
HOUSE BILL 2472

State of Washington

66th Legislature

2020 Regular Session

By Representatives Pollet, Fitzgibbon, Thai, and Ryu

Read first time 01/14/20. Referred to Committee on Environment & Energy.

1 AN ACT Relating to incorporating comprehensive measurements of
2 greenhouse gas emissions from certain fossil fuels into state
3 environmental laws; amending RCW 80.50.175, 70.94.151, and
4 19.280.030; adding a new section to chapter 43.21A RCW; adding a new
5 section to chapter 43.21C RCW; adding a new section to chapter 70.94
6 RCW; adding a new section to chapter 70.235 RCW; adding a new section
7 to chapter 80.70 RCW; adding a new section to chapter 80.28 RCW; and
8 creating a new section.

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

10 NEW SECTION. **Sec. 1.** (1) The legislature finds that the most
11 recent climate science assessments demonstrate that urgent action is
12 needed to curb greenhouse gas emissions.

13 (2) The legislature finds that upstream greenhouse gas emissions
14 associated with production, gathering, transmission, storage,
15 distribution, and energy used for extraction, processing, and
16 transporting of fossil fuels are often absent or underrepresented in
17 analyses of fossil fuel project development. The legislature finds
18 that downstream end use or combustion of fossil fuels are also often
19 absent or underrepresented in fossil fuel project development
20 analyses. These life-cycle emissions can cause significant climate
21 impacts and must be consistently accounted for. Examples of upstream

1 emissions include leaked methane associated with gas production and
2 transport. Methane is a potent greenhouse gas with a global warming
3 potential that far exceeds that of carbon dioxide and is particularly
4 harmful to the climate in the first decades after its release. Energy
5 used to extract and process petroleum-based tar sands adds
6 significant climate impact well beyond the carbon dioxide emissions
7 associated with combustion of petroleum in vehicles. Downstream or
8 overseas combustion of coal exported from Washington facilities is
9 also a cause of significant climate damages. Because of the urgency
10 in addressing climate change, it is particularly important to take
11 reasonable measures to consider and curb emissions of these upstream
12 and downstream life-cycle emissions.

13 (3) Therefore, in directing state agencies to adopt a rule
14 requiring state agencies and local governments to consider upstream
15 and downstream emissions in permitting, planning, and other
16 regulatory processes, it is appropriate to apply a precautionary
17 principle and to err on the side of applying comprehensive and
18 inclusive assumptions about emissions rates. In doing so, it is the
19 intent of the legislature to broadly apply a fair and comprehensive
20 consideration of the climate impacts of fossil fuel use to government
21 rules and decision making. The legislature intends for the state to
22 use an open, transparent process making use of the best available
23 science to determine the upstream and downstream life-cycle emissions
24 from proposed fossil fuel projects rather than inconsistent,
25 piecemealed consideration of emissions by project applicants and
26 agencies.

27 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.21A
28 RCW to read as follows:

29 (1) In consultation with the utilities and transportation
30 commission, the chair of the energy facility site evaluation council,
31 the department of natural resources, and the department of commerce,
32 the department must adopt a rule to establish a cumulative emissions
33 rate for each fossil fuel. The cumulative emissions rate must
34 incorporate emissions from production, gathering, processing,
35 transmission, storage, distribution, and combustion including, but
36 not limited to, methane and carbon dioxide, that may be presumed to
37 occur prior to the end use of a fossil fuel or prior to or after the
38 final point of commerce for a fossil fuel in Washington. The
39 department is not required to apply identical criteria to each type

1 of fossil fuel in calculating the upstream and downstream emissions.
2 The rule must be adopted by December 1, 2021.

3 (2) In adopting a cumulative emissions rate for each type of
4 fossil fuel that is uniformly applicable to covered fossil fuel
5 proposals and projects, the department:

6 (a) Shall survey studies of North American fossil fuel cumulative
7 emissions including, but not limited to, studies of leakage and
8 fugitive emissions rates conducted by government agencies, academic
9 institutions, or private or nonprofit organizations. Studies surveyed
10 may include top-down or bottom-up analyses, or both;

