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SENATE BILL 6471

State of Washington 61st Legislature 2010 Regular Session

By Senators Fraser, Rockefeller, Pridemore, Marr, and Kline

Read first time 01/14/10. Referred to Committee on Environment, Water & Energy.

- AN ACT Relating to the energy facility site evaluation council; and amending RCW 80.50.020, 80.50.030, 80.50.071, and 80.50.080.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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- 4 **Sec. 1.** RCW 80.50.020 and 2007 c 325 s 1 are each amended to read 5 as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Applicant" means any person who makes application for a site certification pursuant to the provisions of this chapter.
 - (2) "Application" means any request for approval of a particular site or sites filed in accordance with the procedures established pursuant to this chapter, unless the context otherwise requires.
- 13 (3) "Person" means an individual, partnership, joint venture, 14 private or public corporation, association, firm, public service 15 company, political subdivision, municipal corporation, government 16 agency, public utility district, or any other entity, public or 17 private, however organized.
- 18 (4) "Site" means any proposed or approved location of an energy

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1 facility, alternative energy resource, or electrical transmission 2 facility.

- (5) "Certification" means a binding agreement between an applicant and the state which shall embody compliance to the siting guidelines, in effect as of the date of certification, which have been adopted pursuant to RCW 80.50.040 as now or hereafter amended as conditions to be met prior to or concurrent with the construction or operation of any energy facility.
- (6) "Associated facilities" means storage, transmission, handling, or other related and supporting facilities connecting an energy plant with the existing energy supply, processing, or distribution system, including, but not limited to, communications, controls, mobilizing or maintenance equipment, instrumentation, and other types of ancillary transmission equipment, off-line storage or venting required for efficient operation or safety of the transmission system and overhead, and surface or subsurface lines of physical access for the inspection, maintenance, and safe operations of the transmission facility and new transmission lines constructed to operate at nominal voltages of at least 115,000 volts to connect a thermal power plant or alternative energy facilities to the northwest power grid. However, common carrier railroads or motor vehicles shall not be included.
- 22 (7) "Transmission facility" means any of the following together 23 with their associated facilities:
 - (a) Crude or refined petroleum or liquid petroleum product transmission pipeline of the following dimensions: A pipeline larger than six inches minimum inside diameter between valves for the transmission of these products with a total length of at least fifteen miles;
 - (b) Natural gas, synthetic fuel gas, or liquefied petroleum gas transmission pipeline of the following dimensions: A pipeline larger than fourteen inches minimum inside diameter between valves, for the transmission of these products, with a total length of at least fifteen miles for the purpose of delivering gas to a distribution facility, except an interstate natural gas pipeline regulated by the United States federal power commission.
- 36 (8) "Electrical transmission facilities" means electrical power 37 lines and related equipment.

(9) "Independent consultants" means those persons who have no financial interest in the applicant's proposals and who are retained by the council to evaluate the applicant's proposals, supporting studies, or to conduct additional studies.

- (10) "Thermal power plant" means, for the purpose of certification, any electrical generating facility using any fuel, including nuclear materials((, for distribution of electricity by electric utilities)).
- (11) "Energy facility" means an energy plant or transmission facilities: PROVIDED, That the following are excluded from the provisions of this chapter:
 - (a) Facilities for the extraction, conversion, transmission or storage of water, other than water specifically consumed or discharged by energy production or conversion for energy purposes; and
- (b) Facilities operated by and for the armed services for military purposes or by other federal authority for the national defense.
- 16 (12) "Council" means the energy facility site evaluation council 17 created by RCW 80.50.030.
 - (13) "Counsel for the environment" means an assistant attorney general or a special assistant attorney general who shall represent the public in accordance with RCW 80.50.080.
 - (14) "Construction" means on-site improvements, excluding exploratory work, which cost in excess of two hundred fifty thousand dollars.
- 24 (15) "Energy plant" means the following facilities together with 25 their associated facilities:
 - (a) Any stationary thermal power plant with generating capacity of three hundred fifty thousand kilowatts or more, and any commercially operated nuclear power facility, measured using maximum continuous electric generating capacity, less minimum auxiliary load, at average ambient temperature and pressure, and floating thermal power plants of one hundred thousand kilowatts or more, including associated facilities. For the purposes of this subsection, "floating thermal power plants" means a thermal power plant that is suspended on the surface of water by means of a barge, vessel, or other floating platform;
 - (b) Facilities which will have the capacity to receive liquefied natural gas in the equivalent of more than one hundred million standard

