SENATE BILL 5359

State of Washington 69th Legislature 2025 Regular Session

By Senators Shewmake, Hasegawa, Nobles, Salomon, and Stanford; by request of Department of Commerce

Read first time 01/20/25. Referred to Committee on Environment, Energy & Technology.

AN ACT Relating to accelerating the development of clean energy and transmission; amending RCW 43.330.120; adding new sections to chapter 43.330 RCW; and creating a new section.

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

The legislature finds that Washington must 5 NEW SECTION. Sec. 1. 6 accelerate the pace of development for clean energy projects and 7 electrical transmission facilities. The 2021 state energy strategy 8 projects that Washington state must nearly double electricity 9 consumption by 2050 to meet the state's greenhouse gas emissions 10 limits and achieve the targets set by chapter 19.405 RCW, the 11 Washington clean energy transformation act. According to a 2023 net 12 zero northwest study by the clean energy transition institute, 2050 electricity needs through the 13 meeting Washington's most 14 economically and technically efficient pathway will require building 15 approximately 2/3 of this additional electricity generation in-state 16 while also importing approximately 1/3 from out-of-state sources. 17 According to the 2022 transmission corridors work group report, 18 increased electricity demand will require significant increases in 19 both in-state and interstate electrical transmission capacity within 20 a relatively short time frame. Developing clean energy generation 21 projects and additional electrical transmission capacity is essential

to: Meeting the state's climate goals; growing family-wage clean energy jobs and innovative clean energy businesses and manufacturing that provide economic benefits across the state; and ensuring adequate, reliable, and affordable clean energy for residents and businesses.

6 The legislature further finds that recent legislatively mandated 7 studies identified significant concerns that impede the development of clean energy projects and electrical transmission facilities, 8 unrelated to the regulatory process. These impediments include a lack 9 of information related to clean energy projects, uncertainty over 10 clean energy project impacts and benefits, inadequate engagement with 11 12 tribes and communities, uncertainty regarding clean energy development under local zoning codes, and insufficient statewide 13 planning to guide development of clean energy projects and electrical 14 transmission facilities. 15

16 Therefore, the legislature intends for this act to establish a 17 framework for the state to provide the information, planning, and 18 support needed to accelerate the pace of development for clean energy 19 projects and electrical transmission facilities, while also protecting the environment, overburdened communities, and tribal 20 21 rights, interests, and resources, including cultural resources, and 22 bringing benefits to the communities that host clean energy projects. 23 This act creates a clean energy development office to: Provide trusted information to the public and others; support planning and 24 25 development of clean energy generation and transmission; and provide 26 support to tribes, communities, and local governments as they consider proposals for clean energy projects and electrical 27 28 transmission facilities.

29 <u>NEW SECTION.</u> Sec. 2. The definitions in this section apply 30 throughout sections 3 through 6 of this act unless the context 31 clearly requires otherwise.

32 (1) "Clean energy project" has the same meaning as defined in33 RCW 43.158.010.

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

35 (3) "Director" means the director of the department.

36 (4) "Electrical transmission facilities" has the same meaning as 37 defined in RCW 43.158.010.

38 (5) "Office" means the clean energy development office 39 established in section 3 of this act.

(6) "Overburdened communities" has the same meaning as defined in
 RCW 70A.02.010.

3 <u>NEW SECTION.</u> Sec. 3. (1) The clean energy development office is 4 established within the department. The office may employ staff as 5 necessary to carry out the office's duties as prescribed by this act, 6 subject to the availability of amounts appropriated for this specific 7 purpose.

8 (2) The purpose of the office is to provide proactive leadership 9 and coordination with other agencies to:

(a) Assemble and share information to guide and support siting of
 clean energy projects and electrical transmission facilities;

(b) Conduct planning and development functions to help achieve adequate, reliable, and affordable clean energy generation, manufacturing, and transmission; and

(c) Support tribes, local governments, and communities to enhancelocal and equitable benefits associated with clean energy projects.