11 (b) May require a gas or electrical company regulated under
12 chapter 80.28 RCW, a pipeline company regulated under chapter 81.88
13 RCW, or the operator of an onshore facility regulated under chapter
14 90.56 RCW to submit emissions information related to the company's
15 existing or proposed fossil fuel facilities' associated production,
16 gathering, processing, transmission, storage, and distribution.
17 Information obtained under this subsection (2)(b) may be used for the
18 purposes of determining a uniformly applicable cumulative emissions
19 rate, but may not be used to apply a utility-specific rate, facility-
20 specific rate, or a project-specific rate that differs from the rule
21 adopted under this section;

22 (c) Shall achieve a high level of confidence that the cumulative
23 emissions rate, utilizing the information considered under (a) and
24 (b) of this subsection, does not underestimate the actual average
25 leakage, energy-use, and other life-cycle emissions;

26 (d) Shall use best available science and the most recent
27 available science at the time that rules are adopted under this
28 section; and

29 (e) Shall rely on a weighted average of all sources of each
30 fossil fuel used in Washington.

31 (3) By December 1, 2024, and every three years thereafter, the
32 department shall:

33 (a) Evaluate the accuracy of each cumulative emissions rate
34 determined under subsections (1) and (2) of this section and report
35 the results of the evaluation to the appropriate committees of the
36 house of representatives and the senate. Upon the completion of such
37 an evaluation, the department must update the rules adopted under
38 subsections (1) and (2) of this section, if appropriate; and

39 (b) Evaluate the appropriateness of the threshold established in
40 section 3 of this act for applying the rules adopted in this section

1 to persons, facilities, and projects undertaking review under the
2 state environmental policy act. In the report to the legislature
3 required in (a) of this subsection, the department may recommend
4 amendments to the threshold established in section 3 of this act.

5 (4) In conjunction with the rule adopted under subsections (1)
6 and (2) of this section, the department must adopt rules that:

7 (a) Consider the global warming potential over a twenty year and
8 one hundred year time frame associated with fossil fuel emissions.
9 The department shall use the most recent reports from the
10 international panel on climate change to determine the twenty year
11 and one hundred year global warming potential values;

12 (b) Require consideration of induced load or growth in fuel or
13 energy consumption or electricity generation associated with a
14 project for purposes of chapter 43.21C RCW; and

15 (c) Establish methods, procedures, protocols, criteria, or other
16 standards for the mitigation of greenhouse gas emissions that achieve
17 no net increase in cumulative greenhouse gas emissions attributable
18 to a project or other subject of a government action reviewed under
19 chapter 43.21C RCW.

20 (5) The department shall provide an opportunity for interested
21 parties to comment on the information that it considers in the
22 development of the rules adopted under this section.

23 (6) (a) The rules adopted under this section specifying a fossil
24 fuel cumulative emissions rate and global warming potential must
25 apply broadly to state agency, local government, and municipal
26 corporation decision making involving the environmental review or
27 permitting of projects that use fossil fuels as a fuel source or as
28 the primary component of the project.

29 (b) Persons evaluating greenhouse gas emissions associated with a
30 project that uses fossil fuels as a fuel source or as the primary
31 component of a project must presume sources of fuel consistent with
32 the weighted average specified in subsection (2)(e) of this section.

33 (7) The definitions in this subsection apply throughout this
34 section unless the context clearly requires otherwise.

35 (a) "Cumulative emissions" means emissions including, but not
36 limited to, methane and carbon dioxide, from the production,
37 gathering, processing, transmission, storage, and distribution of
38 fossil fuels that may be presumed to occur prior to the end use of a
39 fossil fuel in Washington or prior to or after the final point of
40 commerce for the fossil fuel in Washington.

1 (b) "Fossil feedstock" includes natural gas, petroleum, coal, or
2 any form of solid, liquid, or gaseous product derived from such
3 material.

4 (c) "Fossil fuel" includes natural gas, petroleum, coal, or any
5 form of solid, liquid, or gaseous fuel derived from such material.
6 "Fossil fuel" includes fossil feedstocks.

7 (d) "Processing" means energy used or combusted during the
8 extraction, processing, and transporting of fossil fuels prior to the
9 end-use combustion or use of a fossil fuel.

10 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.21C
11 RCW to read as follows:

12 The review under this chapter of a proposed action that will
13 involve the use of fossil fuel by a person required to report
14 greenhouse gas emissions under RCW 70.94.151(5)(a), or related to an
15 action, facility, or project whose associated direct or indirect
16 annual greenhouse gas emissions may reasonably be anticipated to
17 exceed ten thousand tons per year, must apply the rules adopted under
18 section 2 of this act.

