

FINAL BILL REPORT

SHB 1924

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Synopsis as Enacted

Brief Description: Promoting the integration of fusion technology within state clean energy policies.

Sponsors: House Committee on Environment & Energy (originally sponsored by Representatives Shavers, Ryu, Barnard, Stearns and Wylie).

House Committee on Environment & Energy
Senate Committee on Environment, Energy & Technology

Background:

Washington State Energy Strategy.

The Department of Commerce (Commerce) was directed in 2019 to update the State Energy Strategy, and to align the strategy with the requirements of the Energy Independence Act, the Clean Energy Transformation Act, and the state's greenhouse gas emissions reduction targets. Commerce published the State Energy Strategy in 2021.

A successful State Energy Strategy must balance three goals:

1. maintain competitive energy prices that are fair and reasonable for consumers and businesses, and support the state's continued economic success;
2. increase competitiveness by fostering a clean energy economy and jobs through business and workforce development; and
3. meet the state's obligations to reduce greenhouse gas emissions.

Nine principles guide the development and implementation of the State Energy Strategy in achieving these goals. One of these nine principles directs the state to reduce dependence on fossil fuel energy sources through improved efficiency and development of cleaner energy sources, such as bioenergy, low carbon energy sources, natural gas, and leveraging the indigenous resources of the state to produce clean energy.

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.

Clean Energy Projects of Statewide Significance.

Commerce oversees the designation of prioritizing certain projects as Projects of Statewide Significance, and additionally, the designation of certain projects as Clean Energy Projects of Statewide Significance.

Regarding Projects of Statewide Significance, such projects are provided voluntary expedited permitting treatment by local government jurisdictions in partnership with the Governor's Office for Regulatory Innovation and Assistance. Certain types of projects are designated as Projects of Statewide Significance while other types of projects must apply to Commerce for this designation.

Regarding Clean Energy Projects of Statewide Significance (CEPSS), Commerce must develop an application process for the designation. The CEPSS process contains similar elements to the existing Projects of Statewide Significance process, but is independent of that process. Applicants must provide certain information to Commerce as part of the CEPSS application, including an explanation of how the project will contribute to the state's achievement of state greenhouse gas emission limits and be consistent with the state energy strategy, how the product will contribute to the state's economic development goals, and a plan for meaningful engagement and information sharing with potentially affected federally recognized Indian tribes.

The clean energy projects eligible for designation as a CEPSS include:

- certain types of clean energy product manufacturing facilities;
- electrical transmission facilities that do not primarily or solely serve fossil fuel electric generation facilities;
- facilities that produce electric generation from renewable resources or that do not result in greenhouse gas emissions, with the exception of certain hydroelectric facilities;
- storage facilities;
- facilities and projects at any facilities that exclusively or primarily process biogenic feedstocks into biofuel;
- biomass energy facilities;
- facilities or projects at any facilities that exclusively or primarily process alternative jet fuel that has 40 percent lower greenhouse gas emissions than conventional jet fuel;
- projects or facility upgrades undertaken by emissions-intensive trade exposed industries classified under the Climate Commitment Act (CCA) to align with the CCA's cap trajectory, where a project does not degrade local air quality; and
- storage, transmission, handling, or other related and supported facilities associated with any of the above facilities.

Commerce must determine within 60 business days of receipt of a complete application whether to designate a clean energy project as a CEPSS, taking into consideration criteria including the applicant's need for coordinated state assistance, whether a nonproject

environmental review process or least-conflict siting process has been carried out in the project's area, and the potential impacts on environmental and public health. Commerce may designate an unlimited number of CEPSS.

Summary:

The State Energy Strategy.

The state must ensure that the pursuit of cleaner energy sources actively includes and supports innovative, emerging, and promising clean energy technologies, such as fusion energy, which is energy from the merger of atomic nuclei.

Fusion Energy Work Group.

The Energy Facility Site Evaluation Council and the Department of Health must establish a fusion energy work group (work group) of state agencies to identify and evaluate new and existing permitting, siting, licensing, and registration pathways for producing fusion energy. The state agencies in the work group include, but are not limited to, the Department of Ecology, the Governor's Office, and the Military Department. The work group must involve the regulated community throughout the process and provide an initial report to the Governor and the Legislature by December 1, 2024.

Clean Energy Projects of Statewide Significance.

In developing the application for the designation of CEPSS, Commerce must include facilities that produce electricity with fusion energy as clean energy projects.

Votes on Final Passage:

House	95	2	
Senate	48	0	(Senate amended)
House	94	2	(House concurred)

Effective: June 6, 2024