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1 cubic feet of natural gas per day, which has been transported over 2 marine waters;

- (c) Facilities which will have the capacity to receive more than an average of fifty thousand barrels per day of crude or refined petroleum or liquefied petroleum gas which has been or will be transported over marine waters, except that the provisions of this chapter shall not apply to storage facilities unless occasioned by such new facility construction;
- 9 (d) Any underground reservoir for receipt and storage of natural 10 gas as defined in RCW 80.40.010 capable of delivering an average of 11 more than one hundred million standard cubic feet of natural gas per 12 day; and
- 13 (e) Facilities capable of processing more than twenty-five thousand 14 barrels per day of petroleum or biofuel into refined products.
 - (16) "Land use plan" means a comprehensive plan or land use element thereof adopted by a unit of local government pursuant to chapter 35.63, 35A.63, 36.70, or 36.70A RCW, or as otherwise designated by chapter 325, Laws of 2007.
 - (17) "Zoning ordinance" means an ordinance of a unit of local government regulating the use of land and adopted pursuant to chapter 35.63, 35A.63, 36.70, or 36.70A RCW or Article XI of the state Constitution, or as otherwise designated by chapter 325, Laws of 2007.
 - (18) "Alternative energy resource" ((means)) includes energy facilities of the following types: (a) Wind; (b) solar energy; (c) geothermal energy; (d) landfill gas; (e) wave or tidal action; or (f) biomass energy based on solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic.
- 30 (19) "Secretary" means the secretary of the United States 31 department of energy.
 - (20) "Preapplication process" means the process which is initiated by written correspondence from the preapplicant to the council, and includes the process adopted by the council for consulting with the preapplicant and with cities, towns, and counties prior to accepting applications for all transmission facilities.
- 37 (21) "Preapplicant" means a person considering applying for a site 38 certificate agreement for any transmission facility.

- Sec. 2. RCW 80.50.030 and 2001 c 214 s 4 are each amended to read as follows:
 - (1) There is created and established the energy facility site evaluation council.
 - (2)(a) The chair of the council shall be appointed by the governor with the advice and consent of the senate, shall have a vote on matters before the council, shall serve for a term coextensive with the term of the governor, and is removable for cause. The chair may designate a member of the council to serve as acting chair in the event of the chair's absence. The salary of the chair shall be determined under RCW 43.03.040. The chair is a "state employee" for the purposes of chapter 42.52 RCW. As applicable, when attending meetings of the council, members may receive reimbursement for travel expenses in accordance with RCW 43.03.050 and 43.03.060, and are eligible for compensation under RCW 43.03.250.
 - (b) The chair or a designee shall execute all official documents, contracts, and other materials on behalf of the council. ((The Washington state department of community, trade, and economic development shall provide all administrative and staff support for the council. The director of the department of community, trade, and economic development has supervisory authority over the staff of the council and shall employ such personnel as are necessary to implement this chapter.)) The Washington state utilities and transportation commission shall provide all administrative and staff support for the council. The Washington state utilities and transportation commission has supervisory authority over the staff of the council and shall employ such personnel as are necessary to implement this chapter. Not more than three such employees may be exempt from chapter 41.06 RCW.
 - (3)(a) The council shall consist of the directors, administrators, or their designees, of the following departments, agencies, commissions, and committees or their statutory successors:
 - (i) Department of ecology;
- 34 (ii) Department of fish and wildlife;
- 35 (iii) Department of community, trade, and economic development;
- 36 (iv) Utilities and transportation commission; and
 - (v) Department of natural resources.