19 **Sec. 4.** RCW 80.50.175 and 1983 c 3 s 205 are each amended to
20 read as follows:

21 (1) In addition to all other powers conferred on the council
22 under this chapter, the council shall have the powers set forth in
23 this section.

24 (2) The council, upon request of any potential applicant, is
25 authorized, as provided in this section, to conduct a preliminary
26 study of any potential site prior to receipt of an application for
27 site certification. A fee of ten thousand dollars for each potential
28 site, to be applied toward the cost of any study agreed upon pursuant
29 to subsection (3) of this section, shall accompany the request and
30 shall be a condition precedent to any action on the request by the
31 council.

32 (3) After receiving a request to study a potential site, the
33 council shall commission its own independent consultant to study
34 matters relative to the potential site. The study shall include, but
35 need not be limited to, the preparation and analysis of environmental
36 impact information for the proposed potential site and any other
37 matter the council and the potential applicant deem essential to an
38 adequate appraisal of the potential site. The study of environmental

1 impact information for a proposed potential site must evaluate
2 greenhouse gas emissions consistent with the rules adopted under
3 section 2 of this act. In conducting the study, the council is
4 authorized to cooperate and work jointly with the county or counties
5 in which the potential site is located, any federal, state, or local
6 governmental agency that might be requested to comment upon the
7 potential site, and any municipal or public corporation having an
8 interest in the matter. The full cost of the study shall be paid by
9 the potential applicant: PROVIDED, That such costs exceeding a total
10 of ten thousand dollars shall be payable subject to the potential
11 applicant giving prior approval to such excess amount.

12 (4) Any study prepared by the council pursuant to subsection (3)
13 of this section may be used in place of the "detailed statement"
14 required by RCW 43.21C.030(2)(c) by any branch of government except
15 the council created pursuant to chapter 80.50 RCW.

16 (5) All payments required of the potential applicant under this
17 section are to be made to the state treasurer, who in turn shall pay
18 the consultant as instructed by the council. All such funds shall be
19 subject to state auditing procedures. Any unexpended portions thereof
20 shall be returned to the potential applicant.

21 (6) Nothing in this section shall change the requirements for an
22 application for site certification or the requirement of payment of a
23 fee as provided in RCW 80.50.071, or change the time for disposition
24 of an application for certification as provided in RCW 80.50.100.

25 (7) Nothing in this section shall be construed as preventing a
26 city or county from requiring any information it deems appropriate to
27 make a decision approving a particular location.

28 **Sec. 5.** RCW 70.94.151 and 2010 c 146 s 2 are each amended to
29 read as follows:

30 (1) The board of any activated authority or the department, may
31 classify air contaminant sources, by ordinance, resolution, rule or
32 regulation, which in its judgment may cause or contribute to air
33 pollution, according to levels and types of emissions and other
34 characteristics which cause or contribute to air pollution, and may
35 require registration or reporting or both for any such class or
36 classes. Classifications made pursuant to this section may be for
37 application to the area of jurisdiction of such authority, or the
38 state as a whole or to any designated area within the jurisdiction,

1 and shall be made with special reference to effects on health,
2 economic and social factors, and physical effects on property.

3 (2) Except as provided in subsection (3) of this section, any
4 person operating or responsible for the operation of air contaminant
5 sources of any class for which the ordinances, resolutions, rules or
6 regulations of the department or board of the authority, require
7 registration or reporting shall register therewith and make reports
8 containing information as may be required by such department or board
9 concerning location, size and height of contaminant outlets,
10 processes employed, nature of the contaminant emission and such other
11 information as is relevant to air pollution and available or
12 reasonably capable of being assembled. In the case of emissions of
13 greenhouse gases as defined in RCW 70.235.010 the department shall
14 adopt rules requiring reporting of those emissions. The department or
15 board may require that such registration or reporting be accompanied
16 by a fee, and may determine the amount of such fee for such class or
17 classes: PROVIDED, That the amount of the fee shall only be to
18 compensate for the costs of administering such registration or
19 reporting program which shall be defined as initial registration and
20 annual or other periodic reports from the source owner providing
21 information directly related to air pollution registration, on-site
22 inspections necessary to verify compliance with registration
23 requirements, data storage and retrieval systems necessary for
24 support of the registration program, emission inventory reports and
25 emission reduction credits computed from information provided by
26 sources pursuant to registration program requirements, staff review,
27 including engineering or other reliable analysis for accuracy and
28 currentness, of information provided by sources pursuant to
29 registration program requirements, clerical and other office support
30 provided in direct furtherance of the registration program, and
31 administrative support provided in directly carrying out the
32 registration program: PROVIDED FURTHER, That any such registration
33 made with either the board or the department shall preclude a further
34 registration and reporting with any other board or the department,
35 except that emissions of greenhouse gases as defined in RCW
36 70.235.010 must be reported as required under subsection (5) of this
37 section.

