

2 **4SHB 2009** - S COMM AMD

3 By Committee on Energy, Telecommunications & Utilities

4

5 Strike everything after the enacting clause and insert the  
6 following:

7 "NEW SECTION. **Sec. 1.** The legislature finds responsibilities of  
8 state government need to be limited to core services in support of  
9 public safety and welfare. Services provided by the Washington state  
10 energy office are primarily advisory and can be eliminated. The  
11 legislature further finds a need to redefine the state's role in  
12 energy-related regulatory functions. The state may be better served by  
13 allowing regulatory functions to be performed by other appropriate  
14 entities, simplifying state government while maintaining core services.  
15 Further, it is the intent of the legislature that the state continue to  
16 receive oil overcharge restitution funds for our citizens while every  
17 effort is being made to maximize federal funds available for energy  
18 conservation purposes.

19

**PART I**

20

**FUNCTIONS OF THE DEPARTMENT OF COMMUNITY, TRADE,**

21

**AND ECONOMIC DEVELOPMENT**

22 NEW SECTION. **Sec. 101.** A new section is added to chapter 43.330  
23 RCW to read as follows:

24 (1) All powers, duties, and functions of the state energy office  
25 relating to energy resource policy and planning and energy facility  
26 siting are transferred to the department of community, trade, and  
27 economic development. All references to the director or the state  
28 energy office in the Revised Code of Washington shall be construed to  
29 mean the director or the department of community, trade, and economic  
30 development when referring to the functions transferred in this  
31 section.

32 The director shall appoint an assistant director for energy policy,  
33 and energy policy staff shall have no additional responsibilities  
34 beyond activities concerning energy policy.

1 (2)(a) All reports, documents, surveys, books, records, files,  
2 papers, or written material in the possession of the state energy  
3 office pertaining to the powers, functions, and duties transferred  
4 shall be delivered to the custody of the department of community,  
5 trade, and economic development. All cabinets, furniture, office  
6 equipment, software, data base, motor vehicles, and other tangible  
7 property employed by the state energy office in carrying out the  
8 powers, functions, and duties transferred shall be made available to  
9 the department of community, trade, and economic development.

10 (b) Any appropriations made to the state energy office for carrying  
11 out the powers, functions, and duties transferred shall, on the  
12 effective date of this section, be transferred and credited to the  
13 department of community, trade, and economic development.

14 (c) Whenever any question arises as to the transfer of any funds,  
15 books, documents, records, papers, files, software, data base,  
16 equipment, or other tangible property used or held in the exercise of  
17 the powers and the performance of the duties and functions transferred,  
18 the director of financial management shall make a determination as to  
19 the proper allocation and certify the same to the state agencies  
20 concerned.

21 (3) All employees of the state energy office engaged in performing  
22 the powers, functions, and duties pertaining to the energy facility  
23 site evaluation council are transferred to the jurisdiction of the  
24 department of community, trade, and economic development. All  
25 employees engaged in energy facility site evaluation council duties  
26 classified under chapter 41.06 RCW, the state civil service law, are  
27 assigned to the department of community, trade, and economic  
28 development to perform their usual duties upon the same terms as  
29 formerly, without any loss of rights, subject to any action that may be  
30 appropriate thereafter in accordance with the laws and rules governing  
31 state civil service.

32 (4) All rules and all pending business before the state energy  
33 office pertaining to the powers, functions, and duties transferred  
34 shall be continued and acted upon by the department of community,  
35 trade, and economic development. All existing contracts and  
36 obligations shall remain in full force and shall be performed by the  
37 department of community, trade, and economic development.

1 (5) The transfer of the powers, duties, and functions of the state  
2 energy office does not affect the validity of any act performed before  
3 the effective date of this section.

4 (6) If apportionments of budgeted funds are required because of the  
5 transfers directed by this section, the director of the office of  
6 financial management shall certify the apportionments to the agencies  
7 affected, the state auditor, and the state treasurer. Each of these  
8 shall make the appropriate transfer and adjustments in funds and  
9 appropriation.

10 (7) The department of community, trade, and economic development  
11 shall direct the closure of the financial records of the state energy  
12 office.

13 (8) Responsibility for implementing energy education, applied  
14 research, and technology transfer programs rests with Washington State  
15 University. The department of community, trade, and economic  
16 development shall provide Washington State University available  
17 existing and future oil overcharge restitution and federal energy block  
18 funding for a minimum period of five years to carry out energy programs  
19 under an interagency agreement with the department of community, trade,  
20 and economic development. The interagency agreement shall also outline  
21 the working relationship between the department of community, trade,  
22 and economic development and Washington State University as it pertains  
23 to the relationship between energy policy development and public  
24 outreach. Nothing in chapter . . . ., Laws of 1996 (this act)  
25 prohibits Washington State University from seeking grant, contract, or  
26 fee-for-service funding for energy or related programs directly from  
27 other entities.

28 **Sec. 102.** RCW 43.21F.025 and 1994 c 207 s 2 are each amended to  
29 read as follows:

30 (1) "Energy" means petroleum or other liquid fuels; natural or  
31 synthetic fuel gas; solid carbonaceous fuels; fissionable nuclear  
32 material; electricity; solar radiation; geothermal resources;  
33 hydropower; organic waste products; wind; tidal activity; any other  
34 substance or process used to produce heat, light, or motion; or the  
35 savings from nongeneration technologies, including conservation or  
36 improved efficiency in the usage of any of the sources described in  
37 this subsection;

1 (2) "Person" means an individual, partnership, joint venture,  
2 private or public corporation, association, firm, public service  
3 company, political subdivision, municipal corporation, government  
4 agency, public utility district, joint operating agency, or any other  
5 entity, public or private, however organized;

6 (3) "Director" means the director of the (~~state energy office~~)  
7 department of community, trade, and economic development;

8 (4) (~~("Office" means the Washington state energy office)~~)  
9 "Assistant director" means the assistant director of the department of  
10 community, trade, and economic development responsible for energy  
11 policy activities;

12 (5) "Department" means the department of community, trade, and  
13 economic development;

14 (~~(+5)~~) (6) "Distributor" means any person, private corporation,  
15 partnership, individual proprietorship, utility, including investor-  
16 owned utilities, municipal utility, public utility district, joint  
17 operating agency, or cooperative, which engages in or is authorized to  
18 engage in the activity of generating, transmitting, or distributing  
19 energy in this state; and

20 (~~(+6)~~) (7) "State energy strategy" means the document and energy  
21 policy direction developed under section 1, chapter 201, Laws of 1991  
22 including any related appendices.

23 **Sec. 103.** RCW 43.21F.045 and 1994 c 207 s 4 are each amended to  
24 read as follows:

25 (~~The energy office shall have the following duties:~~

26 (~~(1) The office shall~~) (1) The department shall supervise and  
27 administer energy-related activities as specified in section 101 of  
28 this act and shall advise the governor and the legislature with respect  
29 to energy matters affecting the state.

30 (2) In addition to other powers and duties granted to the  
31 department, the department shall have the following powers and duties:

32 (a) Prepare and update contingency plans for implementation in the  
33 event of energy shortages or emergencies. The plans shall conform to  
34 chapter 43.21G RCW and shall include procedures for determining when  
35 these shortages or emergencies exist, the state officers and agencies  
36 to participate in the determination, and actions to be taken by various  
37 agencies and officers of state government in order to reduce hardship  
38 and maintain the general welfare during these emergencies. The

1 ((office)) department shall coordinate the activities undertaken  
2 pursuant to this subsection with other persons. The components of  
3 plans that require legislation for their implementation shall be  
4 presented to the legislature in the form of proposed legislation at the  
5 earliest practicable date. The ((office)) department shall report to  
6 the governor and the legislature on probable, imminent, and existing  
7 energy shortages, and shall administer energy allocation and  
8 curtailment programs in accordance with chapter 43.21G RCW.

9 ~~((2) The office shall))~~ (b) Establish and maintain a central  
10 repository in state government for collection of existing data on  
11 energy resources, including:

12 ~~((a))~~ (i) Supply, demand, costs, utilization technology,  
13 projections, and forecasts;

14 ~~((b))~~ (ii) Comparative costs of alternative energy sources, uses,  
15 and applications; and

16 ~~((c))~~ (iii) Inventory data on energy research projects in the  
17 state conducted under public and/or private auspices, and the results  
18 thereof.

19 ~~((3) The office shall))~~ (c) Coordinate federal energy programs  
20 appropriate for state-level implementation, carry out such energy  
21 programs as are assigned to it by the governor or the legislature, and  
22 monitor federally funded local energy programs as required by federal  
23 or state regulations.

24 ~~((4) The office shall))~~ (d) Develop energy policy recommendations  
25 for consideration by the governor and the legislature.

26 ~~((5) The office shall))~~ (e) Provide assistance, space, and other  
27 support as may be necessary for the activities of the state's two  
28 representatives to the Pacific northwest electric power and  
29 conservation planning council. To the extent consistent with federal  
30 law, the ((office)) director shall request that Washington's council  
31 members request the administrator of the Bonneville power  
32 administration to reimburse the state for the expenses associated with  
33 the support as provided in the Pacific Northwest Electric Power  
34 Planning and Conservation Act (P.L. 96-501).

35 ~~((6) The office shall))~~ (f) Cooperate with state agencies, other  
36 governmental units, and private interests in the prioritization and  
37 implementation of the state energy strategy elements and on other  
38 energy matters.

1       ~~((7) The office shall represent the interests of the state in the~~  
2 ~~siting, construction, and operation of nuclear waste storage and~~  
3 ~~disposal facilities.~~

4       ~~(8) The office shall~~) (g) Serve as the official state agency  
5 responsible for coordinating implementation of the state energy  
6 strategy.

7       ~~((9))~~ (h) No later than December 1, 1982, and by December 1st of  
8 each even-numbered year thereafter, ~~((the office shall))~~ prepare and  
9 transmit to the governor and the appropriate committees of the  
10 legislature a report on the implementation of the state energy strategy  
11 and other important energy issues, as appropriate.

12       ~~((10) The office shall)~~ (i) Provide support for increasing cost-  
13 effective energy conservation, including assisting in the removal of  
14 impediments to timely implementation.

15       ~~((11) The office shall)~~ (j) Provide support for the development  
16 of cost-effective energy resources including assisting in the removal  
17 of impediments to timely construction.

18       ~~((12) The office shall)~~ (k) Adopt rules, under chapter 34.05 RCW,  
19 necessary to carry out the powers and duties enumerated in this  
20 chapter.

21       ~~((13) The office shall)~~ (l) Provide administrative assistance,  
22 space, and other support as may be necessary for the activities of the  
23 energy facility site evaluation council, as provided for in RCW  
24 80.50.030.

25       (m) Appoint staff as may be needed to administer energy policy  
26 functions and manage energy facility site evaluation council  
27 activities. These employees are exempt from the provisions of chapter  
28 41.06 RCW.

29       (3) To the extent the powers and duties set out under this section  
30 relate to energy education, applied research, and technology transfer  
31 programs they are transferred to Washington State University.

32       (4) To the extent the powers and duties set out under this section  
33 relate to energy efficiency in public buildings they are transferred to  
34 the department of general administration.

35       **Sec. 104.** RCW 43.21F.055 and 1981 c 295 s 5 are each amended to  
36 read as follows:

37       The ~~((office))~~ department shall not intervene in any regulatory  
38 proceeding before the Washington utilities and transportation

1 commission or proceedings of utilities not regulated by the commission.  
2 Nothing in this chapter abrogates or diminishes the functions, powers,  
3 or duties of the energy facility site evaluation council pursuant to  
4 chapter 80.50 RCW, the utilities and transportation commission pursuant  
5 to Title 80 RCW, or other state or local agencies established by law.

6 The ((office)) department shall avoid duplication of activity with  
7 other state agencies and officers and other persons.

8 **Sec. 105.** RCW 43.21F.060 and 1981 c 295 s 6 are each amended to  
9 read as follows:

10 In addition to the duties prescribed in RCW 43.21F.045, the  
11 ((energy office)) department shall have the authority to:

12 (1) Obtain all necessary and existing information from energy  
13 producers, suppliers, and consumers, doing business within the state of  
14 Washington, from political subdivisions in this state, or any person as  
15 may be necessary to carry out the provisions of ((this)) chapter 43.21G  
16 RCW: PROVIDED, That if the information is available in reports made to  
17 another state agency, the ((office)) department shall obtain it from  
18 that agency: PROVIDED FURTHER, That, to the maximum extent  
19 practicable, informational requests to energy companies regulated by  
20 the utilities and transportation commission shall be channeled through  
21 the commission and shall be accepted in the format normally used by the  
22 companies. Such information may include but not be limited to:

- 23 (a) Sales volume;  
24 (b) Forecasts of energy requirements; and  
25 (c) Energy costs.

26 Notwithstanding any other provision of law to the contrary,  
27 information furnished under this subsection shall be confidential and  
28 maintained as such, if so requested by the person providing the  
29 information, if the information is proprietary.

30 It shall be unlawful to disclose such information except as  
31 hereinafter provided. A violation shall be punishable, upon  
32 conviction, by a fine of not more than one thousand dollars for each  
33 offense. In addition, any person who wilfully or with criminal  
34 negligence, as defined in RCW 9A.08.010, discloses confidential  
35 information in violation of this subsection may be subject to removal  
36 from office or immediate dismissal from public employment  
37 notwithstanding any other provision of law to the contrary.

1 Nothing in this subsection prohibits the use of confidential  
2 information to prepare statistics or other general data for publication  
3 when it is so presented as to prevent identification of particular  
4 persons or sources of confidential information.

5 (2) Receive and expend funds obtained from the federal government  
6 or other sources by means of contracts, grants, awards, payments for  
7 services, and other devices in support of the duties enumerated in this  
8 chapter.

9 **Sec. 106.** RCW 43.21F.090 and 1994 c 207 s 5 are each amended to  
10 read as follows:

11 The ((office)) department shall review the state energy strategy as  
12 developed under section 1, chapter 201, Laws of 1991, periodically with  
13 the guidance of an advisory committee. For each review, an advisory  
14 committee shall be established with a membership resembling as closely  
15 as possible the original energy strategy advisory committee specified  
16 under section 1, chapter 201, Laws of 1991. Upon completion of a  
17 public hearing regarding the advisory committee's advice and  
18 recommendations for revisions to the energy strategy, a written report  
19 shall be conveyed by the ((office)) department to the governor and the  
20 appropriate legislative committees. Any advisory committee established  
21 under this section shall be dissolved within three months after their  
22 written report is conveyed.

