
Postsecondary Education & Workforce Committee

HB 1194

Brief Description: Training, educating, and inspiring the next generation of the clean and renewable energy workforce.

Sponsors: Representative Klicker.

Brief Summary of Bill

- Establishes a joint Clean and Renewable Energy Workforce training center and Secure Power from American Resources Center to provide clean and renewable energy workforce training, education, and informational exhibits.
- Repeals the sales and use tax exemption for machinery and equipment used in generating electricity.
- Establishes a state excise tax, and authorizes a county excise tax, on solar or wind farms that generate five megawatts or more.

Hearing Date: 1/25/23

Staff: Elizabeth Allison (786-7129).

Background:

Joint Operating Agencies.

A joint operating agency is a municipal corporation comprised of any two or more cities or public utility districts, or a any combination of those.

Sales and Use Tax for Use of Equipment in Generating Electricity.

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.

Sales and use of machinery and equipment used directly in generating electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, or technology that converts otherwise lost energy from exhaust, as the principal source of power are exempt from the state and local sales and use tax. The exemption is provided in the form of a remittance in an amount equal to 50 percent of the state and local sales and use tax if certain conditions are met.

Clean and Renewable Energy Careers.

A clean energy career can be any occupation that is affected by activities such as conserving energy, developing alternative energy, reducing pollution, or recycling. Examples include environmental technicians, environmental scientists, wind turbine technicians, air quality engineers, and environmental health and safety officers.

Summary of Bill:

A Clean and Renewable Energy Workforce (CREW) Training Center is established jointly with a Secure Power from American Resources Center (SPARC) in the Tri-Cities area to:

- provide workforce training for employees pursuing careers in clean and renewable energy through on-site training and undergraduate and graduate internships;
- provide clean and renewable energy educational learning experiences for visitors through interactive exhibits; and
- provide informational exhibits exploring the various aspects of careers and educational opportunities in clean and renewable energy.

The SPARC and CREW Training Center may be operated and administrated jointly as an education, training, and research center that provides clean energy job training, career education, and research under the authority of Washington State University Tri-Cities and a joint operating agency. The joint SPARC and CREW Training Center may be made available to all public four-year institutions of higher education and community and technical colleges. Resources for career training may include internships, on-the-job training, and research opportunities for undergraduate and graduate students and faculty.

The powers of the joint SPARC and CREW Training Center are vested in a board of directors consisting of 13 voting members and a nonvoting chair appointed by the governor. Board membership is comprised of representatives from various energy careers and specialties, a community and technical college in the Tri-Cities area, and Washington State University. The Board's duties include developing and strengthening university-industry relationships, encouraging a full range of energy-related projects, and working with partners to effectively market career opportunities in clean and renewable energy in Washington.

The powers of a joint operating agency are expanded to include owning and operating educational training facilities and public visitor centers designed to provide education enrichment experiences.

The sales and use tax exemption for machinery and equipment used in generating electricity

using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, or technology that converts otherwise lost energy from exhaust, as the principal source of power is repealed.

A state excise tax is imposed on a solar or wind farm that generates five megawatts (MW) or more at a rate of \$1 per megawatt hour (MWh). A county may impose a county excise tax on a solar or wind farm that generates 5MW or more at a rate of \$1 per MWh. This county excise tax expires after 30 years, and funds collected from the tax must be spent on tourism, economic development, mitigation of negative impacts from the siting of the energy infrastructures, and education, workforce, and skills centers initiatives.

A Clean and Renewable Energy Workforce Capital Account is created to receive funds equal to revenues generated from the repeal of the sales and use tax exemption. Expenditures from the account must be used for the purposes listed above.

Appropriation: None.

Fiscal Note: Requested on January 10, 2023.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.