S-2558.3

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**SENATE BILL 5931**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Senator Palumbo

AN ACT Relating to public agency acquisition of electric and alternative fuel vehicles; and amending RCW 43.19.648, 43.325.080, 28A.160.195, 47.66.070, 46.68.320, and 46.68.325.

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

**Sec.**  RCW 43.19.648 and 2013 c 328 s 1 are each amended to read as follows:

(1) ((~~Effective June 1, 2015,~~)) All state agencies, to the extent determined practicable by the rules adopted by the department of commerce pursuant to RCW 43.325.080, are required to satisfy ((~~one hundred percent~~)) the following for the percentage of their fuel usage for operating publicly owned vessels, vehicles, and construction equipment from electricity or biofuel:

(a) Fifty percent by June 1, 2020;

(b) Seventy-five percent by June 1, 2023; and

(c) One hundred percent by June 1, 2025. Compressed natural gas, liquefied natural gas, or propane may be substituted for electricity or biofuel if the department of commerce determines that electricity and biofuel are not reasonably available.

(2)(a) ((~~Effective June 1, 2018,~~)) All local government subdivisions of the state, to the extent determined practicable by the rules adopted by the department of commerce pursuant to RCW 43.325.080, are required to satisfy ((~~one hundred percent~~)) the following for the percentage of their fuel usage for operating publicly owned vessels, vehicles, and construction equipment from electricity or biofuel:

(i) Fifty percent by June 1, 2020;

(ii) Seventy-five percent by June 1, 2023; and

(iii) One hundred percent by June 1, 2025.

(b) The department of commerce shall convene an advisory committee of representatives of local government subdivisions, representatives from organizations representing each local government subdivision, and either (i) an electric utility or (ii) a natural gas utility, or both, to work with the department to develop the rules. The department may invite additional stakeholders to participate in the advisory committee as needed and determined by the department.

((~~(b)~~)) (c) The following are exempt from this requirement: (i) Transit agencies using compressed natural gas on June 1, 2018, and (ii) engine retrofits that would void warranties. Nothing in this section is intended to require the replacement of equipment before the end of its useful life. Compressed natural gas, liquefied natural gas, or propane may be substituted for electricity or biofuel if the department of commerce determines that electricity and biofuel are not reasonably available.

((~~(c)~~)) (d)(i) Rules adopted pursuant to RCW 43.325.080 must provide the authority for local government subdivisions to elect to exempt police, fire, and other emergency response vehicles, including utility vehicles frequently used for emergency response, from the fuel usage requirement in (a) of this subsection.

(ii) Prior to executing its authority under ((~~(c)~~)) (d)(i) of this subsection, a local government subdivision must provide notice to the department of commerce of the exemption. The notice must include the rationale for the exemption and an explanation of how the exemption is consistent with rules adopted by the department of commerce.

((~~(d)~~)) (e) Before June 1, 2018, local government subdivisions purchasing vessels, vehicles, and construction equipment capable of using biodiesel must request warranty protection for the highest level of biodiesel the vessel, vehicle, or construction equipment is capable of using, up to one hundred percent biodiesel, as long as the costs are reasonably equal to a vessel, vehicle, or construction equipment that is not warranted to use up to one hundred percent biodiesel.

(3) In order to phase in this transition for the state, all state agencies, to the extent determined practicable by the department of commerce by rules adopted pursuant to RCW 43.325.080, are required to achieve forty percent fuel usage for operating publicly owned vessels, vehicles, and construction equipment from electricity or biofuel by June 1, 2013. Compressed natural gas, liquefied natural gas, or propane may be substituted for electricity or biofuel if the department of commerce determines that electricity and biofuel are not reasonably available. The department of enterprise services, in consultation with the department of commerce, shall report to the governor and the legislature by December 1, 2013, on what percentage of the state's fuel usage is from electricity or biofuel.

(4) Except for cars owned or operated by the Washington state patrol, when tires on vehicles in the state's motor vehicle fleet are replaced, they must be replaced with tires that have the same or better rolling resistance as the original tires.

(5) By December 31, 2015, the state must, to the extent practicable, install electrical outlets capable of charging electric vehicles in each of the state's fleet parking and maintenance facilities.

