SENATE BILL REPORT SB 5099

As Reported by Senate Committee On: Governmental Operations, January 29, 2013

- Title: An act relating to fuel usage of publicly owned vehicles, vessels, and construction equipment.
- **Brief Description**: Concerning fuel usage of publicly owned vehicles, vessels, and construction equipment.

Sponsors: Senator Rivers.

Brief History:

Committee Activity: Governmental Operations: 1/28/13, 1/29/13 [DP].

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass.

Signed by Senators Roach, Chair; Benton, Vice Chair; Braun and Rivers.

Staff: Karen Epps (786-7424)

Background: By the year 2015, all state agencies must satisfy 100 percent of their fuel needs for all vessels, vehicles, and construction equipment from electricity or biofuels. By June 1, 2010, the Department of Commerce (Commerce) must adopt rules to address criteria and a phase-in schedule for state agencies and local government subdivisions of the state to convert their fleet to electricity and biofuels. Compressed natural gas, liquefied natural gas, or propane may be substituted for electricity or biofuel if Commerce determines that electricity and biofuel are not reasonably available.

By the year 2018, cities and counties must satisfy 100 percent of their fuel needs for all vessels, vehicles, and construction equipment from electricity or biofuels. By June 1, 2015, Commerce must adopt rules to address criteria and a phase-in schedule for cities and counties to convert their fleet to electricity and biofuels. Transit agencies using compressed natural gas on June 1, 2018, are exempt from this requirement.

In order to phase in this requirement, state agencies and local governments, to the extent practicable as determined by Commerce, must achieve 40 percent fuel usage using electricity or biofuel for publicly owned vessels, vehicles, and construction equipment by June 1, 2013.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: Local governments must, to the extent practicable as determined by each local government, meet the existing requirement that by the year 2018, they will satisfy 100 percent of their fuel needs for all vessels, vehicles, and construction equipment from electricity or biofuels. Police, fire, and emergency vehicles; certain engine retrofits; and conventional vehicles owned before June 1, 2018, are exempt from this requirement.

The rules that Commerce must adopt by June 1, 2015, must include recommendations to local governments on mechanisms or frameworks that could be used when considering cost, fuel availability, and other conversion issues when the local government is determining the practicability of purchasing decisions. Every local government must determine whether meeting this fuel requirement is practicable.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill gives 31 transit authorities some needed flexibility in managing their assets. The delay of three years was part of an omnibus bill from a few years ago. The exemption for emergency vehicles is appreciated. Allowing the decisions to be made at the local level allows counties to adopt sustainability policies that There are concerns about specialized equipment having work in their communities. performance issues or not reacting to cold when using biodiesel. There are also concerns about the availability of biodiesel in eastern Washington. Counties have a wide variety of vehicles in their fleet, some of which will have performance issues. There will be increased costs to counties. The infrastructure is lacking. There is a huge unfunded liability associated with this mandate and cities do not have that money. Costs to Vancouver would be over \$10 million. A typical police car would be over \$50,000 and fire trucks could cost \$500,000 or more. Some equipment is not available in an alternative fuel model. This bill provides an exemption for first responder vehicles, hugely expensive vehicles. There is concern about the reliability of alternative fuel models. This is one of the most expensive and concerning unfunded mandates facing the cities.

CON: The underlying law puts Washington in the right direction in becoming independent of fossil fuels, foster Washington business innovation, and moves us forward in reversing climate change. Some cities may be nervous, but the rules required in the underlying law are still being developed. This requirement is good for Washington businesses because it would support local companies rather than out-of-state oil companies. The current law contains a practicability component and does not need to be amended. Electricity and natural gas provide good benefits for our country and our citizens. The current law provides options for local governments to have a stable fuel price and a domestic fuel source.

Persons Testifying: PRO: Roger Farris, WA Fire Commissioners Assn.; Michael Shaw, WA St. Transit Assn.; Gary Rowe, WA St. Assn. of Counties; Mark Brown, Cities of Vancouver,

Lacey, Battle Ground, Ridgefield; John Williams, City of Battle Ground; Carl Schroeder, Assn. of WA Cities.

CON: Miguel Perez-Gibson, Climate Solutions; Nancy Atwood, Puget Sound Energy.