38 All registration program and reporting fees collected by the
39 department shall be deposited in the air pollution control account.

1 All registration program fees collected by the local air authorities
2 shall be deposited in their respective treasuries.

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

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

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

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

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

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

32 (5)(a) The department shall adopt rules requiring persons to
33 report emissions of greenhouse gases as defined in RCW 70.235.010
34 where those emissions from a single facility, source, or site, or
35 from fossil fuels sold in Washington by a single supplier meet or
36 exceed ten thousand metric tons of carbon dioxide equivalent
37 annually. The department may phase in the requirement to report
38 greenhouse gas emissions until the reporting threshold in this
39 subsection is met, which must occur by January 1, 2012. In addition,
40 the rules must require that:

1 (i) Emissions of greenhouse gases resulting from the combustion
2 of fossil fuels be reported separately from emissions of greenhouse
3 gases resulting from the combustion of biomass;

4 (ii) Reporting will start in 2010 for 2009 emissions. Each annual
5 report must include emissions data for the preceding calendar year
6 and must be submitted to the department by October 31st of the year
7 in which the report is due. However, starting in 2011, a person who
8 is required to report greenhouse gas emissions to the United States
9 environmental protection agency under 40 C.F.R. Part 98, as adopted
10 on September 22, 2009, must submit the report required under this
11 section to the department concurrent with the submission to the
12 United States environmental protection agency. Except as otherwise
13 provided in this section, the data for emissions in Washington and
14 any corrections thereto that are reported to the United States
15 environmental protection agency must be the emissions data reported
16 to the department; and

17 (iii) Emissions of carbon dioxide associated with the complete
18 combustion or oxidation of liquid motor vehicle fuel, special fuel,
19 or aircraft fuel that is sold in Washington where the annual
20 emissions associated with that combustion or oxidation equal or
21 exceed ten thousand metric tons be reported to the department. Each
22 person who is required to file periodic tax reports of motor vehicle
23 fuel sales under RCW 82.36.031 or special fuel sales under RCW
24 82.38.150, or each distributor of aircraft fuel required to file
25 periodic tax reports under RCW 82.42.040 must report to the
26 department the annual emissions of carbon dioxide from the complete
27 combustion or oxidation of the fuels listed in those reports as sold
28 in the state of Washington. The department shall not require
29 suppliers to use additional data to calculate greenhouse gas
30 emissions other than the data the suppliers report to the department
31 of licensing. The rules may allow this information to be aggregated
32 when reported to the department. The department and the department of
33 licensing shall enter into an interagency agreement to ensure
34 proprietary and confidential information is protected if the
35 departments share reported information. Any proprietary or
36 confidential information exempt from disclosure when reported to the
37 department of licensing is exempt from disclosure when shared by the
38 department of licensing with the department under this provision.

39 (b) (i) Except as otherwise provided in this subsection, the rules
40 adopted by the department under (a) of this subsection must be

1 consistent with the regulations adopted by the United States
2 environmental protection agency in 40 C.F.R. Part 98 on September 22,
3 2009.

4 (ii) The department may by rule include additional gases to the
5 definition of "greenhouse gas" in RCW 70.235.010 only if the gas has
6 been designated as a greenhouse gas by the United States congress or
7 by the United States environmental protection agency. Prior to
8 including additional gases to the definition of "greenhouse gas" in
9 RCW 70.235.010, the department shall notify the appropriate
10 committees of the legislature. Decisions to amend the rule to include
11 additional gases must be made prior to December 1st of any year and
12 the amended rule may not take effect before the end of the regular
13 legislative session in the next year.