(6) The department of transportation's obligations under subsection (3) of this section are subject to the availability of amounts appropriated for the specific purpose identified in subsection (3) of this section.

(7) The department of transportation's obligations under subsection (5) of this section are subject to the availability of amounts appropriated for the specific purpose identified in subsection (5) of this section unless the department receives federal or private funds for the specific purpose identified in subsection (5) of this section.

(8) By December 1, 2020, December 1, 2022, and December 1, 2024, the department must provide a report to the appropriate committees of the legislature on the progress toward meeting the goals of subsections (1) and (2) of this section and recommendations for administrative, legislative, or budgetary actions to ensure the goals are met.

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

(a) "Battery charging station" means an electrical component assembly or cluster of component assemblies designed specifically to charge batteries within electric vehicles, which meet or exceed any standards, codes, and regulations set forth by chapter 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

(b) "Battery exchange station" means a fully automated facility that will enable an electric vehicle with a swappable battery to enter a drive lane and exchange the depleted battery with a fully charged battery through a fully automated process, which meets or exceeds any standards, codes, and regulations set forth by chapter 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

**Sec.**  RCW 43.325.080 and 2011 c 353 s 5 are each amended to read as follows:

(1) By June 1, ((~~2010~~)) 2018, the department shall adopt rules to define practicability and clarify how state agencies will be evaluated in determining whether they have met the goals set out in RCW 43.19.648(1). At a minimum, the rules must address:

(a) Criteria for determining how the goal in RCW 43.19.648(1) will be met ((~~by June 1, 2015~~));

(b) Factors considered to determine compliance with the goal in RCW 43.19.648(1), including but not limited to: The regional availability of fuels; vehicle costs; differences between types of vehicles, vessels, or equipment; the cost of program implementation; and cost differentials in different parts of the state; and

(c) A schedule for phased-in progress towards meeting the goal in RCW 43.19.648(1) that may include different schedules for different fuel applications or different quantities of biofuels.

(2) By June 1, ((~~2015~~)) 2018, the department shall adopt rules to define practicability and clarify how local government subdivisions of the state will be evaluated in determining whether they have met the goals set out in RCW 43.19.648(2). At a minimum, the rules must address:

(a) Criteria for determining how the goal in RCW 43.19.648(2) will be met ((~~by June 1, 2018~~));

(b) Factors considered to determine compliance with the goal in RCW 43.19.648(2), including but not limited to: The regional availability of fuels; vehicle costs; differences between types of vehicles, vessels, or equipment; the cost of program implementation; and cost differentials in different parts of the state; and

(c) A schedule for phased-in progress towards meeting the goal in RCW 43.19.648(2) that may include different schedules for different fuel applications or different quantities of biofuels.

(3) A purchase by a state agency or local government is practicable when:

(a) A vehicle fueled by gasoline or diesel may be replaced by a vehicle fueled by a lower emitting fuel or electricity;

(b) The replacement vehicle meets the agency's or local government's duty standards;

(c) The replacement vehicle is comparable in lifecycle cost to a vehicle fueled by gasoline or diesel;

(d) The cost to purchase the replacement vehicle exceeds the cost to acquire a comparable vehicle fueled by gasoline or diesel by not more than twenty-five percent; and

(e) State funding is made available for the amount of the additional cost to purchase the vehicle.

(4) By July 1, 2019, and by July 1st of each year thereafter, each state agency and each local government must submit a report to the department documenting its progress in meeting the fuel usage goals of RCW 43.19.648 (1) and (2). The department of commerce may reduce the frequency of reporting for any agency or local governments using less than fifty thousand gallons of fuel per year. The reports must describe the vehicles purchased and the reasons for purchasing gasoline or diesel fuel vehicles when it was determined that purchasing an alternative fuel or electric vehicle was not practicable.