17 (3) The definitions in section 2 of this act apply throughout18 this section unless the context clearly requires otherwise.

19 <u>NEW SECTION.</u> Sec. 4. (1) Subject to the availability of amounts 20 appropriated for this specific purpose, the office may:

(a) Develop publicly available internet-based geospatial
 capabilities and visualization information to support clean energy
 siting, assessment, and tracking;

(b) Provide information on clean energy technologies to enhance
public understanding of commonly utilized and emerging technologies
and to clarify the state of knowledge regarding best practices,
environmental impacts, risks, mitigation, and other relevant aspects
of these technologies;

(c) Provide information to encourage clean energy developers to 29 30 site clean energy projects in Washington state. The office may develop, collect, and provide information on resources available to 31 support clean energy development including, but not limited to: 32 Guidance on working with tribes, communities, and permitting 33 authorities; regulatory pathways, processes, and support; funding and 34 tax preferences; community benefits agreements and project labor 35 agreements; geospatial information; and electrical transmission 36 37 interconnection. The office may collaborate with the office of economic development and competitiveness on recruitment and support 38

SB 5359

for new projects. The office may also engage local economic
 development organizations to identify resources and opportunities;

3 (d) Explore opportunities to accelerate upgrades to existing 4 clean energy generating facilities. The office may identify needs, 5 barriers, and opportunities to increase the generating capacity of 6 existing clean energy generating facilities, such as wind and solar 7 facilities, through technological improvements;

(e) Collaborate with other state agencies as appropriate to 8 identify best practices to support local governments in siting and 9 permitting emerging clean energy technologies. The office may address 10 issues and concerns regarding emerging clean energy technologies 11 including, but not limited to, safety, emergency response, zoning, 12 siting, and permitting. The office may support development of a menu 13 of options or templates for local government policies and regulations 14 related to emerging clean energy technologies that 15 local 16 jurisdictions can tailor to their needs;

17 (f) Support tribally led clean energy development and provide 18 liaison support, technical assistance, assistance in accessing 19 federal and state funding, and other support to tribes or tribally 20 owned enterprises who may want to develop their own clean energy 21 projects;

(g) Develop guidance and templates for community benefits agreements and project labor agreements to support clean energy project developers and local communities in identifying and mitigating project impacts and enhancing the benefits communities and workers receive from clean energy projects;

(h) Provide technical assistance for communities and developers
to create community benefits agreements and project labor agreements
specific to their needs;

(i) Consistent with RCW 28C.18.210 and 28C.18.212, the department 30 31 is a partner with the workforce training and education coordinating 32 board and the state workforce system to evaluate the workforce impact 33 of Washington's climate policies and support the expansion and development of high paying, quality clean energy career pathways and 34 wraparound support services, especially for overburdened communities 35 and vulnerable populations. The office may serve as a convener 36 between clean energy project owners and the state workforce system in 37 communities where projects are sited to support clean energy 38 39 workforce development;

1 (j) Support deployment of agrivoltaic and dual-use solar and other clean energy technologies through investments in research and 2 development, pilot projects, and integration into local planning and 3 zoning. The office may provide technical assistance, information, and 4 funding to support colocating solar photovoltaics and other clean 5 6 energy technologies with agricultural operations and, where appropriate, locating photovoltaics over water bodies. The office may 7 support pilot projects and research and development of dual-use 8 applications, and may help identify applications, approaches, and 9 designs that can benefit from colocation; 10

11 (k) Assess the efficiency and effectiveness of state and local 12 tax provisions relating to development and operation of clean energy 13 projects;

14 (1) Support electrical transmission planning and development 15 including, but not limited to:

16 (i) Coordinating with other agencies and jurisdictions to plan 17 and develop in-state and interstate electrical transmission and other 18 linear clean energy corridors;

19 (ii) Identifying electrical transmission capacity constraints, 20 barriers to electricity grid interconnection, and options to 21 ameliorate constraints and barriers;

(iii) Identifying opportunities to develop additional
 transmission corridors, if needed, and upgrade existing transmission
 facilities to ameliorate transmission capacity constraints; and

(iv) Providing information on grid enhancing technologies and other options for improving electrical transmission capacity and resilience and identify opportunities to accelerate deployment of these approaches;

(m) Support planning and development of clean energy linear transmission corridors including, but not limited to, hydrogen pipelines; and

(n) Conduct or participate in such other initiatives, studies, or
 investigations as may be directed by the legislature, the governor,
 or the director.