14 (iii) The department may by rule exempt persons who are required
15 to report greenhouse gas emissions to the United States environmental
16 protection agency and who emit less than ten thousand metric tons
17 carbon dioxide equivalent annually.

18 (iv) The department must establish a methodology for persons who
19 are not required to report under this section to voluntarily report
20 their greenhouse gas emissions.

21 (v) The department must require reported emissions from fossil
22 fuels to include the emissions consistent with the cumulative
23 emissions rate and global warming potential rule adopted under
24 section 2 of this act. Production, gathering, processing,
25 transmission, storage, and distribution emissions from fossil fuels
26 must be reported as a separate measurement from the emissions
27 associated with the end use of the fossil fuel.

28 (c) The department shall review and if necessary update its rules
29 whenever the United States environmental protection agency adopts
30 final amendments to 40 C.F.R. Part 98 to ensure consistency with
31 federal reporting requirements for emissions of greenhouse gases.
32 However, the department shall not amend its rules in a manner that
33 conflicts with (a) of this subsection.

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

37 (e) The fee provisions in subsection (2) of this section apply to
38 reporting of emissions of greenhouse gases. Persons required to
39 report under (a) of this subsection who fail to report or pay the fee
40 required in subsection (2) of this section are subject to enforcement

1 penalties under this chapter. The department shall enforce the
2 reporting rule requirements unless it approves a local air
3 authority's request to enforce the requirements for persons operating
4 within the authority's jurisdiction. However, neither the department
5 nor a local air authority approved under this section are authorized
6 to assess enforcement penalties on persons required to report under
7 (a) of this subsection until six months after the department adopts
8 its reporting rule in 2010.

9 (f) The energy facility site evaluation council shall,
10 simultaneously with the department, adopt rules that impose
11 greenhouse gas reporting requirements in site certifications on
12 owners or operators of a facility permitted by the energy facility
13 site evaluation council. The greenhouse gas reporting requirements
14 imposed by the energy facility site evaluation council must be the
15 same as the greenhouse gas reporting requirements imposed by the
16 department. The department shall share any information reported to it
17 from facilities permitted by the energy facility site evaluation
18 council with the council, including notice of a facility that has
19 failed to report as required. The energy facility site evaluation
20 council shall contract with the department to monitor the reporting
21 requirements adopted under this section.

22 (g) The inclusion or failure to include any person, source,
23 classes of persons or sources, or types of emissions of greenhouse
24 gases into the department's rules for reporting under this section
25 does not indicate whether such a person, source, or category is
26 appropriate for inclusion in state, regional, or national greenhouse
27 gas reduction programs or strategies. Furthermore, aircraft fuel
28 purchased in the state may not be considered equivalent to aircraft
29 fuel combusted in the state.

30 (h) (i) The definitions in RCW 70.235.010 apply throughout this
31 subsection (5) unless the context clearly requires otherwise.

32 (ii) For the purpose of this subsection (5), the term "supplier"
33 includes: (A) A motor vehicle fuel supplier or a motor vehicle fuel
34 importer, as those terms are defined in RCW 82.36.010; (B) a special
35 fuel supplier or a special fuel importer, as those terms are defined
36 in RCW 82.38.020; and (C) a distributor of aircraft fuel, as those
37 terms are defined in RCW 82.42.010.

38 (iii) For the purpose of this subsection (5), the term "person"
39 includes: (A) An owner or operator, as those terms are defined by the
40 United States environmental protection agency in its mandatory

1 greenhouse gas reporting regulation in 40 C.F.R. Part 98, as adopted
2 on September 22, 2009; and (B) a supplier.

3 NEW SECTION. **Sec. 6.** A new section is added to chapter 70.94
4 RCW to read as follows:

5 For purposes of the implementation and enforcement of this
6 chapter, the department and air pollution control authorities shall
7 apply a fossil fuel life-cycle emissions rate and global warming
8 potential consistent with the rules adopted under section 2 of this
9 act.

10 NEW SECTION. **Sec. 7.** A new section is added to chapter 70.235
11 RCW to read as follows:

12 For purposes of the implementation and enforcement of this
13 chapter, the department shall use a fossil fuel cumulative emissions
14 rate and global warming potential consistent with the rules adopted
15 under section 2 of this act.