23 **Sec. 107.** RCW 43.140.050 and 1981 c 158 s 5 are each amended to  
24 read as follows:

25 The state treasurer shall be responsible for distribution of funds  
26 to the county of origin. Each county's share of rentals and royalties  
27 from a lease including lands in more than one county shall be computed  
28 on the basis of the ratio that the acreage within each county has to  
29 the total acreage in the lease. ((The Washington state energy office or  
30 its statutory successor)) Washington State University shall obtain the  
31 necessary information to make the distribution of funds on such a  
32 basis.

33 **Sec. 108.** RCW 80.50.030 and 1994 c 264 s 75 and 1994 c 154 s 315  
34 are each reenacted and amended to read as follows:

35 (1) There is created and established the energy facility site  
36 evaluation council.



1 (2)(a) The chairman of the council shall be appointed by the  
2 governor with the advice and consent of the senate, shall have a vote  
3 on matters before the council, shall serve for a term coextensive with  
4 the term of the governor, and is removable for cause. The chairman may  
5 designate a member of the council to serve as acting chairman in the  
6 event of the chairman's absence. The chairman is a "state employee"  
7 for the purposes of chapter 42.52 RCW. As applicable, when attending  
8 meetings of the council, members may receive reimbursement for travel  
9 expenses in accordance with RCW 43.03.050 and 43.03.060, and are  
10 eligible for compensation under RCW (~~(43.03.240)~~) 43.03.250.

11 (b) The chairman or a designee shall execute all official  
12 documents, contracts, and other materials on behalf of the council.  
13 The Washington state (~~(energy office)~~) department of community, trade,  
14 and economic development shall provide all administrative and staff  
15 support for the council. The director of the (~~(energy office)~~)  
16 department of community, trade, and economic development has  
17 supervisory authority over the staff of the council and shall employ  
18 such personnel as are necessary to implement this chapter. Not more  
19 than three such employees may be exempt from chapter 41.06 RCW.

20 (3) The council shall consist of the directors, administrators, or  
21 their designees, of the following departments, agencies, commissions,  
22 and committees or their statutory successors:

- 23 (a) Department of ecology;
- 24 (b) Department of fish and wildlife;
- 25 (c) (~~(Parks and recreation commission;~~
- 26 ~~(d))~~) Department of health;
- 27 (~~(e) State energy office;~~
- 28 ~~(f))~~) (d) Military department;
- 29 (e) Department of community, trade, and economic development;
- 30 (~~(g))~~) (f) Utilities and transportation commission;
- 31 (~~(h) Office of financial management;~~
- 32 ~~(i))~~) (g) Department of natural resources;
- 33 (~~(j))~~) (h) Department of agriculture;
- 34 (~~(k))~~) (i) Department of transportation.

35 (4) The appropriate county legislative authority of every county  
36 wherein an application for a proposed site is filed shall appoint a  
37 member or designee as a voting member to the council. The member or  
38 designee so appointed shall sit with the council only at such times as  
39 the council considers the proposed site for the county which he or she

1 represents, and such member or designee shall serve until there has  
2 been a final acceptance or rejection of the proposed site;

3 (5) The city legislative authority of every city within whose  
4 corporate limits an energy plant is proposed to be located shall  
5 appoint a member or designee as a voting member to the council. The  
6 member or designee so appointed shall sit with the council only at such  
7 times as the council considers the proposed site for the city which he  
8 or she represents, and such member or designee shall serve until there  
9 has been a final acceptance or rejection of the proposed site.

10 (6) For any port district wherein an application for a proposed  
11 port facility is filed subject to this chapter, the port district shall  
12 appoint a member or designee as a nonvoting member to the council. The  
13 member or designee so appointed shall sit with the council only at such  
14 times as the council considers the proposed site for the port district  
15 which he or she represents, and such member or designee shall serve  
16 until there has been a final acceptance or rejection of the proposed  
17 site. The provisions of this subsection shall not apply if the port  
18 district is the applicant, either singly or in partnership or  
19 association with any other person.

20 **Sec. 109.** RCW 41.06.070 and 1995 c 163 s 1 are each amended to  
21 read as follows:

22 (1) The provisions of this chapter do not apply to:

23 (a) The members of the legislature or to any employee of, or  
24 position in, the legislative branch of the state government including  
25 members, officers, and employees of the legislative council,  
26 legislative budget committee, statute law committee, and any interim  
27 committee of the legislature;

28 (b) The justices of the supreme court, judges of the court of  
29 appeals, judges of the superior courts or of the inferior courts, or to  
30 any employee of, or position in the judicial branch of state  
31 government;

32 (c) Officers, academic personnel, and employees of technical  
33 colleges;

34 (d) The officers of the Washington state patrol;

35 (e) Elective officers of the state;

36 (f) The chief executive officer of each agency;

37 (g) In the departments of employment security and social and health  
38 services, the director and the director's confidential secretary; in

1 all other departments, the executive head of which is an individual  
2 appointed by the governor, the director, his or her confidential  
3 secretary, and his or her statutory assistant directors;

4 (h) In the case of a multimember board, commission, or committee,  
5 whether the members thereof are elected, appointed by the governor or  
6 other authority, serve ex officio, or are otherwise chosen:

7 (i) All members of such boards, commissions, or committees;

8 (ii) If the members of the board, commission, or committee serve on  
9 a part-time basis and there is a statutory executive officer: The  
10 secretary of the board, commission, or committee; the chief executive  
11 officer of the board, commission, or committee; and the confidential  
12 secretary of the chief executive officer of the board, commission, or  
13 committee;

14 (iii) If the members of the board, commission, or committee serve  
15 on a full-time basis: The chief executive officer or administrative  
16 officer as designated by the board, commission, or committee; and a  
17 confidential secretary to the chair of the board, commission, or  
18 committee;

19 (iv) If all members of the board, commission, or committee serve ex  
20 officio: The chief executive officer; and the confidential secretary  
21 of such chief executive officer;

22 (i) The confidential secretaries and administrative assistants in  
23 the immediate offices of the elective officers of the state;

24 (j) Assistant attorneys general;

25 (k) Commissioned and enlisted personnel in the military service of  
26 the state;

27 (l) Inmate, student, part-time, or temporary employees, and part-  
28 time professional consultants, as defined by the Washington personnel  
29 resources board;

30 (m) The public printer or to any employees of or positions in the  
31 state printing plant;

32 (n) Officers and employees of the Washington state fruit  
33 commission;

34 (o) Officers and employees of the Washington state apple  
35 advertising commission;

36 (p) Officers and employees of the Washington state dairy products  
37 commission;

38 (q) Officers and employees of the Washington tree fruit research  
39 commission;

1 (r) Officers and employees of the Washington state beef commission;

2 (s) Officers and employees of any commission formed under chapter  
3 15.66 RCW;

4 (t) Officers and employees of the state wheat commission formed  
5 under chapter 15.63 RCW;

6 (u) Officers and employees of agricultural commissions formed under  
7 chapter 15.65 RCW;

8 (v) Officers and employees of the nonprofit corporation formed  
9 under chapter 67.40 RCW;

10 (w) Executive assistants for personnel administration and labor  
11 relations in all state agencies employing such executive assistants  
12 including but not limited to all departments, offices, commissions,  
13 committees, boards, or other bodies subject to the provisions of this  
14 chapter and this subsection shall prevail over any provision of law  
15 inconsistent herewith unless specific exception is made in such law;

16 (x) In each agency with fifty or more employees: Deputy agency  
17 heads, assistant directors or division directors, and not more than  
18 three principal policy assistants who report directly to the agency  
19 head or deputy agency heads;

20 (y) All employees of the marine employees' commission;

21 (z) Up to a total of five senior staff positions of the western  
22 library network under chapter 27.26 RCW responsible for formulating  
23 policy or for directing program management of a major administrative  
24 unit. This subsection (1)(z) shall expire on June 30, 1997;

25 (aa) Staff employed by the department of community, trade, and  
26 economic development to administer energy policy functions and manage  
27 energy site evaluation council activities under RCW 43.21F.045(2)(m);

28 (bb) Staff employed by Washington State University to administer  
29 energy education, applied research, and technology transfer programs  
30 under RCW 43.21F.045 as provided in section 201(5) of this act.

31 (2) The following classifications, positions, and employees of  
32 institutions of higher education and related boards are hereby exempted  
33 from coverage of this chapter:

34 (a) Members of the governing board of each institution of higher  
35 education and related boards, all presidents, vice-presidents and their  
36 confidential secretaries, administrative and personal assistants;  
37 deans, directors, and chairs; academic personnel; and executive heads  
38 of major administrative or academic divisions employed by institutions  
39 of higher education; principal assistants to executive heads of major

1 administrative or academic divisions; other managerial or professional  
2 employees in an institution or related board having substantial  
3 responsibility for directing or controlling program operations and  
4 accountable for allocation of resources and program results, or for the  
5 formulation of institutional policy, or for carrying out personnel  
6 administration or labor relations functions, legislative relations,  
7 public information, development, senior computer systems and network  
8 programming, or internal audits and investigations; and any employee of  
9 a community college district whose place of work is one which is  
10 physically located outside the state of Washington and who is employed  
11 pursuant to RCW 28B.50.092 and assigned to an educational program  
12 operating outside of the state of Washington;

13 (b) Student, part-time, or temporary employees, and part-time  
14 professional consultants, as defined by the Washington personnel  
15 resources board, employed by institutions of higher education and  
16 related boards;

17 (c) The governing board of each institution, and related boards,  
18 may also exempt from this chapter classifications involving research  
19 activities, counseling of students, extension or continuing education  
20 activities, graphic arts or publications activities requiring  
21 prescribed academic preparation or special training as determined by  
22 the board: PROVIDED, That no nonacademic employee engaged in office,  
23 clerical, maintenance, or food and trade services may be exempted by  
24 the board under this provision;

25 (d) Printing craft employees in the department of printing at the  
26 University of Washington.

27 (3) In addition to the exemptions specifically provided by this  
28 chapter, the Washington personnel resources board may provide for  
29 further exemptions pursuant to the following procedures. The governor  
30 or other appropriate elected official may submit requests for exemption  
31 to the Washington personnel resources board stating the reasons for  
32 requesting such exemptions. The Washington personnel resources board  
33 shall hold a public hearing, after proper notice, on requests submitted  
34 pursuant to this subsection. If the board determines that the position  
35 for which exemption is requested is one involving substantial  
36 responsibility for the formulation of basic agency or executive policy  
37 or one involving directing and controlling program operations of an  
38 agency or a major administrative division thereof, the Washington  
39 personnel resources board shall grant the request and such

1 determination shall be final as to any decision made before July 1,  
2 1993. The total number of additional exemptions permitted under this  
3 subsection shall not exceed one percent of the number of employees in  
4 the classified service not including employees of institutions of  
5 higher education and related boards for those agencies not directly  
6 under the authority of any elected public official other than the  
7 governor, and shall not exceed a total of twenty-five for all agencies  
8 under the authority of elected public officials other than the  
9 governor. The Washington personnel resources board shall report to  
10 each regular session of the legislature during an odd-numbered year all  
11 exemptions granted under subsections (1) (w) and (x) and (2) of this  
12 section, together with the reasons for such exemptions.

13 The salary and fringe benefits of all positions presently or  
14 hereafter exempted except for the chief executive officer of each  
15 agency, full-time members of boards and commissions, administrative  
16 assistants and confidential secretaries in the immediate office of an  
17 elected state official, and the personnel listed in subsections (1) (j)  
18 through (v) and (2) of this section, shall be determined by the  
19 Washington personnel resources board.

20 Any person holding a classified position subject to the provisions  
21 of this chapter shall, when and if such position is subsequently  
22 exempted from the application of this chapter, be afforded the  
23 following rights: If such person previously held permanent status in  
24 another classified position, such person shall have a right of  
25 reversion to the highest class of position previously held, or to a  
26 position of similar nature and salary.

27 Any classified employee having civil service status in a classified  
28 position who accepts an appointment in an exempt position shall have  
29 the right of reversion to the highest class of position previously  
30 held, or to a position of similar nature and salary.

31 A person occupying an exempt position who is terminated from the  
32 position for gross misconduct or malfeasance does not have the right of  
33 reversion to a classified position as provided for in this section.

## 34 PART II

### 35 FUNCTIONS OF WASHINGTON STATE UNIVERSITY

36 NEW SECTION. **Sec. 201.** A new section is added to chapter 28B.30  
37 RCW to read as follows:

1 (1) All powers, duties, and functions of the state energy office  
2 under RCW 43.21F.045 relating to implementing energy education, applied  
3 research, and technology transfer programs shall be transferred to  
4 Washington State University.

5 (2) The specific programs transferred to Washington State  
6 University shall include but not be limited to the following:  
7 Renewable energy, energy software, industrial energy efficiency,  
8 education and information, energy ideas clearinghouse, and  
9 telecommunications.

10 (3)(a) All reports, documents, surveys, books, records, files,  
11 papers, or written material in the possession of the state energy  
12 office pertaining to the powers, functions, and duties transferred  
13 shall be delivered to the custody of Washington State University. All  
14 cabinets, furniture, office equipment, software, data base, motor  
15 vehicles, and other tangible property employed by the state energy  
16 office in carrying out the powers, functions, and duties transferred  
17 shall be made available to Washington State University.

18 (b) Any appropriations made to, any other funds provided to, or any  
19 grants made to or contracts with the state energy office for carrying  
20 out the powers, functions, and duties transferred shall, on the  
21 effective date of this section, be transferred and credited to  
22 Washington State University.

23 (c) Whenever any question arises as to the transfer of any funds,  
24 books, documents, records, papers, files, software, data base,  
25 equipment, or other tangible property used or held in the exercise of  
26 the powers and the performance of the duties and functions transferred,  
27 an arbitrator mutually agreed upon by the parties in dispute shall make  
28 a determination as to the proper allocation and certify the same to the  
29 state agencies concerned.

30 (d) All rules and all pending business before the state energy  
31 office pertaining to the powers, functions, and duties transferred  
32 shall be continued and acted upon by Washington State University. All  
33 existing contracts, grants, and obligations, excluding personnel  
34 contracts and obligations, shall remain in full force and shall be  
35 assigned to and performed by Washington State University.

36 (e) The transfer of the powers, duties, and functions of the state  
37 energy office does not affect the validity of any act performed before  
38 the effective date of this section.

1 (f) If apportionments of budgeted funds are required because of the  
2 transfers directed by this section, the director of the office of  
3 financial management shall certify the apportionments to the agencies  
4 affected, the state auditor, and the state treasurer. Each of these  
5 shall make the appropriate transfer and adjustments in funds and  
6 appropriation.