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- (b) The directors, administrators, or their designees, of the following departments, agencies, and commissions, or their statutory successors, may participate as councilmembers at their own discretion provided they elect to participate no later than sixty days after an application is filed:
 - (i) Department of agriculture;
 - (ii) Department of health;

- (iii) Military department; and
- (iv) Department of transportation.
- (c) Council membership is discretionary for agencies that choose to participate under (b) of this subsection only for applications that are filed with the council on or after May 8, 2001. For applications filed before May 8, 2001, council membership is mandatory for those agencies listed in (b) of this subsection.
- (4) The appropriate county legislative authority of every county wherein an application for a proposed site is filed shall appoint a member or designee as a voting member to the council. The member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the county which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site.
- (5) The city legislative authority of every city within whose corporate limits an energy ((plant)) facility is proposed to be located shall appoint a member or designee as a voting member to the council. The member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the city which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site.
- (6) For any port district wherein an application for a proposed port facility is filed subject to this chapter, the port district shall appoint a member or designee as a nonvoting member to the council. The member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the port district which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site. The provisions of this subsection shall not apply if the port

1 district is the applicant, either singly or in partnership or 2 association with any other person.

- Sec. 3. RCW 80.50.071 and 2006 c 196 s 5 are each amended to read as follows:
- (1) The council shall receive all applications for energy facility site certification. ((The following fees or charges for application processing or certification monitoring shall be paid by the applicant or certificate holder:)) Each applicant shall pay costs as are necessarily incurred by the council in processing an application.
- (a) ((A fee of twenty five thousand dollars for each proposed site, to be applied toward the cost of the independent consultant study authorized in this subsection, shall accompany the application and shall be a condition precedent to any further consideration or action on the application by the council)) Each applicant shall, at the time of application submission, deposit fifty thousand dollars, or such greater amount as may be specified by the council after consultation with the applicant. Costs that may be charged against the deposit include, but are not limited to, independent consultants costs, councilmember's wages, employee benefits, costs of a hearing examiner, costs of a court reporter, staff salaries, wages and employee benefits, goods and services, travel expenses, and miscellaneous direct and indirect expenses as arise directly or indirectly from processing an application.
- ((The council shall commission its own independent consultant study to measure the consequences of the proposed energy facility on the environment for each site application. The council shall direct the consultant to study any matter which it deems essential to an adequate appraisal of the site. The full cost of the study shall be paid by the applicant: PROVIDED, That said costs exceeding a total of the twenty-five thousand dollars paid pursuant to subsection (1)(a) of this section shall be payable subject to the applicant giving prior approval to such excess amount.))
- (b) ((Each applicant shall, in addition to the costs of the independent consultant provided by subsection (1)(a) of this section, pay such reasonable costs as are actually and necessarily incurred by the council and its members as designated in RCW 80.50.030 in processing the application. Such costs shall include, but are not

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limited to, council member's wages, employee benefits, costs of a hearing examiner, a court reporter, additional staff salaries, wages and employee benefits, goods and services, travel expenses within the state and miscellaneous expenses, as arise directly from processing such application)) The council may commission its own independent consultant study to measure the consequences of the proposed energy facility on the environment or any matter that it deems essential to an adequate appraisal of the site. The council shall provide an estimate of the cost of the study to the applicant and is payable subject to the applicant giving prior approval.

((Each applicant shall, at the time of application submission, deposit twenty thousand dollars, or such lesser amount as may be specified by council rule, to cover costs provided for by subsection (1)(b) of this section. Reasonable and necessary costs of the council directly attributable to application processing shall be charged against such deposit.))

(c) The council shall submit to each applicant a statement of such expenditures actually made during the preceding calendar quarter which shall be in sufficient detail to explain such expenditures. The applicant shall pay the state treasurer the amount of such statement to restore the total amount on deposit to the originally established level: PROVIDED, That such applicant may, at the request of the council, increase the amount of funds on deposit to cover anticipated expenses during peak periods of application processing. Any funds remaining unexpended at the conclusion of application processing shall be refunded to the applicant, or at the applicant's option, credited against required deposits of certificate holders.

