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**SUBSTITUTE HOUSE BILL 1236**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** House Environment & Energy (originally sponsored by Representatives Hackney, Abbarno, Senn, Reed, Doglio, Ramel, and Lekanoff)

AN ACT Relating to enhancing access to clean fuel for agencies providing public transportation; adding a new section to chapter 36.57A RCW; adding a new section to chapter 36.56 RCW; adding a new section to chapter 35.92 RCW; adding a new section to chapter 36.57 RCW; adding a new section to chapter 81.112 RCW; and adding a new section to chapter 81.104 RCW.

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

NEW SECTION. **Sec.**  A new section is added to chapter 36.57A RCW to read as follows:

(1) A public transportation benefit area authority may:

(a) Produce, distribute, and use green electrolytic hydrogen and renewable hydrogen for internal operations;

(b) Produce, distribute for sale, or sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer; and

(c)(i) Sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer to or through facilities that distribute, compress, store, liquefy, or dispense green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel.

(ii) For the purposes of (c)(i) of this subsection, public transportation benefit areas may own, operate, or own and operate pipelines or dispensing facilities for green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel if all such pipelines and dispensing facilities are: (A) Located in the area where the public transportation benefit area is authorized to provide public transportation service; (B) located within the county where the public transportation benefit area is authorized to provide public transportation service and are service connected; or (C) located within the county where the public transportation benefit area is authorized to provide public transportation service and are pursuant to a partnership or agreement with one or more public or private partners.

(2) Nothing in this section authorizes a public transportation benefit area to sell green electrolytic hydrogen or renewable hydrogen delivered by pipeline to an end-use customer of a gas company.

(3) Nothing in this section subjects public transportation benefit areas to the jurisdiction of the utilities and transportation commission, except that the utilities and transportation commission may administer and enforce state and federal pipeline safety requirements, as authorized in chapter 81.88 RCW, including applicable fees payable to the utilities and transportation commission.

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

(a) "Green electrolytic hydrogen" has the same meaning provided in RCW 54.04.190.

(b) "Renewable hydrogen" has the same meaning provided in RCW 54.04.190.

(c) "Gas company" has the same meaning provided in RCW 80.04.010.

NEW SECTION. **Sec.**  A new section is added to chapter 36.56 RCW to read as follows:

(1) A county that has assumed the transportation functions of a metropolitan municipal corporation may:

(a) Produce, distribute, and use green electrolytic hydrogen and renewable hydrogen for internal operations;

(b) Produce, distribute for sale, or sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer; and

(c)(i) Sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer to or through facilities that distribute, compress, store, liquefy, or dispense green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel.

(ii) For the purposes of (c)(i) of this subsection, county-assumed metropolitan municipal corporations may own, operate, or own and operate pipelines or dispensing facilities for green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel if all such pipelines and dispensing facilities are: (A) Located in the area where the county-assumed metropolitan municipal corporation is authorized to provide public transportation service; (B) located within the area where the county-assumed metropolitan municipal corporation is authorized to provide public transportation service and are service connected; or (C) located within the area where the county-assumed metropolitan municipal corporation is authorized to provide public transportation service and are pursuant to a partnership or agreement with one or more public or private partners.

(2) Nothing in this section authorizes a county-assumed metropolitan municipal corporation to sell green electrolytic hydrogen or renewable hydrogen delivered by pipeline to an end-use customer of a gas company.

(3) Nothing in this section subjects a county-assumed metropolitan municipal corporation to the jurisdiction of the utilities and transportation commission, except that the utilities and transportation commission may administer and enforce state and federal pipeline safety requirements, as authorized in chapter 81.88 RCW, including applicable fees payable to the utilities and transportation commission.

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

(a) "Green electrolytic hydrogen" has the same meaning provided in RCW 54.04.190.

(b) "Renewable hydrogen" has the same meaning provided in RCW 54.04.190.

(c) "Gas company" has the same meaning provided in RCW 80.04.010.

NEW SECTION. **Sec.**  A new section is added to chapter 35.92 RCW to read as follows:

(1) A city or town that acquires and operates transportation facilities as a city transportation authority consistent with RCW 35.92.060 may:

(a) Produce, distribute, and use green electrolytic hydrogen and renewable hydrogen for internal operations;

(b) Produce, distribute for sale, or sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer; and

(c)(i) Sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer to or through facilities that distribute, compress, store, liquefy, or dispense green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel.

(ii) For the purposes of (c)(i) of this subsection, city transportation authorities may own, operate, or own and operate pipelines or dispensing facilities for green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel if all such pipelines and dispensing facilities are: (A) Located in the area where the city transportation authority is authorized to provide public transportation service; (B) located within the area where the city transportation authority is authorized to provide public transportation service and are service connected; or (C) located within the area where the city transportation authority is authorized to provide public transportation service and are pursuant to a partnership or agreement with one or more public or private partners.

(2) Nothing in this section authorizes a city transportation authority to sell green electrolytic hydrogen or renewable hydrogen delivered by pipeline to an end-use customer of a gas company.

(3) Nothing in this section subjects a city transportation authority to the jurisdiction of the utilities and transportation commission, except that the utilities and transportation commission may administer and enforce state and federal pipeline safety requirements, as authorized in chapter 81.88 RCW, including applicable fees payable to the utilities and transportation commission.

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

(a) "Green electrolytic hydrogen" has the same meaning provided in RCW 54.04.190.