7 (4) Washington State University shall enter into an interagency  
8 agreement with the department of community, trade, and economic  
9 development regarding the relationship between policy development and  
10 public outreach. The department of community, trade, and economic  
11 development shall provide Washington State University available  
12 existing and future oil overcharge restitution and federal energy block  
13 funding for a minimum period of five years to carry out energy  
14 programs. Nothing in chapter . . . , Laws of 1996 (this act) prohibits  
15 Washington State University from seeking grant funding for energy-  
16 related programs directly from other entities.

17 (5) Washington State University shall select and appoint existing  
18 state energy office employees to positions to perform the duties and  
19 functions transferred. Employees appointed by Washington State  
20 University are exempt from the provisions of chapter 41.06 RCW unless  
21 otherwise designated by the institution. Any future vacant or new  
22 positions will be filled using Washington State University's standard  
23 hiring procedures.

24 NEW SECTION. **Sec. 202.** A new section is added to chapter 28B.30  
25 RCW to read as follows:

26 In addition to the powers and duties transferred, Washington State  
27 University shall have the authority to establish administrative units  
28 as may be necessary to coordinate either energy education or energy  
29 program delivery programs, or both, and to revise, restructure,  
30 redirect, or eliminate programs transferred to Washington State  
31 University based on available funding or to better serve the people and  
32 businesses of Washington state.

33 **PART III**

34 **FUNCTIONS OF THE DEPARTMENT OF TRANSPORTATION**

35 NEW SECTION. **Sec. 301.** A new section is added to chapter 47.01  
36 RCW to read as follows:



1 (1) All powers, duties, and functions of the state energy office  
2 pertaining to the commute trip reduction program are transferred to the  
3 department of transportation. All references to the director or the  
4 state energy office in the Revised Code of Washington shall be  
5 construed to mean the secretary or the department of transportation  
6 when referring to the functions transferred in this section.

7 (2)(a) All reports, documents, surveys, books, records, files,  
8 papers, or written material in the possession of the state energy  
9 office pertaining to the powers, functions, and duties transferred  
10 shall be delivered to the custody of the department of transportation.  
11 All cabinets, furniture, office equipment, software, data base, motor  
12 vehicles, and other tangible property employed by the state energy  
13 office in carrying out the powers, functions, and duties transferred  
14 shall be made available to the department of transportation. All  
15 funds, credits, or other assets held in connection with the powers,  
16 functions, and duties transferred shall be assigned to the department  
17 of transportation.

18 (b) Any appropriations made to the state energy office for carrying  
19 out the powers, functions, and duties transferred shall, on the  
20 effective date of this section, be transferred and credited to the  
21 department of transportation.

22 (c) Whenever any question arises as to the transfer of any  
23 personnel, funds, books, documents, records, papers, files, equipment,  
24 or other tangible property used or held in the exercise of the powers  
25 and the performance of the duties and functions transferred, the  
26 director of financial management shall make a determination as to the  
27 proper allocation and certify the same to the state agencies concerned.

28 (3) All employees of the state energy office engaged in performing  
29 the powers, functions, and duties transferred are transferred to the  
30 jurisdiction of the department of transportation. All employees  
31 classified under chapter 41.06 RCW, the state civil service law, are  
32 assigned to the department of transportation to perform their usual  
33 duties upon the same terms as formerly, without any loss of rights,  
34 subject to any action that may be appropriate thereafter in accordance  
35 with the laws and rules governing state civil service.

36 (4) All rules and all pending business before the state energy  
37 office pertaining to the powers, functions, and duties transferred  
38 shall be continued and acted upon by the department of transportation.  
39 All existing contracts and obligations, excluding personnel contracts

1 and obligations, shall remain in full force and shall be performed by  
2 the department of transportation.

3 (5) The transfer of the powers, duties, functions, and personnel of  
4 the state energy office shall not affect the validity of any act  
5 performed before the effective date of this section.

6 (6) If apportionments of budgeted funds are required because of the  
7 transfers directed by this section, the director of financial  
8 management shall certify the apportionments to the agencies affected,  
9 the state auditor, and the state treasurer. Each of these shall make  
10 the appropriate transfer and adjustments in funds and appropriation  
11 accounts and equipment records in accordance with the certification.

12 (7) The department of transportation shall report to the  
13 legislature by December 1, 1996, on the effects of this section.

14 **PART IV**

15 **FUNCTIONS OF THE DEPARTMENT OF GENERAL ADMINISTRATION**

16 NEW SECTION. **Sec. 401.** A new section is added to chapter 43.19  
17 RCW to read as follows:

18 (1) All powers, duties, and functions of the state energy office  
19 pertaining to energy efficiency in public buildings are transferred to  
20 the department of general administration. All references to the  
21 director or the state energy office in the Revised Code of Washington  
22 shall be construed to mean the director or the department of general  
23 administration when referring to the functions transferred in this  
24 section.

25 (2)(a) All reports, documents, surveys, books, records, files,  
26 papers, or written material in the possession of the state energy  
27 office pertaining to the powers, functions, and duties transferred  
28 shall be delivered to the custody of the department of general  
29 administration. All cabinets, furniture, office equipment, software,  
30 data base, motor vehicles, and other tangible property employed by the  
31 state energy office in carrying out the powers, functions, and duties  
32 transferred shall be made available to the department of general  
33 administration. All funds, credits, or other assets held in connection  
34 with the powers, functions, and duties transferred shall be assigned to  
35 the department of general administration.

36 (b) Any appropriations made to the state energy office for carrying  
37 out the powers, functions, and duties transferred shall, on the

1 effective date of this section, be transferred and credited to the  
2 department of general administration.

3 (c) Whenever any question arises as to the transfer of any  
4 personnel, funds, books, documents, records, papers, files, equipment,  
5 or other tangible property used or held in the exercise of the powers  
6 and the performance of the duties and functions transferred, the  
7 director of financial management shall make a determination as to the  
8 proper allocation and certify the same to the state agencies concerned.

9 (3) Within funds available, employees of the state energy office  
10 whose primary responsibility is performing the powers, functions, and  
11 duties pertaining to energy efficiency in public buildings are  
12 transferred to the jurisdiction of the department of general  
13 administration. All employees classified under chapter 41.06 RCW, the  
14 state civil service law, are assigned to the department of general  
15 administration to perform their usual duties upon the same terms as  
16 formerly, without any loss of rights, subject to any action that may be  
17 appropriate thereafter in accordance with the laws and rules governing  
18 state civil service.

19 (4) All rules and all pending business before the state energy  
20 office pertaining to the powers, functions, and duties transferred  
21 shall be continued and acted upon by the department of general  
22 administration. All existing contracts and obligations, excluding  
23 personnel contracts and obligations, shall remain in full force and  
24 shall be performed by the department of general administration.

25 (5) The transfer of the powers, duties, functions, and personnel of  
26 the state energy office shall not affect the validity of any act  
27 performed before the effective date of this section.

28 (6) If apportionments of budgeted funds are required because of the  
29 transfers directed by this section, the director of financial  
30 management shall certify the apportionments to the agencies affected,  
31 the state auditor, and the state treasurer. Each of these shall make  
32 the appropriate transfer and adjustments in funds and appropriation  
33 accounts and equipment records in accordance with the certification.

34 **Sec. 402.** RCW 39.35.030 and 1994 c 242 s 1 are each amended to  
35 read as follows:

36 For the purposes of this chapter the following words and phrases  
37 shall have the following meanings unless the context clearly requires  
38 otherwise:

1 (1) "Public agency" means every state office, officer, board,  
2 commission, committee, bureau, department, and all political  
3 subdivisions of the state.

4 (2) (~~("Office" means the Washington state energy office.)~~)  
5 "Department" means the state department of general administration.

6 (3) "Major facility" means any publicly owned or leased building  
7 having twenty-five thousand square feet or more of usable floor space.

8 (4) "Initial cost" means the moneys required for the capital  
9 construction or renovation of a major facility.

10 (5) "Renovation" means additions, alterations, or repairs within  
11 any twelve-month period which exceed fifty percent of the value of a  
12 major facility and which will affect any energy system.

13 (6) "Economic life" means the projected or anticipated useful life  
14 of a major facility as expressed by a term of years.

15 (7) "Life-cycle cost" means the initial cost and cost of operation  
16 of a major facility over its economic life. This shall be calculated  
17 as the initial cost plus the operation, maintenance, and energy costs  
18 over its economic life, reflecting anticipated increases in these costs  
19 discounted to present value at the current rate for borrowing public  
20 funds, as determined by the office of financial management. The energy  
21 cost projections used shall be those provided by the (~~state energy~~  
22 ~~office~~) department. The (~~office~~) department shall update these  
23 projections at least every two years.

24 (8) "Life-cycle cost analysis" includes, but is not limited to, the  
25 following elements:

26 (a) The coordination and positioning of a major facility on its  
27 physical site;

28 (b) The amount and type of fenestration employed in a major  
29 facility;

30 (c) The amount of insulation incorporated into the design of a  
31 major facility;

32 (d) The variable occupancy and operating conditions of a major  
33 facility; and

34 (e) An energy-consumption analysis of a major facility.

35 (9) "Energy systems" means all utilities, including, but not  
36 limited to, heating, air-conditioning, ventilating, lighting, and the  
37 supplying of domestic hot water.

38 (10) "Energy-consumption analysis" means the evaluation of all  
39 energy systems and components by demand and type of energy including

1 the internal energy load imposed on a major facility by its occupants,  
2 equipment, and components, and the external energy load imposed on a  
3 major facility by the climatic conditions of its location. An energy-  
4 consumption analysis of the operation of energy systems of a major  
5 facility shall include, but not be limited to, the following elements:

6 (a) The comparison of three or more system alternatives, at least  
7 one of which shall include renewable energy systems;

8 (b) The simulation of each system over the entire range of  
9 operation of such facility for a year's operating period; and

10 (c) The evaluation of the energy consumption of component equipment  
11 in each system considering the operation of such components at other  
12 than full or rated outputs.

13 The energy-consumption analysis shall be prepared by a professional  
14 engineer or licensed architect who may use computers or such other  
15 methods as are capable of producing predictable results.

16 (11) "Renewable energy systems" means methods of facility design  
17 and construction and types of equipment for the utilization of  
18 renewable energy sources including, but not limited to, hydroelectric  
19 power, active or passive solar space heating or cooling, domestic solar  
20 water heating, windmills, waste heat, biomass and/or refuse-derived  
21 fuels, photovoltaic devices, and geothermal energy.

22 (12) "Cogeneration" means the sequential generation of two or more  
23 forms of energy from a common fuel or energy source. Where these forms  
24 are electricity and thermal energy, then the operating and efficiency  
25 standards established by 18 C.F.R. Sec. 292.205 and the definitions  
26 established by 18 C.F.R. 292.202 (c) through (m) as of July 28, 1991,  
27 shall apply.

28 (13) "Selected buildings" means educational, office, residential  
29 care, and correctional facilities that are designed to comply with the  
30 design standards analyzed and recommended by the ((office)) department.

31 (14) "Design standards" means the heating, air-conditioning,  
32 ventilating, and renewable resource systems identified, analyzed, and  
33 recommended by the ((office)) department as providing an efficient  
34 energy system or systems based on the economic life of the selected  
35 buildings.

36 **Sec. 403.** RCW 39.35.050 and 1994 c 242 s 3 are each amended to  
37 read as follows:

1 The ((office)) department, in consultation with affected public  
2 agencies, shall develop and issue guidelines for administering this  
3 chapter. The purpose of the guidelines is to define a procedure and  
4 method for performance of life-cycle cost analysis to promote the  
5 selection of low-life-cycle cost alternatives. At a minimum, the  
6 guidelines must contain provisions that:

7 (1) Address energy considerations during the planning phase of the  
8 project;

9 (2) Identify energy components and system alternatives including  
10 renewable energy systems and cogeneration applications prior to  
11 commencing the energy consumption analysis;

12 (3) Identify simplified methods to assure the lowest life-cycle  
13 cost alternatives for selected buildings with between twenty-five  
14 thousand and one hundred thousand square feet of usable floor area;

15 (4) Establish times during the design process for preparation,  
16 review, and approval or disapproval of the life-cycle cost analysis;

17 (5) Specify the assumptions to be used for escalation and inflation  
18 rates, equipment service lives, economic building lives, and  
19 maintenance costs;

20 (6) Determine life-cycle cost analysis format and submittal  
21 requirements to meet the provisions of chapter 201, Laws of 1991;

22 (7) Provide for review and approval of life-cycle cost analysis.

23 **Sec. 404.** RCW 39.35.060 and 1991 c 201 s 16 are each amended to  
24 read as follows:

25 The ((~~energy office~~)) department may impose fees upon affected  
26 public agencies for the review of life-cycle cost analyses. The fees  
27 shall be deposited in the energy efficiency services account  
28 established in RCW 39.35C.110. The purpose of the fees is to recover  
29 the costs by the ((office)) department for review of the analyses. The  
30 ((office)) department shall set fees at a level necessary to recover  
31 all of its costs related to increasing the energy efficiency of state-  
32 supported new construction. The fees shall not exceed one-tenth of one  
33 percent of the total cost of any project or exceed two thousand dollars  
34 for any project unless mutually agreed to. The ((office)) department  
35 shall provide detailed calculation ensuring that the energy savings  
36 resulting from its review of life-cycle cost analysis justify the costs  
37 of performing that review.

1       **Sec. 405.** RCW 39.35C.010 and 1991 c 201 s 2 are each amended to  
2 read as follows:

3       Unless the context clearly requires otherwise, the definitions in  
4 this section apply throughout this chapter.

5       (1) "Cogeneration" means the sequential generation of two or more  
6 forms of energy from a common fuel or energy source. If these forms  
7 are electricity and thermal energy, then the operating and efficiency  
8 standards established by 18 C.F.R. Sec. 292.205 and the definitions  
9 established by 18 C.F.R. Sec. 292.202 (c) through (m) apply.

10       (2) "Conservation" means reduced energy consumption or energy cost,  
11 or increased efficiency in the use of energy, and activities, measures,  
12 or equipment designed to achieve such results, but does not include  
13 thermal or electric energy production from cogeneration.

14       (3) "Cost-effective" means that the present value to a state agency  
15 or school district of the energy reasonably expected to be saved or  
16 produced by a facility, activity, measure, or piece of equipment over  
17 its useful life, including any compensation received from a utility or  
18 the Bonneville power administration, is greater than the net present  
19 value of the costs of implementing, maintaining, and operating such  
20 facility, activity, measure, or piece of equipment over its useful  
21 life, when discounted at the cost of public borrowing.

22       (4) "Energy" means energy as defined in RCW 43.21F.025(1).

23       (5) "Energy efficiency project" means a conservation or  
24 cogeneration project.