 $((\frac{c}{c}))$ (2) Each certificate holder shall pay such reasonable costs as are $(\frac{actually and}{and})$ necessarily incurred by the council for inspection and determination of compliance by the certificate holder with the terms of the certification relative to monitoring the effects of construction $(\frac{and}{and})$, operation, and site restoration of the facility.

(a) Each certificate holder, within thirty days of execution of the site certification agreement, shall <u>have on</u> deposit ((twenty)) <u>fifty</u> thousand dollars, or such ((other)) <u>greater</u> amount as may be specified by <u>the</u> council ((rule, to cover costs provided for by subsection (1)(c) of this section)) <u>after</u> consultation with the certificate holder.

((Reasonable and necessary costs of the council directly attributable to)) Costs that may be charged against the deposit include, but are not limited to, councilmember's wages, employee benefits, costs of a hearing examiner, costs of a court reporter, staff salaries, wages and employee benefits, contracts, goods and services, travel expenses, and miscellaneous direct and indirect expenses as arise directly or indirectly from inspection and determination of compliance by the certificate holder with the terms of the certification ((relative to monitoring the effects of construction and operation of the facility shall be charged against such deposit)).

(b) The council shall submit to each certificate holder a statement of such expenditures actually made during the preceding calendar quarter which shall be in sufficient detail to explain such expenditures. The certificate holder shall pay the state treasurer the amount of such statement to restore the total amount on deposit to the originally established level: PROVIDED, That if the actual((¬reasonable, and necessary)) expenditures for inspection and determination of compliance in the preceding calendar quarter have exceeded the amount of funds on deposit, such excess costs shall be paid by the certificate holder.

 $((\frac{2}{2}))$ (3) If an applicant or certificate holder fails to provide the initial deposit, or if subsequently required payments are not received within thirty days following receipt of the statement from the council, the council may (a) in the case of the applicant, suspend processing of the application until payment is received; or (b) in the case of a certificate holder, suspend the certification.

 $((\frac{3}{3}))$ (4) All payments required of the applicant or certificate holder under this section are to be made to the state treasurer who shall make payments as instructed by the council from the funds submitted. All such funds shall be subject to state auditing procedures. Any unexpended portions thereof shall be returned to the applicant or certificate holder.

(5) Reasonable and necessary costs under RCW 80.50.040(1) incurred by the council in implementing and administering this chapter may be assessed against applicants and certificate holders that are subject to the requirements of this chapter.

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Sec. 4. RCW 80.50.080 and 1977 ex.s. c 371 s 6 are each amended to read as follows:

- (1) After the council has received a site application, the attorney general shall appoint an assistant attorney general as a counsel for the environment. ((The counsel for the environment shall represent the public and its interest in protecting the quality of the environment. Costs incurred by the counsel for the environment in the performance of these duties shall be charged to the office of the attorney general, and shall not be a charge against the appropriation to the energy facility site evaluation council. He))
- (2) After a political subdivision has received an application for an energy facility with a generating capacity of ten thousand kilowatts or more, or an electric transmission facility in excess of one hundred fifteen thousand volts and otherwise not within the jurisdiction of the council, the attorney general shall appoint an assistant attorney general as a counsel for the environment.
- (3) The counsel for the environment represents the public and its interest in protecting the quality of the environment. The public interest must be determined in each case by the counsel for the environment and may include, but is not limited to, appropriate consideration of the project's aesthetics, cultural resources, lighting, fish and wildlife protection, setback distances from property owners, maximum audible noise levels, means of measuring noise, and interference with radio, telephone, or television signals, decommissioning, and site restoration.
- (4) Counsel for the environment shall be accorded all the rights, privileges, and responsibilities of an attorney representing a party in a formal action. This section shall not be construed to prevent any person from being heard or represented by counsel in accordance with the other provisions of this chapter.
- 31 (5) Reasonable costs of the counsel for the environment must be 32 paid by the applicant.

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