16 NEW SECTION. **Sec. 8.** A new section is added to chapter 80.70
17 RCW to read as follows:

18 For purposes of the implementation and enforcement of this
19 chapter, the council, department, or authority shall apply a fossil
20 fuel cumulative emissions rate and global warming potential
21 consistent with the rules adopted under section 2 of this act. The
22 council, department, or authority shall require a carbon dioxide
23 mitigation plan developed under RCW 80.70.020 to provide mitigation
24 based upon the carbon dioxide equivalents associated with both the
25 end use of the fossil fuel and the production, gathering, processing,
26 transmission, storage, and distribution of fossil fuel consistent
27 with the rules adopted under section 2 of this act.

28 NEW SECTION. **Sec. 9.** A new section is added to chapter 80.28
29 RCW to read as follows:

30 For purposes of the implementation and enforcement of this
31 chapter, the commission, gas companies, and electrical companies
32 shall use a fossil fuel cumulative emissions rate and global warming
33 potential consistent with the rules adopted under section 2 of this
34 act.

1 **Sec. 10.** RCW 19.280.030 and 2019 c 288 s 14 are each amended to
2 read as follows:

3 Each electric utility must develop a plan consistent with this
4 section.

5 (1) Utilities with more than twenty-five thousand customers that
6 are not full requirements customers must develop or update an
7 integrated resource plan by September 1, 2008. At a minimum, progress
8 reports reflecting changing conditions and the progress of the
9 integrated resource plan must be produced every two years thereafter.
10 An updated integrated resource plan must be developed at least every
11 four years subsequent to the 2008 integrated resource plan. The
12 integrated resource plan, at a minimum, must include:

13 (a) A range of forecasts, for at least the next ten years or
14 longer, of projected customer demand which takes into account
15 econometric data and customer usage;

16 (b) An assessment of commercially available conservation and
17 efficiency resources, as informed, as applicable, by the assessment
18 for conservation potential under RCW 19.285.040 for the planning
19 horizon consistent with (a) of this subsection. Such assessment may
20 include, as appropriate, opportunities for development of combined
21 heat and power as an energy and capacity resource, demand response
22 and load management programs, and currently employed and new policies
23 and programs needed to obtain the conservation and efficiency
24 resources;

25 (c) An assessment of commercially available, utility scale
26 renewable and nonrenewable generating technologies including a
27 comparison of the benefits and risks of purchasing power or building
28 new resources;

29 (d) A comparative evaluation of renewable and nonrenewable
30 generating resources, including transmission and distribution
31 delivery costs, and conservation and efficiency resources using
32 "lowest reasonable cost" as a criterion;

33 (e) An assessment of methods, commercially available
34 technologies, or facilities for integrating renewable resources,
35 including but not limited to battery storage and pumped storage, and
36 addressing overgeneration events, if applicable to the utility's
37 resource portfolio;

38 (f) An assessment and ten-year forecast of the availability of
39 regional generation and transmission capacity on which the utility
40 may rely to provide and deliver electricity to its customers;

1 (g) A determination of resource adequacy metrics for the resource
2 plan consistent with the forecasts;

3 (h) A forecast of distributed energy resources that may be
4 installed by the utility's customers and an assessment of their
5 effect on the utility's load and operations;

6 (i) An identification of an appropriate resource adequacy
7 requirement and measurement metric consistent with prudent utility
8 practice in implementing RCW 19.405.030 through 19.405.050;

9 (j) The integration of the demand forecasts, resource
10 evaluations, and resource adequacy requirement into a long-range
11 assessment describing the mix of supply side generating resources and
12 conservation and efficiency resources that will meet current and
13 projected needs, including mitigating overgeneration events and
14 implementing RCW 19.405.030 through 19.405.050, at the lowest
15 reasonable cost and risk to the utility and its customers, while
16 maintaining and protecting the safety, reliable operation, and
17 balancing of its electric system;

18 (k) An assessment, informed by the cumulative impact analysis
19 conducted under RCW 19.405.140, of: Energy and nonenergy benefits and
20 reductions of burdens to vulnerable populations and highly impacted
21 communities; long-term and short-term public health and environmental
22 benefits, costs, and risks; and energy security and risk; and

23 (1) A ten-year clean energy action plan for implementing RCW
24 19.405.030 through 19.405.050 at the lowest reasonable cost, and at
25 an acceptable resource adequacy standard, that identifies the
26 specific actions to be taken by the utility consistent with the
27 long-range integrated resource plan.