25       (6) "Energy efficiency services" means assistance furnished by the  
26 (~~energy office~~) department to state agencies and school districts in  
27 identifying, evaluating, and implementing energy efficiency projects.

28       (7) (~~"Energy office" means the Washington state energy office.~~)  
29 "Department" means the state department of general administration.

30       (8) "Performance-based contracting" means contracts for which  
31 payment is conditional on achieving contractually specified energy  
32 savings.

33       (9) "Public agency" means every state office, officer, board,  
34 commission, committee, bureau, department, and all political  
35 subdivisions of the state.

36       (10) "Public facility" means a building or structure, or a group of  
37 buildings or structures at a single site, owned by a state agency or  
38 school district.

1       (~~(10)~~) (11) "State agency" means every state office or  
2 department, whether elective or appointive, state institutions of  
3 higher education, and all boards, commissions, or divisions of state  
4 government, however designated.

5       (~~(11)~~) (12) "State facility" means a building or structure, or a  
6 group of buildings or structures at a single site, owned by a state  
7 agency.

8       (~~(12)~~) (13) "Utility" means privately or publicly owned electric  
9 and gas utilities, electric cooperatives and mutuals, whether located  
10 within or without Washington state.

11       (~~(13)~~) (14) "Local utility" means the utility or utilities in  
12 whose service territory a public facility is located.

13       **Sec. 406.** RCW 39.35C.020 and 1991 c 201 s 3 are each amended to  
14 read as follows:

15       (1) Each state agency and school district shall implement cost-  
16 effective conservation improvements and maintain efficient operation of  
17 its facilities in order to minimize energy consumption and related  
18 environmental impacts and reduce operating costs.

19       (2) The (~~energy office~~) department shall assist state agencies  
20 and school districts in identifying, evaluating, and implementing cost-  
21 effective conservation projects at their facilities. The assistance  
22 shall include the following:

23       (a) Notifying state agencies and school districts of their  
24 responsibilities under this chapter;

25       (b) Apprising state agencies and school districts of opportunities  
26 to develop and finance such projects;

27       (c) Providing technical and analytical support, including  
28 procurement of performance-based contracting services;

29       (d) Reviewing verification procedures for energy savings; and

30       (e) Assisting in the structuring and arranging of financing for  
31 cost-effective conservation projects.

32       (3) Conservation projects implemented under this chapter shall have  
33 appropriate levels of monitoring to verify the performance and measure  
34 the energy savings over the life of the project. The (~~energy office~~)  
35 department shall solicit involvement in program planning and  
36 implementation from utilities and other energy conservation suppliers,  
37 especially those that have demonstrated experience in performance-based  
38 energy programs.



1       (4) The (~~energy office~~) department shall comply with the  
2 requirements of chapter 39.80 RCW when contracting for architectural or  
3 engineering services.

4       (5) The (~~energy office~~) department shall recover any costs and  
5 expenses it incurs in providing assistance pursuant to this section,  
6 including reimbursement from third parties participating in  
7 conservation projects. The (~~energy office~~) department shall enter  
8 into a written agreement with the (~~state agency or school district~~)  
9 public agency for the recovery of costs.

10       **Sec. 407.** RCW 39.35C.030 and 1991 c 201 s 4 are each amended to  
11 read as follows:

12       (1) The (~~energy office~~) department shall consult with the local  
13 utilities to develop priorities for energy conservation projects  
14 pursuant to this chapter, cooperate where possible with existing  
15 utility programs, and consult with the local utilities prior to  
16 implementing projects in their service territory.

17       (2) A local utility shall be offered the initial opportunity to  
18 participate in the development of conservation projects in the  
19 following manner:

20       (a) Before initiating projects in a local utility service  
21 territory, the (~~energy office~~) department shall notify the local  
22 utility in writing, on an annual basis, of public facilities in the  
23 local utility's service territory at which the (~~energy office~~)  
24 department anticipates cost-effective conservation projects will be  
25 developed.

26       (b) Within sixty days of receipt of this notification, the local  
27 utility may express interest in these projects by submitting to the  
28 (~~energy office~~) department a written description of the role the  
29 local utility is willing to perform in developing and acquiring the  
30 conservation at these facilities. This role may include any local  
31 utility conservation programs which would be available to the public  
32 facility, any competitive bidding or solicitation process which the  
33 local utility will be undertaking in accordance with the rules of the  
34 utilities and transportation commission or the public utility district,  
35 municipal utility, cooperative, or mutual governing body for which the  
36 public facility would be eligible, or any other role the local utility  
37 may be willing to perform.

1 (c) Upon receipt of the written description from the local utility,  
2 the ((energy office)) department shall, through discussions with the  
3 local utility, and with involvement from state agencies and school  
4 districts responsible for the public facilities, develop a plan for  
5 coordinated delivery of conservation services and financing or make a  
6 determination of whether to participate in the local utility's  
7 competitive bidding or solicitation process. The plan shall identify  
8 the local utility in roles that the local utility is willing to perform  
9 and that are consistent with the provisions of RCW 39.35C.040(2) (d)  
10 and (e).

11 **Sec. 408.** RCW 39.35C.040 and 1991 c 201 s 5 are each amended to  
12 read as follows:

13 (1) It is the intent of this chapter that the state, state  
14 agencies, and school districts are compensated fairly for the energy  
15 savings provided to utilities and be allowed to participate on an equal  
16 basis in any utility conservation program, bidding, or solicitation  
17 process. State agencies and school districts shall not receive  
18 preferential treatment. For the purposes of this section, any type of  
19 compensation from a utility or the Bonneville power administration  
20 intended to achieve reductions or efficiencies in energy use which are  
21 cost-effective to the utility or the Bonneville power administration  
22 shall be regarded as a sale of energy savings. Such compensation may  
23 include credits to the energy bill, low or no interest loans, rebates,  
24 or payment per unit of energy saved. The ((energy office)) department  
25 shall, in coordination with utilities, the Bonneville power  
26 administration, state agencies, and school districts, facilitate the  
27 sale of energy savings at public facilities including participation in  
28 any competitive bidding or solicitation which has been agreed to by the  
29 state agency or school district. Energy savings may only be sold to  
30 local utilities or, under conditions specified in this section, to the  
31 Bonneville power administration. The ((energy office)) department  
32 shall not attempt to sell energy savings occurring in one utility  
33 service territory to a different utility. Nothing in this chapter  
34 mandates that utilities purchase the energy savings.

35 (2) To ensure an equitable allocation of benefits to the state,  
36 state agencies, and school districts, the following conditions shall  
37 apply to transactions between utilities or the Bonneville power

1 administration and state agencies or school districts for sales of  
2 energy savings:

3 (a) A transaction shall be approved by both (~~the energy office~~  
4 ~~and~~) the state agency or school district and the department.

5 (b) The (~~energy office and the~~) state agency or school district  
6 and the department shall work together throughout the planning and  
7 negotiation process for such transactions unless the (~~energy office~~)  
8 department determines that its participation will not further the  
9 purposes of this section.

10 (c) Before making a decision under (d) of this subsection, the  
11 (~~energy office~~) department shall review the proposed transaction for  
12 its technical and economic feasibility, the adequacy and reasonableness  
13 of procedures proposed for verification of project or program  
14 performance, the degree of certainty of benefits to the state, state  
15 agency, or school district, the degree of risk assumed by the state or  
16 school district, the benefits offered to the state, state agency, or  
17 school district and such other factors as the (~~energy office~~)  
18 department determines to be prudent.

19 (d) The (~~energy office~~) department shall approve a transaction  
20 unless it finds, pursuant to the review in (c) of this subsection, that  
21 the transaction would not result in an equitable allocation of costs  
22 and benefits to the state, state agency, or school district, in which  
23 case the transaction shall be disapproved.

24 (e) In addition to the requirements of (c) and (d) of this  
25 subsection, in areas in which the Bonneville power administration has  
26 a program for the purchase of energy savings at public facilities, the  
27 (~~energy office~~) department shall approve the transaction unless the  
28 local utility cannot offer a benefit substantially equivalent to that  
29 offered by the Bonneville power administration, in which case the  
30 transaction shall be disapproved. In determining whether the local  
31 utility can offer a substantially equivalent benefit, the (~~energy~~  
32 ~~office~~) department shall consider the net present value of the payment  
33 for energy savings; any goods, services, or financial assistance  
34 provided by the local utility; and any risks borne by the local  
35 utility. Any direct negative financial impact on a nongrowing, local  
36 utility shall be considered.

37 (3) Any party to a potential transaction may, within thirty days of  
38 any decision to disapprove a transaction made pursuant to subsection  
39 (2) (c), (d), or (e) of this section, request an independent reviewer

1 who is mutually agreeable to all parties to the transaction to review  
2 the decision. The parties shall within thirty days of selection submit  
3 to the independent reviewer documentation supporting their positions.  
4 The independent reviewer shall render advice regarding the validity of  
5 the disapproval within an additional thirty days.

6 **Sec. 409.** RCW 39.35C.050 and 1991 c 201 s 6 are each amended to  
7 read as follows:

8 In addition to any other authorities conferred by law:

9 (1) The (~~energy office~~) department, with the consent of the state  
10 agency or school district responsible for a facility, a state or  
11 regional university acting independently, and any other state agency  
12 acting through the department of general administration or as otherwise  
13 authorized by law, may:

14 (a) Develop and finance conservation at public facilities in  
15 accordance with express provisions of this chapter;

16 (b) Contract for energy services, including performance-based  
17 contracts;

18 (c) Contract to sell energy savings from a conservation project at  
19 public facilities to local utilities or the Bonneville power  
20 administration.

21 (2) A state or regional university acting independently, and any  
22 other state agency acting through the department of general  
23 administration or as otherwise authorized by law, may undertake  
24 procurements for third-party development of conservation at its  
25 facilities.

26 (3) A school district may:

27 (a) Develop and finance conservation at school district facilities;

28 (b) Contract for energy services, including performance-based  
29 contracts at school district facilities; and

30 (c) Contract to sell energy savings from energy conservation  
31 projects at school district facilities to local utilities or the  
32 Bonneville power administration directly or to local utilities or the  
33 Bonneville power administration through third parties.

34 (4) In exercising the authority granted by subsections (1), (2),  
35 and (3) of this section, a school district or state agency must comply  
36 with the provisions of RCW 39.35C.040.

1       **Sec. 410.** RCW 39.35C.060 and 1991 c 201 s 7 are each amended to  
2 read as follows:

3       (1) (~~The energy office, in accordance with RCW 43.21F.060(2) may~~  
4 ~~use appropriated moneys to make loans to school districts to provide~~  
5 ~~all or part of the financing for conservation projects. The energy~~  
6 ~~office shall determine the eligibility of such projects for~~  
7 ~~conservation loans and the terms of such loans. If loans are from~~  
8 ~~moneys appropriated from bond proceeds, the repayments of the loans~~  
9 ~~shall be sufficient to pay, when due, the principal and interest on the~~  
10 ~~bonds and shall be paid to the energy efficiency construction account~~  
11 ~~established in RCW 39.35C.100. To the extent that a school district~~  
12 ~~applies the proceeds of such loans to a modernization or new~~  
13 ~~construction project, such proceeds shall be considered a portion of~~  
14 ~~the school district's share of the costs of such project.~~

15       (2)) State agencies may use financing contracts under chapter  
16 39.94 RCW to provide all or part of the funding for conservation  
17 projects. The ((~~energy office~~)) department shall determine the  
18 eligibility of such projects for financing contracts. The repayments  
19 of the financing contracts shall be sufficient to pay, when due, the  
20 principal and interest on the contracts.

21       **Sec. 411.** RCW 39.35C.070 and 1991 c 201 s 8 are each amended to  
22 read as follows:

23       (1) Consistent with the region's need to develop cost-effective,  
24 high efficiency electric energy resources, the state shall investigate  
25 and, if appropriate, pursue development of cost-effective opportunities  
26 for cogeneration in existing or new state facilities.

27       (2) To assist state agencies in identifying, evaluating, and  
28 developing potential cogeneration projects at their facilities, the  
29 ((~~energy office~~)) department shall notify state agencies of their  
30 responsibilities under this chapter; apprise them of opportunities to  
31 develop and finance such projects; and provide technical and analytical  
32 support. The ((~~energy office~~)) department shall recover costs for such  
33 assistance through written agreements, including reimbursement from  
34 third parties participating in such projects, for any costs and  
35 expenses incurred in providing such assistance.

36       (3)(a) The ((~~energy office~~)) department shall identify priorities  
37 for cogeneration projects at state facilities, and, where such projects  
38 are initially deemed desirable by the ((~~energy office~~)) department and

1 the appropriate state agency, the ((~~energy office~~)) department shall  
2 notify the local utility serving the state facility of its intent to  
3 conduct a feasibility study at such facility. The ((~~energy office~~))  
4 department shall consult with the local utility and provide the local  
5 utility an opportunity to participate in the development of the  
6 feasibility study for the state facility it serves.

7 (b) If the local utility has an interest in participating in the  
8 feasibility study, it shall notify the ((~~energy office~~)) department and  
9 the state agency whose facility or facilities it serves within sixty  
10 days of receipt of notification pursuant to (a) of this subsection as  
11 to the nature and scope of its desired participation. The ((~~energy~~  
12 ~~office~~)) department, state agency, and local utility shall negotiate  
13 the responsibilities, if any, of each in conducting the feasibility  
14 study, and these responsibilities shall be specified in a written  
15 agreement.

16 (c) If a local utility identifies a potential cogeneration project  
17 at a state facility for which it intends to conduct a feasibility  
18 study, it shall notify the ((~~energy office~~)) department and the  
19 appropriate state agency. The ((~~energy office~~)) department, state  
20 agency, and local utility shall negotiate the responsibilities, if any,  
21 of each in conducting the feasibility study, and these responsibilities  
22 shall be specified in a written agreement. Nothing in this section  
23 shall preclude a local utility from conducting an independent  
24 assessment of a potential cogeneration project at a state facility.

25 (d) Agreements written pursuant to (a) and (b) of this subsection  
26 shall include a provision for the recovery of costs incurred by a local  
27 utility in performing a feasibility study in the event such utility  
28 does not participate in the development of the cogeneration project.  
29 If the local utility does participate in the cogeneration project  
30 through energy purchase, project development or ownership, recovery of  
31 the utility's costs may be deferred or provided for through negotiation  
32 on agreements for energy purchase, project development or ownership.

33 (e) If the local utility declines participation in the feasibility  
34 study, the ((~~energy office~~)) department and the state agency may  
35 receive and solicit proposals to conduct the feasibility study from  
36 other parties. Participation of these other parties shall also be  
37 secured and defined by a written agreement which may include the  
38 provision for reimbursement of costs incurred in the formulation of the  
39 feasibility study.