**Sec.**  RCW 28A.160.195 and 2005 c 492 s 1 are each amended to read as follows:

(1) The superintendent of public instruction, in consultation with the regional transportation coordinators of the educational service districts, shall establish a minimum number of school bus categories considering the capacity and type of vehicles required by school districts in Washington. The superintendent, in consultation with the regional transportation coordinators of the educational service districts, shall establish competitive specifications for each category of school bus. The categories shall be developed to produce minimum long-range operating costs, including costs of equipment and all costs in operating the vehicles. The competitive specifications shall meet federal motor vehicle safety standards, minimum state specifications as established by rule by the superintendent, ((~~and~~)) supported options as determined by the superintendent in consultation with the regional transportation coordinators of the educational service districts, and incorporate the goals for replacing gasoline and diesel fuel vehicles under RCW 43.19.648(2). The superintendent may solicit and accept price quotes for a rear-engine category school bus that shall be reimbursed at the price of the corresponding front engine category.

(2) After establishing school bus categories and competitive specifications, the superintendent of public instruction shall solicit competitive price quotes for base buses from school bus dealers to be in effect for one year and shall establish a list of all accepted price quotes in each category obtained under this subsection. The superintendent shall also solicit price quotes for optional features and equipment.

(3) The superintendent shall base the level of reimbursement to school districts and educational service districts for school buses on the lowest quote for the base bus in each category. School districts and educational service districts shall be reimbursed for buses purchased only through a lowest-price competitive bid process conducted under RCW 28A.335.190 or through the state bid process established by this section. School districts and educational service districts shall be reimbursed for any additional costs to replace a diesel or gasoline bus with a bus powered by an alternative fuel, where the replacement contributes toward the district's compliance with the goals of RCW 43.19.648(2). If Senate Bill No. . . . (S-2510/17) becomes law in 2017, reimbursement of such costs must be provided from funds appropriated from the carbon reduction solutions account created in section 601, chapter . . . (Senate Bill No. . . . (S-2510/17)), Laws of 2017.

(4) Notwithstanding RCW 28A.335.190, school districts and educational service districts may purchase at the quoted price directly from any dealer who is on the list established under subsection (2) of this section. School districts and educational service districts may make their own selections for school buses, but shall be reimbursed at the rates determined under subsection (3) of this section and RCW 28A.160.200. District-selected options shall not be reimbursed by the state.

(5) This section does not prohibit school districts or educational service districts from conducting their own competitive bid process.

(6) The superintendent of public instruction may adopt rules under chapter 34.05 RCW to implement this section.

**Sec.**  RCW 47.66.070 and 2000 2nd sp.s. c 4 s 2 are each amended to read as follows:

(1) The multimodal transportation account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for transportation purposes.

(2) A grant of funds from the account may only be made to a transit agency operating buses when the agency has demonstrated substantial progress toward meeting the goals of replacing gasoline and diesel vehicles with alternative fuel vehicles as provided under RCW 43.19.648.

**Sec.**  RCW 46.68.320 and 2010 c 247 s 702 are each amended to read as follows:

(1) The regional mobility grant program account is hereby created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the grants provided under RCW 47.66.030.

(2) Beginning with September 2007, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the multimodal transportation account to the regional mobility grant program account five million dollars.

(3) Beginning with September 2015, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the multimodal transportation account to the regional mobility grant program account six million two hundred fifty thousand dollars.

(4) ((~~During the 2009-2011 fiscal biennium, the legislature may transfer from the regional mobility grant program account to the multimodal transportation account such amounts as reflect the excess fund balance of the regional mobility grant program account.~~)) A grant of funds from the account may only be made to a transit agency operating buses when the agency has demonstrated substantial progress toward meeting the goals of replacing gasoline and diesel vehicles with alternative fuel vehicles as provided under RCW 43.19.648.

**Sec.**  RCW 46.68.325 and 2015 1st sp.s. c 10 s 703 are each amended to read as follows:

(1) The rural mobility grant program account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the grants provided under RCW 47.66.100.

(2) Beginning September 2011, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the multimodal transportation account to the rural mobility grant program account two million five hundred thousand dollars.

(3) A grant of funds from the account may only be made to a transit agency operating buses when the agency has demonstrated substantial progress toward meeting the goals of replacing gasoline and diesel vehicles with alternative fuel vehicles as provided under RCW 43.19.648.

(4) During the 2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer from the rural mobility grant program account to the multimodal transportation account such amounts as reflect the excess fund balance of the rural mobility grant program account.

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