28 (2) For an investor-owned utility, the clean energy action plan
29 must: (a) Identify and be informed by the utility's ten-year cost-
30 effective conservation potential assessment as determined under RCW
31 19.285.040, if applicable; (b) establish a resource adequacy
32 requirement; (c) identify the potential cost-effective demand
33 response and load management programs that may be acquired; (d)
34 identify renewable resources, nonemitting electric generation, and
35 distributed energy resources that may be acquired and evaluate how
36 each identified resource may be expected to contribute to meeting the
37 utility's resource adequacy requirement; (e) identify any need to
38 develop new, or expand or upgrade existing, bulk transmission and
39 distribution facilities; and (f) identify the nature and possible

1 extent to which the utility may need to rely on alternative
2 compliance options under RCW 19.405.040(1)(b), if appropriate.

3 (3)(a) An electric utility shall consider the social cost of
4 greenhouse gas emissions, as determined by the commission for
5 investor-owned utilities pursuant to RCW 80.28.405 and the department
6 for consumer-owned utilities, when developing integrated resource
7 plans and clean energy action plans. An electric utility must
8 incorporate the social cost of greenhouse gas emissions as a cost
9 adder when:

10 (i) Evaluating and selecting conservation policies, programs, and
11 targets;

12 (ii) Developing integrated resource plans and clean energy action
13 plans; and

14 (iii) Evaluating and selecting intermediate term and long-term
15 resource options.

16 (b) For the purposes of this subsection (3): (i) Gas consisting
17 largely of methane and other hydrocarbons derived from the
18 decomposition of organic material in landfills, wastewater treatment
19 facilities, and anaerobic digesters must be considered a nonemitting
20 resource; and (ii) qualified biomass energy must be considered a
21 nonemitting resource.

22 (4) To facilitate broad, equitable, and efficient implementation
23 of chapter 288, Laws of 2019, a consumer-owned energy utility may
24 enter into an agreement with a joint operating agency organized under
25 chapter 43.52 RCW or other nonprofit organization to develop and
26 implement a joint clean energy action plan in collaboration with
27 other utilities.

28 (5) All other utilities may elect to develop a full integrated
29 resource plan as set forth in subsection (1) of this section or, at a
30 minimum, shall develop a resource plan that:

31 (a) Estimates loads for the next five and ten years;

32 (b) Enumerates the resources that will be maintained and/or
33 acquired to serve those loads;

34 (c) Explains why the resources in (b) of this subsection were
35 chosen and, if the resources chosen are not: (i) Renewable resources;
36 (ii) methods, commercially available technologies, or facilities for
37 integrating renewable resources, including addressing any
38 overgeneration event; or (iii) conservation and efficiency resources,
39 why such a decision was made; and

1 (d) By December 31, 2020, and in every resource plan thereafter,
2 identifies how the utility plans over a ten-year period to implement
3 RCW 19.405.040 and 19.405.050.

4 (6) (a) Assessments for demand side resources included in an
5 integrated resource plan may include combined heat and power systems
6 as one of the measures in a conservation supply curve. The value of
7 recoverable waste heat resulting from combined heat and power must be
8 reflected in analyses of cost-effectiveness under this subsection.

9 (b) Assessments involving fossil fuel resources must be
10 consistent with the rules adopted under section 2 of this act.

11 (7) An electric utility that is required to develop a resource
12 plan under this section must complete its initial plan by September
13 1, 2008.

14 (8) Plans developed under this section must be updated on a
15 regular basis, on intervals approved by the commission or the
16 department, or at a minimum on intervals of two years.

17 (9) Plans shall not be a basis to bring legal action against
18 electric utilities.

19 (10)(a) To maximize transparency, the commission, for investor-
20 owned utilities, or the governing body, for consumer-owned utilities,
21 may require an electric utility to make the utility's data input
22 files available in a native format. Each electric utility shall
23 publish its final plan either as part of an annual report or as a
24 separate document available to the public. The report may be in an
25 electronic form.

26 (b) Nothing in this subsection limits the protection of records
27 containing commercial information under RCW 80.04.095.

28 (11) By December 31, 2021, the department and the commission must
29 adopt rules establishing the requirements for incorporating the
30 cumulative impact analysis developed under RCW 19.405.140 into the
31 criteria for developing clean energy action plans under this section.

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