1 (4) The feasibility study shall include consideration of regional  
2 and local utility needs for power, the consistency of the proposed  
3 cogeneration project with the state energy strategy, the cost and  
4 certainty of fuel supplies, the value of electricity produced, the  
5 capability of the state agency to own and/or operate such facilities,  
6 the capability of utilities or third parties to own and/or operate such  
7 facilities, requirements for and costs of standby sources of power,  
8 costs associated with interconnection with the local electric utility's  
9 transmission system, the capability of the local electric utility to  
10 wheel electricity generated by the facility, costs associated with  
11 obtaining wheeling services, potential financial risks and losses to  
12 the state and/or state agency, measures to mitigate the financial risk  
13 to the state and/or state agency, and benefits to the state and to the  
14 state agency from a range of design configurations, ownership, and  
15 operation options.

16 (5) Based upon the findings of the feasibility study, the ((energy  
17 office)) department and the state agency shall determine whether a  
18 cogeneration project will be cost-effective and whether development of  
19 a cogeneration project should be pursued. This determination shall be  
20 made in consultation with the local utility or, if the local utility  
21 had not participated in the development of the feasibility study, with  
22 any third party that may have participated in the development of the  
23 feasibility study.

24 (a) Recognizing the local utility's expertise, knowledge, and  
25 ownership and operation of the local utility systems, the ((energy  
26 office)) department and the state agency shall have the authority to  
27 negotiate directly with the local utility for the purpose of entering  
28 into a sole source contract to develop, own, and/or operate the  
29 cogeneration facility. The contract may also include provisions for  
30 the purchase of electricity or thermal energy from the cogeneration  
31 facility, the acquisition of a fuel source, and any financial  
32 considerations which may accrue to the state from ownership and/or  
33 operation of the cogeneration facility by the local utility.

34 (b) The ((energy office)) department may enter into contracts  
35 through competitive negotiation under this subsection for the  
36 development, ownership, and/or operation of a cogeneration facility.  
37 In determining an acceptable bid, the ((energy office)) department and  
38 the state agency may consider such factors as technical knowledge,  
39 experience, management, staff, or schedule, as may be necessary to

1 achieve economical construction or operation of the project. The  
2 selection of a developer or operator of a cogeneration facility shall  
3 be made in accordance with procedures for competitive bidding under  
4 chapter 43.19 RCW.

5 (c) The (~~energy office~~) department shall comply with the  
6 requirements of chapter 39.80 RCW when contracting for architectural or  
7 engineering services.

8 (6)(a) The state may own and/or operate a cogeneration project at  
9 a state facility. However, unless the cogeneration project is  
10 determined to be cost-effective, based on the findings of the  
11 feasibility study, the (~~energy office~~) department and state agency  
12 shall not pursue development of the project as a state-owned facility.  
13 If the project is found to be cost-effective, and the (~~energy office~~)  
14 department and the state agency agree development of the cogeneration  
15 project should be pursued as a state-owned and/or operated facility,  
16 the (~~energy office~~) department shall assist the state agency in the  
17 preparation of a finance and development plan for the cogeneration  
18 project. Any such plan shall fully account for and specify all costs  
19 to the state for developing and/or operating the cogeneration facility.

20 (b) It is the general intent of this chapter that cogeneration  
21 projects developed and owned by the state will be sized to the  
22 projected thermal energy load of the state facility over the useful  
23 life of the project. The principal purpose and use of such projects is  
24 to supply thermal energy to a state facility and not primarily to  
25 develop generating capacity for the sale of electricity. For state-  
26 owned projects with electricity production in excess of projected  
27 thermal requirements, the (~~energy office~~) department shall seek and  
28 obtain legislative appropriation and approval for development. Nothing  
29 in chapter 201, Laws of 1991 shall be construed to authorize any state  
30 agency to sell electricity or thermal energy on a retail basis.

31 (7) When a cogeneration facility will be developed, owned, and/or  
32 operated by a state agency or third party other than the local serving  
33 utility, the (~~energy office~~) department and the state agency shall  
34 negotiate a written agreement with the local utility. Elements of such  
35 an agreement shall include provisions to ensure system safety,  
36 provisions to ensure reliability of any interconnected operations  
37 equipment necessary for parallel operation and switching equipment  
38 capable of isolating the generation facility, the provision of and  
39 reimbursement for standby services, if required, and the provision of



1 and reimbursement for wheeling electricity, if the provision of such  
2 has been agreed to by the local utility.

3 (8) The state may develop and own a thermal energy distribution  
4 system associated with a cogeneration project for the principal purpose  
5 of distributing thermal energy at the state facility. If thermal  
6 energy is to be sold outside the state facility, the state may only  
7 sell the thermal energy to a utility.

8 **Sec. 412.** RCW 39.35C.080 and 1991 c 201 s 9 are each amended to  
9 read as follows:

10 It is the intention of chapter 201, Laws of 1991 that the state and  
11 its agencies are compensated fairly for the energy provided to  
12 utilities from cogeneration at state facilities. Such compensation may  
13 include revenues from sales of electricity or thermal energy to  
14 utilities, lease of state properties, and value of thermal energy  
15 provided to the facility. It is also the intent of chapter 201, Laws  
16 of 1991 that the state and its agencies be accorded the opportunity to  
17 compete on a fair and reasonable basis to fulfill a utility's new  
18 resource acquisition needs when selling the energy produced from  
19 cogeneration projects at state facilities through energy purchase  
20 agreements.

21 (1)(a) The (~~energy office~~) department and state agencies may  
22 participate in any utility request for resource proposal process, as  
23 either established under the rules and regulations of the utilities and  
24 transportation commission, or by the governing board of a public  
25 utility district, municipal utility, cooperative, or mutual.

26 (b) If a local utility does not have a request for resource  
27 proposal pending, the energy office or a state agency may negotiate an  
28 equitable and mutually beneficial energy purchase agreement with that  
29 utility.

30 (2) To ensure an equitable allocation of benefits to the state and  
31 its agencies, the following conditions shall apply to energy purchase  
32 agreements negotiated between utilities and state agencies:

33 (a) An energy purchase agreement shall be approved by both the  
34 (~~energy office~~) department and the affected state agency.

35 (b) The (~~energy office~~) department and the state agency shall  
36 work together throughout the planning and negotiation process for  
37 energy purchase agreements, unless the (~~energy office~~) department

1 determines that its participation will not further the purposes of this  
2 section.

3 (c) Before approving an energy purchase agreement, the ((energy  
4 office)) department shall review the proposed agreement for its  
5 technical and economic feasibility, the degree of certainty of  
6 benefits, the degree of financial risk assumed by the state and/or the  
7 state agency, the benefits offered to the state and/or state agency,  
8 and other such factors as the ((energy-office)) department deems  
9 prudent. The ((energy-office)) department shall approve an energy  
10 purchase agreement unless it finds that such an agreement would not  
11 result in an equitable allocation of costs and benefits, in which case  
12 the transaction shall be disapproved.

13 (3)(a) The state or state agency shall comply with and shall be  
14 bound by applicable avoided cost schedules, electric power wheeling  
15 charges, interconnection requirements, utility tariffs, and regulatory  
16 provisions to the same extent it would be required to comply and would  
17 be bound if it were a private citizen. The state shall neither seek  
18 regulatory advantage, nor change regulations, regulatory policy,  
19 process, or decisions to its advantage as a seller of cogenerated  
20 energy. Nothing contained in chapter 201, Laws of 1991 shall be  
21 construed to mandate or require public or private utilities to wheel  
22 electric energy resources within or beyond their service territories.  
23 Nothing in chapter 201, Laws of 1991 authorizes any state agency or  
24 school district to make any sale of energy or waste heat as defined by  
25 RCW 80.62.020(9) beyond the explicit provisions of chapter 201, Laws of  
26 1991. Nothing contained in chapter 201, Laws of 1991 requires a  
27 utility to purchase energy from the state or a state agency or enter  
28 into any agreement in connection with a cogeneration facility.

29 (b) The state shall neither construct, nor be party to an agreement  
30 for developing a cogeneration project at a state facility for the  
31 purpose of supplying its own electrical needs, unless it can show that  
32 such an arrangement would be in the economic interest of the state  
33 taking into account the cost of (i) interconnection requirements, as  
34 specified by the local electric utility, (ii) standby charges, as may  
35 be required by the local electric utility, and (iii) the current price  
36 of electricity offered by the local electric utility. If the local  
37 electric utility can demonstrate that the cogeneration project may  
38 place an undue burden on the electric utility, the ((energy-office))  
39 department or the state agency shall attempt to negotiate a mutually

1 beneficial agreement that would minimize the burden upon the ratepayers  
2 of the local electric utility.

3 (4) Any party to an energy purchase agreement may, within thirty  
4 days of any decision made pursuant to subsection (2)(c) of this section  
5 to disapprove the agreement made pursuant to this section, request an  
6 independent reviewer who is mutually agreeable to all parties to review  
7 the decision. The parties shall within thirty days of selection submit  
8 to the independent reviewer documentation supporting their positions.  
9 The independent reviewer shall render advice regarding the validity of  
10 the disapproval within an additional thirty days.

11 **Sec. 413.** RCW 39.35C.090 and 1991 c 201 s 10 are each amended to  
12 read as follows:

13 In addition to any other authorities conferred by law:

14 (1) The ((energy office)) department, with the consent of the state  
15 agency responsible for a facility, a state or regional university  
16 acting independently, and any other state agency acting through the  
17 department of general administration or as otherwise authorized by law,  
18 may:

19 (a) Contract to sell electric energy generated at state facilities  
20 to a utility; and

21 (b) Contract to sell thermal energy produced at state facilities to  
22 a utility.

23 (2) A state or regional university acting independently, and any  
24 other state agency acting through the department of general  
25 administration or as otherwise authorized by law, may:

26 (a) Acquire, install, permit, construct, own, operate, and maintain  
27 cogeneration and facility heating and cooling measures or equipment, or  
28 both, at its facilities;

29 (b) Lease state property for the installation and operation of  
30 cogeneration and facility heating and cooling equipment at its  
31 facilities;

32 (c) Contract to purchase all or part of the electric or thermal  
33 output of cogeneration plants at its facilities;

34 (d) Contract to purchase or otherwise acquire fuel or other energy  
35 sources needed to operate cogeneration plants at its facilities; and

36 (e) Undertake procurements for third-party development of  
37 cogeneration projects at its facilities, with successful bidders to be  
38 selected based on the responsible bid, including nonprice elements

1 listed in RCW 43.19.1911, that offers the greatest net achievable  
2 benefits to the state and its agencies.

3 (3) After July 28, 1991, a state agency shall consult with the  
4 ~~((energy office))~~ department prior to exercising any authority granted  
5 by this section.

6 (4) In exercising the authority granted by subsections (1) and (2)  
7 of this section, a state agency must comply with the provisions of RCW  
8 39.35C.080.

9 **Sec. 414.** RCW 39.35C.100 and 1991 c 201 s 11 are each amended to  
10 read as follows:

11 (1) The energy efficiency construction account is hereby created in  
12 the state treasury. Moneys in the account may be spent only after  
13 appropriation and only for the following purposes:

14 (a) Construction of energy efficiency projects, including project  
15 evaluation and verification of benefits, project design, project  
16 development, project construction, and project administration.

17 (b) Payment of principal and interest and other costs required  
18 under bond covenant on bonds issued for the purpose of (a) of this  
19 subsection.

20 (2) Sources for this account may include:

21 (a) General obligation and revenue bond proceeds appropriated by  
22 the legislature;

23 (b) Loan repayments under RCW 39.35C.060 sufficient to pay  
24 principal and interest obligations; and

25 (c) Funding from federal, state, and local agencies.

26 ~~((3) The energy office shall establish criteria for approving  
27 energy efficiency projects to be financed from moneys disbursed from  
28 this account. The criteria shall include cost effectiveness,  
29 reliability of energy systems, and environmental costs or benefits.  
30 The energy office shall ensure that the criteria are applied with  
31 professional standards for engineering and review.))~~

32 **Sec. 415.** RCW 39.35C.110 and 1991 c 201 s 12 are each amended to  
33 read as follows:

34 (1) The energy efficiency services account is created in the state  
35 treasury. Moneys in the account may be spent only after appropriation.  
36 Expenditures from the account may be used only ~~((a))~~ for the ~~((energy  
37 office))~~ department to provide energy efficiency services to ~~((state~~

1 ~~agencies and school districts))~~ public agencies including review of  
2 life-cycle cost analyses ~~((and (b) for transfer by the legislature to~~  
3 ~~the state general fund))~~.

4 (2) All receipts from the following source~~((s))~~ shall be deposited  
5 into the account:

6 ~~((a))~~ Project fees charged under this section and RCW 39.35C.020,  
7 39.35C.070, and 39.35.060~~((;~~

8 ~~(b) After payment of any principal and interest obligations, moneys~~  
9 ~~from repayments of loans under RCW 39.35C.060;~~

10 ~~(c) Revenue from sales of energy generated or saved at public~~  
11 ~~facilities under this chapter, except those retained by state agencies~~  
12 ~~and school districts under RCW 39.35C.120; and~~

13 ~~(d) Payments by utilities and federal power marketing agencies~~  
14 ~~under this chapter, except those retained by state agencies and school~~  
15 ~~districts under RCW 39.35C.120))~~.

16 (3) The ~~((energy office))~~ department may accept moneys and make  
17 deposits to the account from federal, state, or local government  
18 agencies.

19 ~~((4) Within one hundred eighty days after July 28, 1991, the~~  
20 ~~energy office shall adopt rules establishing criteria and procedures~~  
21 ~~for setting a fee schedule, establishing working capital requirements,~~  
22 ~~and receiving deposits for this account.))~~

23 **Sec. 416.** RCW 39.35C.130 and 1991 c 201 s 17 are each amended to  
24 read as follows:

25 The ~~((energy office))~~ department may adopt rules to implement RCW  
26 39.35C.020 through 39.35C.040, 39.35C.070, 39.35C.080, ~~((39.35C.120,))~~  
27 and 39.35.050.

28 **PART V**  
29 **TECHNICAL CORRECTIONS**

30 **Sec. 501.** RCW 19.27.190 and 1990 c 2 s 7 are each amended to read  
31 as follows:

32 (1)(a) Not later than January 1, 1991, the state building code  
33 council, in consultation with the ~~((state energy office))~~ department of  
34 community, trade, and economic development, shall establish interim  
35 requirements for the maintenance of indoor air quality in newly  
36 constructed residential buildings. In establishing the interim

1 requirements, the council shall take into consideration differences in  
2 heating fuels and heating system types. These requirements shall be in  
3 effect July 1, 1991, through June 30, 1993.

