31 way implements a fuel standard based upon or defined by the carbon
32 intensity of fuel, including a low carbon fuel standard or clean fuel
33 standard, without explicit legislative authorization enacted
34 subsequent to July 1, 2015.

35 (c) Nothing in this subsection acknowledges, establishes, or
36 creates legal authority for the department of ecology or any other
37 state agency to enact, adopt, order, or in any way implement a fuel
38 standard based upon or defined by the carbon intensity of fuel,
39 including a low carbon fuel standard or clean fuel standard.

1 **Sec. 19.** RCW 70.94.431 and 2013 c 51 s 6 are each amended to
2 read as follows:

3 (1) (a) Except as provided in RCW 43.05.060 through 43.05.080 and
4 43.05.150, and in addition to or as an alternate to any other penalty
5 provided by law, any person who violates any of the provisions of
6 this chapter, chapter 70.120 RCW, chapter 70.310 RCW, or any of the
7 rules in force under such chapters may incur a civil penalty in an
8 amount not to exceed ten thousand dollars per day for each violation.
9 Each such violation shall be a separate and distinct offense, and in
10 case of a continuing violation, each day's continuance shall be a
11 separate and distinct violation.

12 (b) Any person who fails to take action as specified by an order
13 issued pursuant to this chapter shall be liable for a civil penalty
14 of not more than ten thousand dollars for each day of continued
15 noncompliance.

16 (2) (a) Penalties incurred but not paid shall accrue interest,
17 beginning on the ninety-first day following the date that the penalty
18 becomes due and payable, at the highest rate allowed by RCW 19.52.020
19 on the date that the penalty becomes due and payable. If violations
20 or penalties are appealed, interest shall not begin to accrue until
21 the thirty-first day following final resolution of the appeal.

22 (b) The maximum penalty amounts established in this section may
23 be increased annually to account for inflation as determined by the
24 state office of the economic and revenue forecast council.

25 (3) Each act of commission or omission which procures, aids or
26 abets in the violation shall be considered a violation under the
27 provisions of this section and subject to the same penalty. The
28 penalties provided in this section shall be imposed pursuant to RCW
29 43.21B.300.

30 (4) Except as provided in section 12 of this act, all penalties
31 recovered under this section by the department shall be paid into the
32 state treasury and credited to the air pollution control account
33 established in RCW 70.94.015 or, if recovered by the authority, shall
34 be paid into the treasury of the authority and credited to its funds.
35 If a prior penalty for the same violation has been paid to a local
36 authority, the penalty imposed by the department under subsection (1)
37 of this section shall be reduced by the amount of the payment.

38 (5) To secure the penalty incurred under this section, the state
39 or the authority shall have a lien on any vessel used or operated in

1 violation of this chapter which shall be enforced as provided in RCW
2 60.36.050.

3 (6) Public or private entities that are recipients or potential
4 recipients of department grants, whether for air quality related
5 activities or not, may have such grants rescinded or withheld by the
6 department for failure to comply with provisions of this chapter.

7 (7) In addition to other penalties provided by this chapter,
8 persons knowingly under-reporting emissions or other information used
9 to set fees, or persons required to pay emission or permit fees who
10 are more than ninety days late with such payments may be subject to a
11 penalty equal to three times the amount of the original fee owed.

12 (8) By January 1, 1992, the department shall develop rules for
13 excusing excess emissions from enforcement action if such excess
14 emissions are unavoidable. The rules shall specify the criteria and
15 procedures for the department and local air authorities to determine
16 whether a period of excess emissions is excusable in accordance with
17 the state implementation plan.

18 NEW SECTION. **Sec. 20.** Sections 2 through 13 of this act are
19 each added to chapter 70.94 RCW and codified with the subchapter
20 heading of "clean fuels."

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

25 NEW SECTION. **Sec. 22.** If specific funding for the purposes of
26 this act, referencing this act by bill or chapter number, is not
27 provided by June 30, 2019, in the omnibus appropriations act, this
28 act is null and void."

E2SHB 1110 - S COMM AMD

By Committee on Environment, Energy & Technology

29 On page 1, line 2 of the title, after "fuels;" strike the
30 remainder of the title and insert "amending RCW 46.17.365, 46.25.100,
31 46.20.202, 46.25.052, 46.25.060, and 70.94.431; adding new sections

1 to chapter 70.94 RCW; creating new sections; prescribing penalties;
2 and providing an expiration date."

EFFECT: Includes investments in renewable natural gas or renewable hydrogen production projects in the list of activities that support the reduction of GHG emissions associated with transportation in Washington that may be allowed for the generation of credits.

Directs the Department of Ecology, in partnership with electric utilities, to develop guidelines for voluntary carbon reduction projects, including those that may be available to a utility within its service area.

Allows the UTC for investor-owned utilities or a governing board for consumer-owned utilities to approve expenditures to meet up to the remaining 50 percent of revenues generated from credits for the following: Carbon reduction projects; investments in activities to reduce GHG emissions associated with transportation pursuant to Ecology's rules; to offset fuel cost increases; or for low-income assistance only up to 10 percent of the revenues generated by credits.

Adds the definition of renewable natural gas.

Makes technical corrections.

--- END ---