(b) "Renewable hydrogen" has the same meaning provided in RCW 54.04.190.

(c) "Gas company" has the same meaning provided in RCW 80.04.010.

NEW SECTION. **Sec.**  A new section is added to chapter 36.57 RCW to read as follows:

(1) A county public transportation authority as authorized under this chapter and an unincorporated transportation benefit area as authorized in RCW 36.57.100 may:

(a) Produce, distribute, and use green electrolytic hydrogen and renewable hydrogen for internal operations;

(b) Produce, distribute for sale, or sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer; and

(c)(i) Sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer to or through facilities that distribute, compress, store, liquefy, or dispense green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel.

(ii) For the purposes of (c)(i) of this subsection, county public transportation authorities and unincorporated transportation benefit areas may own, operate, or own and operate pipelines or dispensing facilities for green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel if all such pipelines and dispensing facilities are: (A) Located in the area where the county public transportation authority or unincorporated transportation benefit area is authorized to provide public transportation service; (B) located within the area where the county public transportation authority or unincorporated transportation benefit area is authorized to provide public transportation service and are service connected; or (C) located within the area where the county public transportation authority or unincorporated transportation benefit area is authorized to provide public transportation service and are pursuant to a partnership or agreement with one or more public or private partners.

(2) Nothing in this section authorizes a county public transportation authority or unincorporated transportation benefit area to sell green electrolytic hydrogen or renewable hydrogen delivered by pipeline to an end-use customer of a gas company.

(3) Nothing in this section subjects a county public transportation authority or unincorporated transportation benefit area to the jurisdiction of the utilities and transportation commission, except that the utilities and transportation commission may administer and enforce state and federal pipeline safety requirements, as authorized in chapter 81.88 RCW, including applicable fees payable to the utilities and transportation commission.

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

(a) "Green electrolytic hydrogen" has the same meaning provided in RCW 54.04.190.

(b) "Renewable hydrogen" has the same meaning provided in RCW 54.04.190.

(c) "Gas company" has the same meaning provided in RCW 80.04.010.

NEW SECTION. **Sec.**  A new section is added to chapter 81.112 RCW to read as follows:

(1) A regional transit authority may:

(a) Produce, distribute, and use green electrolytic hydrogen and renewable hydrogen for internal operations;

(b) Produce, distribute for sale, or sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer; and

(c)(i) Sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer to or through facilities that distribute, compress, store, liquefy, or dispense green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel.

(ii) For the purposes of (c)(i) of this subsection, regional transit authorities may own, operate, or own and operate pipelines or dispensing facilities for green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel if all such pipelines and dispensing facilities are: (A) Located in the area where the regional transit authority is authorized to provide public transportation service; (B) located within the area where the regional transit authority is authorized to provide public transportation service and are service connected; or (C) located within the area where the regional transit authority is authorized to provide public transportation service and are pursuant to a partnership or agreement with one or more public or private partners.

(2) Nothing in this section authorizes a regional transit authority to sell green electrolytic hydrogen or renewable hydrogen delivered by pipeline to an end-use customer of a gas company.

(3) Nothing in this section subjects a regional transit authority to the jurisdiction of the utilities and transportation commission, except that the utilities and transportation commission may administer and enforce state and federal pipeline safety requirements, as authorized in chapter 81.88 RCW, including applicable fees payable to the utilities and transportation commission.

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

(a) "Green electrolytic hydrogen" has the same meaning provided in RCW 54.04.190.

(b) "Renewable hydrogen" has the same meaning provided in RCW 54.04.190.

(c) "Gas company" has the same meaning provided in RCW 80.04.010.

NEW SECTION. **Sec.**  A new section is added to chapter 81.104 RCW to read as follows:

(1) A transit agency that has established a high capacity transportation corridor area may:

(a) Produce, distribute, and use green electrolytic hydrogen and renewable hydrogen for internal operations;

(b) Produce, distribute for sale, or sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer; and

(c)(i) Sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer to or through facilities that distribute, compress, store, liquefy, or dispense green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel.

(ii) For the purposes of (c)(i) of this subsection, a transit agency that has established a high capacity transportation corridor area may own, operate, or own and operate pipelines or dispensing facilities for green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel if all such pipelines and dispensing facilities are: (A) Located where the high capacity transportation corridor area is authorized to provide public transportation service; (B) located within the area where the high capacity transportation corridor area is authorized to provide public transportation service and are service connected; or (C) located within the area where the high capacity transportation corridor area is authorized to provide public transportation service and are pursuant to a partnership or agreement with one or more public or private partners.

(2) Nothing in this section authorizes a transit agency that has established a high capacity transportation corridor area to sell green electrolytic hydrogen or renewable hydrogen delivered by pipeline to an end-use customer of a gas company.

(3) Nothing in this section subjects a transit agency that has established a high capacity transportation corridor area to the jurisdiction of the utilities and transportation commission, except that the utilities and transportation commission may administer and enforce state and federal pipeline safety requirements, as authorized in chapter 81.88 RCW, including applicable fees payable to the utilities and transportation commission.

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

(a) "Green electrolytic hydrogen" has the same meaning provided in RCW 54.04.190.

(b) "Renewable hydrogen" has the same meaning provided in RCW 54.04.190.

(c) "Gas company" has the same meaning provided in RCW 80.04.010.

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