4 (b) The interim requirements for new electrically space heated  
5 residential buildings shall include ventilation standards which provide  
6 for mechanical ventilation in areas of the residence where water vapor  
7 or cooking odors are produced. The ventilation shall be exhausted to  
8 the outside of the structure. The ventilation standards shall further  
9 provide for the capacity to supply outside air to each bedroom and the  
10 main living area through dedicated supply air inlet locations in walls,  
11 or in an equivalent manner. At least one exhaust fan in the home shall  
12 be controlled by a dehumidistat or clock timer to ensure that  
13 sufficient whole house ventilation is regularly provided as needed.

14 (c)(i) For new single family residences with electric space heating  
15 systems, zero lot line homes, each unit in a duplex, and each attached  
16 housing unit in a planned unit development, the ventilation standards  
17 shall include fifty cubic feet per minute of effective installed  
18 ventilation capacity in each bathroom and one hundred cubic feet per  
19 minute of effective installed ventilation capacity in each kitchen.

20 (ii) For other new residential units with electric space heating  
21 systems the ventilation standards may be satisfied by the installation  
22 of two exhaust fans with a combined effective installed ventilation  
23 capacity of two hundred cubic feet per minute.

24 (iii) Effective installed ventilation capacity means the capability  
25 to deliver the specified ventilation rates for the actual design of the  
26 ventilation system. Natural ventilation and infiltration shall not be  
27 considered acceptable substitutes for mechanical ventilation.

28 (d) For new residential buildings that are space heated with other  
29 than electric space heating systems, the interim standards shall be  
30 designed to result in indoor air quality equivalent to that achieved  
31 with the interim ventilation standards for electric space heated homes.

32 (e) The interim requirements for all newly constructed residential  
33 buildings shall include standards for indoor air quality pollutant  
34 source control, including the following requirements: All structural  
35 panel components of the residence shall comply with appropriate  
36 standards for the emission of formaldehyde; the back-drafting of  
37 combustion by-products from combustion appliances shall be minimized  
38 through the use of dampers, vents, outside combustion air sources, or  
39 other appropriate technologies; and, in areas of the state where

1 monitored data indicate action is necessary to inhibit indoor radon gas  
2 concentrations from exceeding appropriate health standards, entry of  
3 radon gas into homes shall be minimized through appropriate foundation  
4 construction measures.

5 (2) No later than January 1, 1993, the state building code council,  
6 in consultation with the ((state energy office)) department of  
7 community, trade, and economic development, shall establish final  
8 requirements for the maintenance of indoor air quality in newly  
9 constructed residences to be in effect beginning July 1, 1993. For new  
10 electrically space heated residential buildings, these requirements  
11 shall maintain indoor air quality equivalent to that provided by the  
12 mechanical ventilation and indoor air pollutant source control  
13 requirements included in the February 7, 1989, Bonneville power  
14 administration record of decision for the environmental impact  
15 statement on new energy efficient homes programs (DOE/EIS-0127F) built  
16 with electric space heating. In residential units other than single  
17 family, zero lot line, duplexes, and attached housing units in planned  
18 unit developments, ventilation requirements may be satisfied by the  
19 installation of two exhaust fans with a combined effective installed  
20 ventilation capacity of two hundred cubic feet per minute. For new  
21 residential buildings that are space heated with other than electric  
22 space heating systems, the standards shall be designed to result in  
23 indoor air quality equivalent to that achieved with the ventilation and  
24 source control standards for electric space heated homes. In  
25 establishing the final requirements, the council shall take into  
26 consideration differences in heating fuels and heating system types.

27 **Sec. 502.** RCW 19.27A.020 and 1994 c 226 s 1 are each amended to  
28 read as follows:

29 (1) No later than January 1, 1991, the state building code council  
30 shall promulgate rules to be known as the Washington state energy code  
31 as part of the state building code.

32 (2) The council shall follow the legislature's standards set forth  
33 in this section to promulgate rules to be known as the Washington state  
34 energy code. The Washington state energy code shall be designed to  
35 require new buildings to meet a certain level of energy efficiency, but  
36 allow flexibility in building design, construction, and heating  
37 equipment efficiencies within that framework. The Washington state  
38 energy code shall be designed to allow space heating equipment

1 efficiency to offset or substitute for building envelope thermal  
2 performance.

3 (3) The Washington state energy code shall take into account  
4 regional climatic conditions. Climate zone 1 shall include all  
5 counties not included in climate zone 2. Climate zone 2 includes:  
6 Adams, Chelan, Douglas, Ferry, Grant, Kittitas, Lincoln, Okanogan, Pend  
7 Oreille, Spokane, Stevens, and Whitman counties.

8 (4) The Washington state energy code for residential buildings  
9 shall require:

10 (a) New residential buildings that are space heated with electric  
11 resistance heating systems to achieve energy use equivalent to that  
12 used in typical buildings constructed with:

13 (i) Ceilings insulated to a level of R-38. The code shall contain  
14 an exception which permits single rafter or joist vaulted ceilings  
15 insulated to a level of R-30 (R value includes insulation only);

16 (ii) In zone 1, walls insulated to a level of R-19 (R value  
17 includes insulation only), or constructed with two by four members,  
18 R-13 insulation batts, R-3.2 insulated sheathing, and other normal  
19 assembly components; in zone 2 walls insulated to a level of R-24 (R  
20 value includes insulation only), or constructed with two by six  
21 members, R-22 insulation batts, R-3.2 insulated sheathing, and other  
22 normal construction assembly components; for the purpose of determining  
23 equivalent thermal performance, the wall U-value shall be 0.058 in zone  
24 1 and 0.044 in zone 2;

25 (iii) Below grade walls, insulated on the interior side, to a level  
26 of R-19 or, if insulated on the exterior side, to a level of R-10 in  
27 zone 1 and R-12 in zone 2 (R value includes insulation only);

28 (iv) Floors over unheated spaces insulated to a level of R-30 (R  
29 value includes insulation only);

30 (v) Slab on grade floors insulated to a level of R-10 at the  
31 perimeter;

32 (vi) Double glazed windows with values not more than U-0.4;

33 (vii) In zone 1 the glazing area may be up to twenty-one percent of  
34 floor area and in zone 2 the glazing area may be up to seventeen  
35 percent of floor area where consideration of the thermal resistance  
36 values for other building components and solar heat gains through the  
37 glazing result in thermal performance equivalent to that achieved with  
38 thermal resistance values for other components determined in accordance  
39 with the equivalent thermal performance criteria of (a) of this



1 subsection and glazing area equal to fifteen percent of the floor area.  
2 Throughout the state for the purposes of determining equivalent thermal  
3 performance, the maximum glazing area shall be fifteen percent of the  
4 floor area; and

5 (viii) Exterior doors insulated to a level of R-5; or an exterior  
6 wood door with a thermal resistance value of less than R-5 and values  
7 for other components determined in accordance with the equivalent  
8 thermal performance criteria of (a) of this subsection.

9 (b) New residential buildings which are space-heated with all other  
10 forms of space heating to achieve energy use equivalent to that used in  
11 typical buildings constructed with:

12 (i) Ceilings insulated to a level of R-30 in zone 1 and R-38 in  
13 zone 2 the code shall contain an exception which permits single rafter  
14 or joist vaulted ceilings insulated to a level of R-30 (R value  
15 includes insulation only);

16 (ii) Walls insulated to a level of R-19 (R value includes  
17 insulation only), or constructed with two by four members, R-13  
18 insulation batts, R-3.2 insulated sheathing, and other normal assembly  
19 components;

20 (iii) Below grade walls, insulated on the interior side, to a level  
21 of R-19 or, if insulated on the exterior side, to a level of R-10 in  
22 zone 1 and R-12 in zone 2 (R value includes insulation only);

23 (iv) Floors over unheated spaces insulated to a level of R-19 in  
24 zone 1 and R-30 in zone 2 (R value includes insulation only);

25 (v) Slab on grade floors insulated to a level of R-10 at the  
26 perimeter;

27 (vi) Heat pumps with a minimum heating season performance factor  
28 (HSPF) of 6.8 or with all other energy sources with a minimum annual  
29 fuel utilization efficiency (AFUE) of seventy-eight percent;

30 (vii) Double glazed windows with values not more than U-0.65 in  
31 zone 1 and U-0.60 in zone 2. The state building code council, in  
32 consultation with the (~~state energy office~~) department of community,  
33 trade, and economic development, shall review these U-values, and, if  
34 economically justified for consumers, shall amend the Washington state  
35 energy code to improve the U-values by December 1, 1993. The amendment  
36 shall not take effect until July 1, 1994; and

37 (viii) In zone 1, the maximum glazing area shall be twenty-one  
38 percent of the floor area. In zone 2 the maximum glazing area shall be  
39 seventeen percent of the floor area. Throughout the state for the

1 purposes of determining equivalent thermal performance, the maximum  
2 glazing area shall be fifteen percent of the floor area.

3 (c) The requirements of (b)(ii) of this subsection do not apply to  
4 residences with log or solid timber walls with a minimum average  
5 thickness of three and one-half inches and with space heat other than  
6 electric resistance.

7 (d) The state building code council may approve an energy code for  
8 pilot projects of residential construction that use innovative energy  
9 efficiency technologies intended to result in savings that are greater  
10 than those realized in the levels specified in this section.

11 (5) U-values for glazing shall be determined using the area  
12 weighted average of all glazing in the building. U-values for vertical  
13 glazing shall be determined, certified, and labeled in accordance with  
14 the appropriate national fenestration rating council (NFRC) standard,  
15 as determined and adopted by the state building code council.  
16 Certification of U-values shall be conducted by a certified,  
17 independent agency licensed by the NFRC. The state building code  
18 council may develop and adopt alternative methods of determining,  
19 certifying, and labeling U-values for vertical glazing that may be used  
20 by fenestration manufacturers if determined to be appropriate by the  
21 council. The state building code council shall review and consider the  
22 adoption of the NFRC standards for determining, certifying, and  
23 labeling U-values for doors and skylights when developed and published  
24 by the NFRC. The state building code council may develop and adopt  
25 appropriate alternative methods for determining, certifying, and  
26 labeling U-values for doors and skylights. U-values for doors and  
27 skylights determined, certified, and labeled in accordance with the  
28 appropriate NFRC standard shall be acceptable for compliance with the  
29 state energy code. Sealed insulation glass, where used, shall conform  
30 to, or be in the process of being tested for, ASTM E-774-81 class A or  
31 better.

32 (6) The minimum state energy code for new nonresidential buildings  
33 shall be the Washington state energy code, 1986 edition, as amended.

34 (7)(a) Except as provided in (b) of this subsection, the Washington  
35 state energy code for residential structures shall preempt the  
36 residential energy code of each city, town, and county in the state of  
37 Washington.

38 (b) The state energy code for residential structures does not  
39 preempt a city, town, or county's energy code for residential

1 structures which exceeds the requirements of the state energy code and  
2 which was adopted by the city, town, or county prior to March 1, 1990.  
3 Such cities, towns, or counties may not subsequently amend their energy  
4 code for residential structures to exceed the requirements adopted  
5 prior to March 1, 1990.

6 (8) The state building code council shall consult with the ((state  
7 energy office)) department of community, trade, and economic  
8 development as provided in RCW 34.05.310 prior to publication of  
9 proposed rules. The ((state energy office)) department of community,  
10 trade, and economic development shall review the proposed rules for  
11 consistency with the guidelines adopted in subsection (4) of this  
12 section. The director of the ((state energy office)) department of  
13 community, trade, and economic development shall recommend to the state  
14 building code council any changes necessary to conform the proposed  
15 rules to the requirements of this section.

16 (9) The state building code council shall conduct a study of county  
17 and city enforcement of energy codes in the state. In conducting the  
18 study, the council shall conduct public hearings at designated council  
19 meetings to seek input from interested individuals and organizations,  
20 and to the extent possible, hold these meetings in conjunction with  
21 adopting rules under this section. The study shall include  
22 recommendations as to how code enforcement may be improved. The  
23 findings of the study shall be submitted in a report to the legislature  
24 no later than January 1, 1991.

25 (10) If any electric utility providing electric service to  
26 customers in the state of Washington purchases at least one percent of  
27 its firm energy load from a federal agency, pursuant to section  
28 5.(b)(1) of the Pacific Northwest electric power planning and  
29 conservation act (P.L. 96-501), and such utility is unable to obtain  
30 from that agency at least fifty percent of the funds for payments  
31 required by RCW 19.27A.035, the amendments to this section by chapter  
32 2, Laws of 1990 shall be null and void, and the 1986 state energy code  
33 shall be in effect, except that a city, town, or county may enforce a  
34 local energy code with more stringent energy requirements adopted prior  
35 to March 1, 1990. This subsection shall expire June 30, 1995.

36 **Sec. 503.** RCW 28A.515.320 and 1991 sp.s. c 13 s 58 are each  
37 amended to read as follows:

1       The common school construction fund is to be used exclusively for  
2 the purpose of financing the construction of facilities for the common  
3 schools. The sources of said fund shall be: (1) Those proceeds  
4 derived from sale or appropriation of timber and other crops from  
5 school and state land other than those granted for specific purposes;  
6 (2) the interest accruing on the permanent common school fund less the  
7 allocations to the state treasurer's service account [fund] pursuant to  
8 RCW 43.08.190 and the state investment board expense account pursuant  
9 to RCW 43.33A.160 together with all rentals and other revenue derived  
10 therefrom and from land and other property devoted to the permanent  
11 common school fund; (3) all moneys received by the state from the  
12 United States under the provisions of section 191, Title 30, United  
13 States Code, Annotated, and under section 810, chapter 12, Title 16,  
14 (Conservation), United States Code, Annotated, except moneys received  
15 before June 30, 2001, and when thirty megawatts of geothermal power is  
16 certified as commercially available by the receiving utilities and the  
17 (~~state energy office~~) department of community, trade, and economic  
18 development, eighty percent of such moneys, under the Geothermal Steam  
19 Act of 1970 pursuant to RCW 43.140.030; and (4) such other sources as  
20 the legislature may direct. That portion of the common school  
21 construction fund derived from interest on the permanent common school  
22 fund may be used to retire such bonds as may be authorized by law for  
23 the purpose of financing the construction of facilities for the common  
24 schools.

25       The interest accruing on the permanent common school fund less the  
26 allocations to the state treasurer's service (~~account-[fund]~~) fund  
27 pursuant to RCW 43.08.190 and the state investment board expense  
28 account pursuant to RCW 43.33A.160 together with all rentals and other  
29 revenues accruing thereto pursuant to subsection (2) of this section  
30 prior to July 1, 1967, shall be exclusively applied to the current use  
31 of the common schools.

