

HOUSE BILL REPORT

SB 5345

As Reported by House Committee On:
Environment & Energy

Title: An act relating to establishing a statewide industrial waste coordination program.

Brief Description: Establishing a statewide industrial waste coordination program.

Sponsors: Senators Brown, Rolfes, Das, Hasegawa, Lovelett, Mullet, Nguyen, Randall and Rivers.

Brief History:

Committee Activity:

Environment & Energy: 3/12/21, 3/26/21 [DPA].

Brief Summary of Bill
(As Amended By Committee)

- Creates an industrial waste coordination program, administered by the Department of Commerce, to provide expertise, technical assistance, and best practices to support local industrial symbiosis projects.
- Creates a competitive industrial symbiosis grant program, subject to the availability of funds, in order to provide grants for the research, development, and deployment of local waste coordination projects.

HOUSE COMMITTEE ON ENVIRONMENT & ENERGY

Majority Report: Do pass as amended. Signed by 11 members: Representatives Fitzgibbon, Chair; Duerr, Vice Chair; Abbarno, Berry, Boehnke, Fey, Goehner, Harris-Talley, Ramel, Shewmake and Slatter.

Minority Report: Do not pass. Signed by 2 members: Representatives Dye, Ranking Minority Member; Klicker, Assistant Ranking Minority Member.

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

Staff: Robert Hatfield (786-7117).

Background:

Industrial processes create heat in the form of exhaust gases, cooling water, and hot equipment surfaces and products. Recovering this waste heat may allow it to be used to produce electricity, or to cool and heat a building or facility. Industrial symbiosis is the process of generating uses for industrial byproducts, including heat, water, and materials.

The Department of Commerce (Commerce) is the lead state agency to assist in establishing and improving markets for recyclable materials. Commerce provides a range of programs to assist businesses, such as education, technical assistance, and business grants and loans. In addition, Commerce implements the Clean Energy Fund program, which funds the development, demonstration, and deployment of clean energy technology.

In the 2019-21 Biennial Operating Budget, Commerce was directed to produce a proposal and recommendations for setting up an industrial waste coordination program by December 1, 2019. The report presents six key recommendations for a proposed Washington program:

- invest in facilitated industrial symbiosis;
- invest in industrial symbiosis research, development, and deployment;
- develop a supportive policy framework;
- continue to support clean energy;
- maximize industrial symbiosis opportunities involving utilities and infrastructure; and
- coordinate and strategically manage materials flow data.

Summary of Amended Bill:

An industrial waste coordination program is established to provide expertise, technical assistance, and best practices to support local industrial symbiosis projects. The program must be administered by the Department of Commerce (Commerce), and must be administered regionally, with Commerce providing each region with a dedicated facilitator, and technical and administrative support. The program must facilitate waste exchange by, among other things:

- developing inventories of industrial waste innovation currently in operation;
- generating a material flow data collection system to capture and manage data on resource availability and potential synergies;
- establishing guidance and best practices for emerging local industrial resource hubs, which must include a consideration of steps to avoid creating or worsening negative impacts to overburdened communities as identified by tools such as the Department of Health's environmental health disparities map;
- identifying access to capital in order to fund projects, including federal, state, local, and private funding; and
- developing economic, environmental, and health disparities metrics to measure the

results of industrial or commercial hubs.

Commerce may coordinate with other agencies, representatives of business and manufacturing networks, and other entities in order to develop material flow generation data and increase multisectoral outreach.

In carrying out the program, Commerce may use only publicly available data or data voluntarily provided by program participants. No entity may be required to disclose material flow data. Commerce must keep any proprietary business information confidential and such information is exempt from public disclosure under the Public Records Act.

Subject to the availability of funds, a competitive industrial symbiosis grant program is established in order to provide grants for the research, development, and deployment of local waste coordination projects. Grants may go toward, among other things:

- existing industrial symbiosis efforts by public or private sector organizations;
- research on product development using a specific waste flow; and
- feasibility studies to evaluate potential biobased resources.

Commerce must develop a method and criteria for the allocation of grants, subject to the following:

- project allocation should reflect geographic diversity, with grants being distributed equally in western and eastern parts of the state, urban and rural areas, and small towns and large cities;
- project allocation should consider factors such as time to implementation and scale of economic or environmental benefits;
- grants must require a one-to-one nonstate to state match;
- project allocation should avoid creating or worsening environmental health disparities, and should make use of tools such as the Department of Health's environmental health disparities map; and
- individual grant awards may not exceed \$500,000.

Amended Bill Compared to Original Bill:

The striking amendment makes the following changes to the underlying bill:

- adds the achievement of environmental justice goals to the list of objectives to be achieved through the statewide industrial waste coordination program;
- requires the Department of Commerce (Commerce) to consult tools such as the Department of Health's environmental health disparities map in the course of implementing the industrial waste coordination program and awarding grants related to local waste coordination projects; and
- adds health disparities to the list of metrics that Commerce must track in order to measure the results of industrial and commercial hubs.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) Industrial symbiosis brings industry and environment together. It is applicable in communities both big and small, urban and rural. Other communities and countries are seeing tremendous benefits for the economy and the environment by using industrial symbiosis. This represents a great opportunity for communities of all shapes and sizes. There is great appetite for innovation.

This is a common-sense bill and a job creator. The bill passed the Legislature last year but was vetoed by the Governor only because of costs in the midst of the COVID-19 pandemic.

There is huge potential in Washington for biogas; there are currently about 50 operational systems, with the potential for 200 more. This bill would promote better environmental responsibility along with better economic growth. Being able to coordinate among industrial waste sites is absolutely critical in order to make sure the waste is productively used. Managing organic waste offers huge, multiple benefits.

(Opposed) None.

Persons Testifying: Senator Brown, prime sponsor; Adam Lincoln, City of Pasco; Rhys Roth, Center for Sustainable Infrastructure; Patrick Serfass, American Biogas Council; and Heather Trim, Zero Waste Washington.

Persons Signed In To Testify But Not Testifying: None.