35 (2) The definitions in section 2 of this act apply throughout36 this section unless the context clearly requires otherwise.

37 <u>NEW SECTION.</u> Sec. 5. (1) Subject to the availability of amounts 38 appropriated for this specific purpose, the office shall:

1 (a) Identify best practices for siting and permitting large-scale battery energy storage systems. The office shall convene a work group 2 to identify best practice policy language and develop other tools at 3 the statewide level to support local governments and state regulatory 4 authorities. Work group members may include, but are not limited to, 5 tribal representatives, city and county representatives, battery 6 energy storage developers and experts, state regulatory authorities, 7 environmental justice interests, and other relevant stakeholders with 8 expertise on the topic. The work group shall address the range of 9 issues and concerns related to battery energy storage, including 10 11 safety, emergency response, zoning, siting, and permitting. The work 12 group shall incorporate information from nonproject environmental impact statements addressing colocated battery energy storage. The 13 work group shall develop a menu of options or templates for policies 14 and regulations related to battery energy storage facilities that 15 16 local jurisdictions can tailor to their needs. The office shall 17 submit a report to the governor and legislature summarizing the 18 findings and recommendations by July 1, 2026;

(b) By July 1, 2026, submit a report to the legislature and the governor that assesses the feasibility and potential benefits of a build-ready clean energy program to accelerate the use of underutilized locations for clean energy projects. The report must include a program design proposal, if recommended.

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

26 <u>NEW SECTION.</u> Sec. 6. The department may adopt rules necessary 27 to carry out the purposes and provisions of this act.

28 Sec. 7. RCW 43.330.120 and 1993 c 280 s 15 are each amended to 29 read as follows:

30 (1) The department shall serve as the central coordinator for state government in the implementation of the growth management act, 31 chapter 36.70A RCW. The department shall work closely with all 32 Washington communities planning for future growth and responding to 33 34 the pressures of urban sprawl. The department shall ensure coordinated implementation of the growth management act by state 35 36 agencies.

37 (2) The department shall offer technical and financial assistance38 to cities and counties planning under the growth management act. The

SB 5359

1 department shall help local officials interpret and implement the 2 different requirements of the act through workshops, model 3 ordinances, and information materials.

4 (3) The department shall provide alternative dispute resolution 5 to jurisdictions and organizations to mediate disputes and to 6 facilitate consistent implementation of the growth management act. 7 The department shall review local governments compliance with the 8 requirements of the growth management act and make recommendations to 9 the governor.

10 (4) The department shall support local governments to integrate clean energy development, including agrivoltaics and dual-use solar 11 and other clean energy technologies, into planning and zoning 12 requirements. The department shall provide technical assistance and 13 ongoing liaison support to local governments, including methods and 14 15 best practices for siting clean energy projects and transmission facilities, and for colocation of energy facilities with agricultural 16 17 operations, environmental conservation, and other uses.

18 (5) The department shall provide alternative dispute resolution 19 services including, but not limited to, mediation services, to help 20 resolve disputes between any combination of local governments, 21 tribes, and project applicants attempting to site clean energy 22 projects or electrical transmission facilities. Alternative dispute 23 resolution processes involving tribes may require unique provisions, 24 including for confidentiality of tribal information.

25 <u>NEW SECTION.</u> Sec. 8. Sections 2 through 6 of this act are each 26 added to chapter 43.330 RCW.

27 <u>NEW SECTION.</u> Sec. 9. If any provision of this act or its 28 application to any person or circumstance is held invalid, the 29 remainder of the act or the application of the provision to other 30 persons or circumstances is not affected.

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