32       To the extent that the moneys in the common school construction  
33 fund are in excess of the amount necessary to allow fulfillment of the  
34 purpose of said fund, the excess shall be available for deposit to the  
35 credit of the permanent common school fund or available for the current  
36 use of the common schools, as the legislature may direct. Any money  
37 from the common school construction fund which is made available for  
38 the current use of the common schools shall be restored to the fund by

1 appropriation, including interest income foregone, before the end of  
2 the next fiscal biennium following such use.

3 **Sec. 504.** RCW 42.17.2401 and 1995 c 399 s 60 and 1995 c 397 s 10  
4 are each reenacted and amended to read as follows:

5 For the purposes of RCW 42.17.240, the term "executive state  
6 officer" includes:

7 (1) The chief administrative law judge, the director of  
8 agriculture, the administrator of the office of marine safety, the  
9 administrator of the Washington basic health plan, the director of the  
10 department of services for the blind, the director of the state system  
11 of community and technical colleges, the director of community, trade,  
12 and economic development, the secretary of corrections, the director of  
13 ecology, the commissioner of employment security, the chairman of the  
14 energy facility site evaluation council, (~~the director of the energy~~  
15 ~~office,~~) the secretary of the state finance committee, the director of  
16 financial management, the director of fish and wildlife, the executive  
17 secretary of the forest practices appeals board, the director of the  
18 gambling commission, the director of general administration, the  
19 secretary of health, the administrator of the Washington state health  
20 care authority, the executive secretary of the health care facilities  
21 authority, the executive secretary of the higher education facilities  
22 authority, the executive secretary of the horse racing commission, the  
23 executive secretary of the human rights commission, the executive  
24 secretary of the indeterminate sentence review board, the director of  
25 the department of information services, the director of the interagency  
26 committee for outdoor recreation, the executive director of the state  
27 investment board, the director of labor and industries, the director of  
28 licensing, the director of the lottery commission, the director of the  
29 office of minority and women's business enterprises, the director of  
30 parks and recreation, the director of personnel, the executive director  
31 of the public disclosure commission, the director of retirement  
32 systems, the director of revenue, the secretary of social and health  
33 services, the chief of the Washington state patrol, the executive  
34 secretary of the board of tax appeals, the secretary of transportation,  
35 the secretary of the utilities and transportation commission, the  
36 director of veterans affairs, the president of each of the regional and  
37 state universities and the president of The Evergreen State College,

1 each district and each campus president of each state community  
2 college;

3 (2) Each professional staff member of the office of the governor;

4 (3) Each professional staff member of the legislature; and

5 (4) Central Washington University board of trustees, board of  
6 trustees of each community college, each member of the state board for  
7 community and technical colleges, state convention and trade center  
8 board of directors, committee for deferred compensation, Eastern  
9 Washington University board of trustees, Washington economic  
10 development finance authority, The Evergreen State College board of  
11 trustees, executive ethics board, forest practices appeals board,  
12 forest practices board, gambling commission, Washington health care  
13 facilities authority, each member of the Washington health services  
14 commission, higher education coordinating board, higher education  
15 facilities authority, horse racing commission, state housing finance  
16 commission, human rights commission, indeterminate sentence review  
17 board, board of industrial insurance appeals, information services  
18 board, interagency committee for outdoor recreation, state investment  
19 board, commission on judicial conduct, legislative ethics board, liquor  
20 control board, lottery commission, marine oversight board, Pacific  
21 Northwest electric power and conservation planning council, parks and  
22 recreation commission, personnel appeals board, board of pilotage  
23 commissioners, pollution control hearings board, public disclosure  
24 commission, public pension commission, shorelines hearing board, public  
25 employees' benefits board, board of tax appeals, transportation  
26 commission, University of Washington board of regents, utilities and  
27 transportation commission, Washington state maritime commission,  
28 Washington personnel resources board, Washington public power supply  
29 system executive board, Washington State University board of regents,  
30 Western Washington University board of trustees, and fish and wildlife  
31 commission.

32 **Sec. 505.** RCW 43.06.115 and 1995 c 399 s 61 are each amended to  
33 read as follows:

34 (1) The governor may, by executive order, after consultation with  
35 or notification of the executive-legislative committee on economic  
36 development created by chapter . . . (Senate Bill No. 5300), Laws of  
37 1993, declare a community to be a "military impacted area." A  
38 "military impacted area" means a community or communities, as

1 identified in the executive order, that experience serious social and  
2 economic hardships because of a change in defense spending by the  
3 federal government in that community or communities.

4 (2) If the governor executes an order under subsection (1) of this  
5 section, the governor shall establish a response team to coordinate  
6 state efforts to assist the military impacted community. The response  
7 team may include, but not be limited to, one member from each of the  
8 following agencies: (a) The department of community, trade, and  
9 economic development; (b) the department of social and health services;  
10 (c) the employment security department; (d) the state board for  
11 community and technical colleges; (e) the higher education coordinating  
12 board; and (f) the department of transportation(~~(; and (g) the~~  
13 ~~Washington energy office)~~). The governor may appoint a response team  
14 coordinator. The governor shall seek to actively involve the impacted  
15 community or communities in planning and implementing a response to the  
16 crisis. The governor may seek input or assistance from the community  
17 diversification advisory committee, and the governor may establish task  
18 forces in the community or communities to assist in the coordination  
19 and delivery of services to the local community. The state and  
20 community response shall consider economic development, human service,  
21 and training needs of the community or communities impacted.

22 (3) The governor shall report at the beginning of the next  
23 legislative session to the legislature and the executive-legislative  
24 committee on economic development created by chapter . . . (Senate Bill  
25 No. 5300), Laws of 1993, as to the designation of a military impacted  
26 area. The report shall include recommendations regarding whether a  
27 military impacted area should become eligible for (a) funding provided  
28 by the community economic revitalization board, public facilities  
29 construction loan revolving account, Washington state development loan  
30 fund, basic health plan, the public works assistance account,  
31 department of community, trade, and economic development, employment  
32 security department, and department of transportation; (b) training for  
33 dislocated defense workers; or (c) services for dislocated defense  
34 workers.

35 **Sec. 506.** RCW 43.19.680 and 1986 c 325 s 2 are each amended to  
36 read as follows:

37 (1) Upon completion of each walk-through survey required by RCW  
38 43.19.675, the director of general administration or the agency

1 responsible for the facility if other than the department of general  
2 administration shall implement energy conservation maintenance and  
3 operation procedures that may be identified for any state-owned  
4 facility. These procedures shall be implemented as soon as possible  
5 but not later than twelve months after the walk-through survey.

6 (2) By December 31, 1981, for the capitol campus the director of  
7 general administration(~~(, in cooperation with the director of the state  
8 energy office,)~~) shall prepare and transmit to the governor and the  
9 legislature an implementation plan.

10 (3) By December 31, 1983, for all other state-owned facilities, the  
11 director of general administration (~~(in cooperation with the director  
12 of the state energy office)~~) shall prepare and transmit to the governor  
13 and the legislature the results of the energy consumption and walk-  
14 through surveys and a schedule for the conduct of technical assistance  
15 studies. This submission shall contain the energy conservation  
16 measures planned for installation during the ensuing biennium.  
17 Priority considerations for scheduling technical assistance studies  
18 shall include but not be limited to a facility's energy efficiency,  
19 responsible agency participation, comparative cost and type of fuels,  
20 possibility of outside funding, logistical considerations such as  
21 possible need to vacate the facility for installation of energy  
22 conservation measures, coordination with other planned facility  
23 modifications, and the total cost of a facility modification, including  
24 other work which would have to be done as a result of installing energy  
25 conservation measures. Energy conservation measure acquisitions and  
26 installations shall be scheduled to be twenty-five percent complete by  
27 June 30, 1985, or at the end of the capital budget biennium which  
28 includes that date, whichever is later, fifty-five percent complete by  
29 June 30, 1989, or at the end of the capital budget biennium which  
30 includes that date, whichever is later, eighty-five percent complete by  
31 June 30, 1993, or at the end of the capital budget biennium which  
32 includes that date, whichever is later, and fully complete by June 30,  
33 1995, or at the end of the capital budget biennium which includes that  
34 date, whichever is later. Each state agency shall implement energy  
35 conservation measures with a payback period of twenty-four months or  
36 less that have a positive cash flow in the same biennium.

37 For each biennium until all measures are installed, the director of  
38 general administration shall report to the governor and legislature  
39 installation progress, measures planned for installation during the



1 ensuing biennium, and changes, if any, to the technical assistance  
2 study schedule. This report shall be submitted by December 31, 1984,  
3 or at the end of the following year whichever immediately precedes the  
4 capital budget adoption, and every two years thereafter until all  
5 measures are installed.

6 (4) The director of general administration shall adopt rules to  
7 facilitate private investment in energy conservation measures for  
8 state-owned buildings consistent with state law.

9 **Sec. 507.** RCW 43.21G.010 and 1981 c 295 s 11 are each amended to  
10 read as follows:

11 The legislature finds that energy in various forms is increasingly  
12 subject to possible shortages and supply disruptions, to the point that  
13 there may be foreseen an emergency situation, and that without the  
14 ability to institute appropriate emergency measures to regulate the  
15 production, distribution, and use of energy, a severe impact on the  
16 public health, safety, and general welfare of our state's citizens may  
17 occur. The prevention or mitigation of such energy shortages or  
18 disruptions and their effects is necessary for preservation of the  
19 public health, safety, and general welfare of the citizens of this  
20 state.

21 It is the intent of this chapter to:

22 (1) Establish necessary emergency powers for the governor and  
23 define the situations under which such powers are to be exercised;

24 (2) Provide penalties for violations of this chapter.

25 It is further the intent of the legislature that in developing  
26 proposed orders under the powers granted in RCW 43.21G.040 as now or  
27 hereafter amended the governor may utilize, on a temporary or ad hoc  
28 basis, the knowledge and expertise of persons experienced in the  
29 technical aspects of energy supply, distribution, or use. Such  
30 utilization shall be in addition to support received by the governor  
31 from the ((state energy office)) department of community, trade, and  
32 economic development under RCW 43.21F.045 and 43.21F.065 and from other  
33 state agencies.

34 **Sec. 508.** RCW 43.31.621 and 1995 c 226 s 3 are each amended to  
35 read as follows:

36 (1) There is established the agency rural community assistance task  
37 force. The task force shall be chaired by the rural community

1 assistance coordinator. It shall be the responsibility of the  
2 coordinator that all directives of chapter 314, Laws of 1991 are  
3 carried out expeditiously by the agencies represented in the task  
4 force. The task force shall consist of the directors, or  
5 representatives of the directors, of the following agencies: The  
6 department of community, trade, and economic development, employment  
7 security department, department of social and health services, state  
8 board for community and technical colleges, work force training and  
9 education coordinating board, department of natural resources,  
10 department of transportation, (~~state energy office,~~) department of  
11 fish and wildlife, University of Washington center for international  
12 trade in forest products, department of agriculture, and department of  
13 ecology. The task force shall solicit and consider input from the  
14 rural development council in coordinating agency programs targeted to  
15 rural natural resources impacted communities. The task force may  
16 consult and enlist the assistance of the following: The higher  
17 education coordinating board, University of Washington college of  
18 forest resources, University of Washington school of fisheries,  
19 Washington State University school of forestry, Northwest policy  
20 center, state superintendent of public instruction, Washington state  
21 labor council, the Evergreen partnership, Washington state association  
22 of counties, and others as needed.

23 (2) The task force, in conjunction with the rural development  
24 council, shall undertake a study to determine whether additional  
25 communities and industries are impacted, or are likely to be impacted,  
26 by salmon preservation and recovery efforts. The task force shall  
27 consider possible impacts in the following industries and associated  
28 communities: Barge transportation, irrigation dependent agriculture,  
29 food processing, aluminum, charter recreational fishing, boatbuilding,  
30 and other sectors suggested by the task force. The task force shall  
31 report its findings and recommendations to the legislature by January  
32 1996.

33 (3) This section shall expire June 30, 1997.

34 **Sec. 509.** RCW 43.88.195 and 1993 c 500 s 8 are each amended to  
35 read as follows:

36 After August 11, 1969, no state agency, state institution, state  
37 institution of higher education, which shall include all state  
38 universities, regional universities, The Evergreen State College, and

1 community colleges, shall establish any new accounts or funds which are  
2 to be located outside of the state treasury: PROVIDED, That the office  
3 of financial management shall be authorized to grant permission for the  
4 establishment of such an account or fund outside of the state treasury  
5 only when the requesting agency presents compelling reasons of economy  
6 and efficiency which could not be achieved by placing such funds in the  
7 state treasury. When the director of financial management authorizes  
8 the creation of such fund or account, the director shall forthwith give  
9 written notice of the fact to the standing committees on ways and means  
10 of the house and senate: PROVIDED FURTHER, That (~~the office of~~  
11 ~~financial management may grant permission for the establishment of~~  
12 ~~accounts outside of the state treasury for the purposes of RCW~~  
13 ~~39.35C.120.~~) agencies authorized to create local accounts will utilize  
14 the services of the state treasurer's office to ensure that new or  
15 ongoing relationships with financial institutions are in concert with  
16 state-wide policies and procedures pursuant to RCW 43.88.160(1).

17 **Sec. 510.** RCW 43.140.040 and 1981 c 158 s 4 are each amended to  
18 read as follows:

19 Distribution of funds from the geothermal account of the general  
20 fund shall be subject to the following limitations:

21 (1) Thirty percent to the department of natural resources for  
22 geothermal exploration and assessment;

23 (2) Thirty percent to (~~the Washington state energy office~~)  
24 Washington State University or its statutory successor for the purpose  
25 of encouraging the development of geothermal energy; and

26 (3) Forty percent to the county of origin for mitigating impacts  
27 caused by geothermal energy exploration, assessment, and development.

28 **Sec. 511.** RCW 43.140.050 and 1981 c 158 s 5 are each amended to  
29 read as follows:

30 The state treasurer shall be responsible for distribution of funds  
31 to the county of origin. Each county's share of rentals and royalties  
32 from a lease including lands in more than one county shall be computed  
33 on the basis of the ratio that the acreage within each county has to  
34 the total acreage in the lease. (~~The Washington state energy office~~)  
35 Washington State University or its statutory successor shall obtain the  
36 necessary information to make the distribution of funds on such a  
37 basis.

1       **Sec. 512.** RCW 47.06.110 and 1995 c 399 s 120 are each amended to  
2 read as follows:

3       The state-interest component of the state-wide multimodal  
4 transportation plan shall include a state public transportation plan  
5 that:

6       (1) Articulates the state vision of an interest in public  
7 transportation and provides quantifiable objectives, including benefits  
8 indicators;

9       (2) Identifies the goals for public transit and the roles of  
10 federal, state, regional, and local entities in achieving those goals;

11       (3) Recommends mechanisms for coordinating state, regional, and  
12 local planning for public transportation;

13       (4) Recommends mechanisms for coordinating public transportation  
14 with other transportation services and modes;

15       (5) Recommends criteria, consistent with the goals identified in  
16 subsection (2) of this section and with RCW 82.44.180 (2) and (3), for  
17 existing federal authorizations administered by the department to  
18 transit agencies; and

19       (6) Recommends a state-wide public transportation facilities and  
20 equipment management system as required by federal law.

21       In developing the state public transportation plan, the department  
22 shall involve local jurisdictions, public and private providers of  
23 transportation services, nonmotorized interests, and state agencies  
24 with an interest in public transportation, including but not limited to  
25 the departments of community, trade, and economic development, social  
26 and health services, and ecology, (~~the state energy office,~~) the  
27 office of the superintendent of public instruction, the office of the  
28 governor, and the office of financial management.

29       The department shall submit an initial report to the legislative  
30 transportation committee by December 1, 1993, and shall provide annual  
31 reports summarizing the plan's progress each year thereafter.

32       **Sec. 513.** RCW 70.94.527 and 1991 c 202 s 12 are each amended to  
33 read as follows:

34       (1) Each county with a population over one hundred fifty thousand,  
35 and each city or town within those counties containing a major employer  
36 shall, by October 1, 1992, adopt by ordinance and implement a commute  
37 trip reduction plan for all major employers. The plan shall be  
38 developed in cooperation with local transit agencies, regional

1 transportation planning organizations as established in RCW 47.80.020,  
2 major employers, and the owners of and employers at major worksites.  
3 The plan shall be designed to achieve reductions in the proportion of  
4 single-occupant vehicle commute trips and the commute trip vehicle  
5 miles traveled per employee by employees of major public and private  
6 sector employers in the jurisdiction.

7 (2) All other counties, and cities and towns in those counties, may  
8 adopt and implement a commute trip reduction plan.

9 (3) The department of ecology may, after consultation with the  
10 (~~state energy office~~) department of transportation, as part of the  
11 state implementation plan for areas that do not attain the national  
12 ambient air quality standards for carbon monoxide or ozone, require  
13 municipalities other than those identified in subsection (1) of this  
14 section to adopt and implement commute trip reduction plans if the  
15 department determines that such plans are necessary for attainment of  
16 said standards.

17 (4) A commute trip reduction plan shall be consistent with the  
18 guidelines established under RCW 70.94.537 and shall include but is not  
19 limited to (a) goals for reductions in the proportion of single-  
20 occupant vehicle commute trips and the commute trip vehicle miles  
21 traveled per employee; (b) designation of commute trip reduction zones;  
22 (c) requirements for major public and private sector employers to  
23 implement commute trip reduction programs; (d) a commute trip reduction  
24 program for employees of the county, city, or town; (e) a review of  
25 local parking policies and ordinances as they relate to employers and  
26 major worksites and any revisions necessary to comply with commute trip  
27 reduction goals and guidelines; (f) an appeals process by which major  
28 employers, who as a result of special characteristics of their business  
29 or its locations would be unable to meet the requirements of a commute  
30 trip reduction plan, may obtain waiver or modification of those  
31 requirements; and (g) means for determining base year values of the  
32 proportion of single-occupant vehicle commute trips and the commute  
33 trip vehicle miles traveled per employee and progress toward meeting  
34 commute trip reduction plan goals on an annual basis. Goals which are  
35 established shall take into account existing transportation demand  
36 management efforts which are made by major employers. Each  
37 jurisdiction shall ensure that employers shall receive full credit for  
38 the results of transportation demand management efforts and commute  
39 trip reduction programs which have been implemented by major employers

1 prior to the base year. The goals for miles traveled per employee for  
2 all major employers shall not be less than a fifteen percent reduction  
3 from the base year value of the commute trip reduction zone in which  
4 their worksite is located by January 1, 1995, twenty-five percent  
5 reduction from the base year values by January 1, 1997, and thirty-five  
6 percent reduction from the base year values by January 1, 1999.

7 (5) A county, city, or town may, as part of its commute trip  
8 reduction plan, require commute trip reduction programs for employers  
9 with ten or more full time employees at major worksites in federally  
10 designated nonattainment areas for carbon monoxide and ozone. The  
11 county, city or town shall develop the programs in cooperation with  
12 affected employers and provide technical assistance to the employers in  
13 implementing such programs.

14 (6) The commute trip reduction plans adopted by counties, cities,  
15 and towns under this chapter shall be consistent with and may be  
16 incorporated in applicable state or regional transportation plans and  
17 local comprehensive plans and shall be coordinated, and consistent  
18 with, the commute trip reduction plans of counties, cities, or towns  
19 with which the county, city, or town has, in part, common borders or  
20 related regional issues. Such regional issues shall include assuring  
21 consistency in the treatment of employers who have worksites subject to  
22 the requirements of this chapter in more than one jurisdiction.  
23 Counties, cities, or towns adopting commute trip reduction plans may  
24 enter into agreements through the interlocal cooperation act or by  
25 resolution or ordinance as appropriate with other jurisdictions, local  
26 transit agencies, or regional transportation planning organizations to  
27 coordinate the development and implementation of such plans. Counties,  
28 cities, or towns adopting a commute trip reduction plan shall review it  
29 annually and revise it as necessary to be consistent with applicable  
30 plans developed under RCW 36.70A.070.

31 (7) Each county, city, or town implementing a commute trip  
32 reduction program shall, within thirty days submit a summary of its  
33 plan along with certification of adoption to the commute trip reduction  
34 task force established under RCW 70.94.537.

35 (8) Each county, city, or town implementing a commute trip  
36 reduction program shall submit an annual progress report to the commute  
37 trip reduction task force established under RCW 70.94.537. The report  
38 shall be due July 1, 1994, and each July 1 thereafter through July 1,  
39 2000. The report shall describe progress in attaining the applicable

1 commute trip reduction goals for each commute trip reduction zone and  
2 shall highlight any problems being encountered in achieving the goals.  
3 The information shall be reported in a form established by the commute  
4 trip reduction task force.

5 (9) Any waivers or modifications of the requirements of a commute  
6 trip reduction plan granted by a jurisdiction shall be submitted for  
7 review to the commute trip reduction task force established under RCW  
8 70.94.537. The commute trip reduction task force may not deny the  
9 granting of a waiver or modification of the requirements of a commute  
10 trip reduction plan by a jurisdiction but they may notify the  
11 jurisdiction of any comments or objections.

12 (10) Each county, city, or town implementing a commute trip  
13 reduction program shall count commute trips eliminated through work-at-  
14 home options or alternate work schedules as one and two-tenths vehicle  
15 trips eliminated for the purpose of meeting trip reduction goals.

16 (11) Plans implemented under this section shall not apply to  
17 commute trips for seasonal agricultural employees.

18 (12) Plans implemented under this section shall not apply to  
19 construction worksites when the expected duration of the construction  
20 project is less than two years.

21 **Sec. 514.** RCW 70.94.537 and 1995 c 399 s 188 are each amended to  
22 read as follows:

23 (1) A ~~((twenty-three))~~ twenty-two member state commute trip  
24 reduction task force shall be established as follows:

25 (a) ~~The ((director of the state energy office or the director's~~  
26 ~~designee who shall serve as chair;~~

27 ~~(b) The))~~ secretary of the department of transportation or the  
28 secretary's designee who shall serve as chair;

29 ~~((+e))~~ (b) The director of the department of ecology or the  
30 director's designee;

31 ~~((+d))~~ (c) The director of the department of community, trade, and  
32 economic development or the director's designee;

33 ~~((+e))~~ (d) The director of the department of general  
34 administration or the director's designee;

35 ~~((+f))~~ (e) Three representatives from counties appointed by the  
36 governor from a list of at least six recommended by the Washington  
37 state association of counties;

1       ~~((g))~~ (f) Three representatives from cities and towns appointed  
2 by the governor from a list of at least six recommended by the  
3 association of Washington cities;

4       ~~((h))~~ (g) Three representatives from transit agencies appointed  
5 by the governor from a list of at least six recommended by the  
6 Washington state transit association;

7       ~~((i))~~ (h) Six representatives of employers at or owners of major  
8 worksites in Washington appointed by the governor from a list of at  
9 least twelve recommended by the association of Washington business; and

10       ~~((j))~~ (i) Three citizens appointed by the governor.

11       Members of the commute trip reduction task force shall serve  
12 without compensation but shall be reimbursed for travel expenses as  
13 provided in RCW 43.03.050 and 43.03.060. Members appointed by the  
14 governor shall be compensated in accordance with RCW 43.03.220. The  
15 task force has all powers necessary to carry out its duties as  
16 prescribed by this chapter. The task force shall be dissolved on July  
17 1, 2000.

18       (2) By March 1, 1992, the commute trip reduction task force shall  
19 establish guidelines for commute trip reduction plans. The guidelines  
20 are intended to ensure consistency in commute trip reduction plans and  
21 goals among jurisdictions while fairly taking into account differences  
22 in employment and housing density, employer size, existing and  
23 anticipated levels of transit service, special employer circumstances,  
24 and other factors the task force determines to be relevant. The  
25 guidelines shall include:

26       (a) Criteria for establishing commute trip reduction zones;

27       (b) Methods and information requirements for determining base year  
28 values of the proportion of single-occupant vehicle commute trips and  
29 the commute trip vehicle miles traveled per employee and progress  
30 toward meeting commute trip reduction plan goals;

31       (c) Model commute trip reduction ordinances;

32       (d) Methods for assuring consistency in the treatment of employers  
33 who have worksites subject to the requirements of this chapter in more  
34 than one jurisdiction;

35       (e) An appeals process by which major employers, who as a result of  
36 special characteristics of their business or its locations would be  
37 unable to meet the requirements of a commute trip reduction plan, may  
38 obtain a waiver or modification of those requirements and criteria for  
39 determining eligibility for waiver or modification;



1 (f) Methods to ensure that employers shall receive full credit for  
2 the results of transportation demand management efforts and commute  
3 trip reduction programs which have been implemented by major employers  
4 prior to the base year;

5 (g) Alternative commute trip reduction goals for major employers  
6 which cannot meet the goals of this chapter because of the unique  
7 nature of their business; and

8 (h) Alternative commute trip reduction goals for major employers  
9 whose worksites change and who contribute substantially to traffic  
10 congestion in a trip reduction zone.

11 (3) The task force shall assess the commute trip reduction options  
12 available to employers other than major employers and make  
13 recommendations to the legislature by October 1, 1992. The  
14 recommendations shall include the minimum size of employer who shall be  
15 required to implement trip reduction programs and the appropriate  
16 methods those employers can use to accomplish trip reduction goals.

17 (4) The task force shall review progress toward implementing  
18 commute trip reduction plans and programs and the costs and benefits of  
19 commute trip reduction plans and programs and shall make  
20 recommendations to the legislature by December 1, 1995, and December 1,  
21 1999. In assessing the costs and benefits, the task force shall  
22 consider the costs of not having implemented commute trip reduction  
23 plans and programs. The task force shall examine other transportation  
24 demand management programs nationally and incorporate its findings into  
25 its recommendations to the legislature. The recommendations shall  
26 address the need for continuation, modification, or termination or any  
27 or all requirements of this chapter. The recommendations made December  
28 1, 1995, shall include recommendations regarding extension of the  
29 requirements of this chapter to employers with fifty or more full-time  
30 employees at a single worksite who begin their regular work day between  
31 6:00 a.m. and 9:00 a.m. on weekdays for more than twelve continuous  
32 months.

33 **Sec. 515.** RCW 70.94.541 and 1991 c 202 s 16 are each amended to  
34 read as follows:

35 (1) A technical assistance team shall be established under the  
36 direction of the ((state energy office)) department of transportation  
37 and include representatives of the department((s)) of ((transportation  
38 and)) ecology. The team shall provide staff support to the commute

1 trip reduction task force in carrying out the requirements of RCW  
2 70.94.537 and to the department of general administration in carrying  
3 out the requirements of RCW 70.94.551.

4 (2) The team shall provide technical assistance to counties,  
5 cities, and towns, the department of general administration, other  
6 state agencies, and other employers in developing and implementing  
7 commute trip reduction plans and programs. The technical assistance  
8 shall include: (a) Guidance in determining base and subsequent year  
9 values of single-occupant vehicle commuting proportion and commute trip  
10 reduction vehicle miles traveled to be used in determining progress in  
11 attaining plan goals; (b) developing model plans and programs  
12 appropriate to different situations; and (c) providing consistent  
13 training and informational materials for the implementation of commute  
14 trip reduction programs. Model plans and programs, training and  
15 informational materials shall be developed in cooperation with  
16 representatives of local governments, transit agencies, and employers.

17 (3) In carrying out this section the (~~state energy office and~~)  
18 department of transportation may contract with state-wide associations  
19 representing cities, towns, and counties to assist cities, towns, and  
20 counties in implementing commute trip reduction plans and programs.

21 **Sec. 516.** RCW 70.94.551 and 1991 c 202 s 19 are each amended to  
22 read as follows:

23 (1) The director of general administration, with the concurrence of  
24 an interagency task force established for the purposes of this section,  
25 shall coordinate a commute trip reduction plan for state agencies which  
26 are phase 1 major employers by January 1, 1993. The task force shall  
27 include representatives of the (~~state energy office, the~~) departments  
28 of transportation and ecology and such other departments as the  
29 director of general administration determines to be necessary to be  
30 generally representative of state agencies. The state agency plan  
31 shall be consistent with the requirements of RCW 70.94.527 and  
32 70.94.531 and shall be developed in consultation with state employees,  
33 local and regional governments, local transit agencies, the business  
34 community, and other interested groups. The plan shall consider and  
35 recommend policies applicable to all state agencies including but not  
36 limited to policies regarding parking and parking charges, employee  
37 incentives for commuting by other than single-occupant automobiles,  
38 flexible and alternative work schedules, alternative worksites, and the

1 use of state-owned vehicles for car and van pools. The plan shall also  
2 consider the costs and benefits to state agencies of achieving commute  
3 trip reductions and consider mechanisms for funding state agency  
4 commute trip reduction programs. The department shall, within thirty  
5 days, submit a summary of its plan along with certification of adoption  
6 to the commute trip reduction task force established under RCW  
7 70.94.537.

8 (2) Not more than three months after the adoption of the commute  
9 trip reduction plan, each state agency shall, for each facility which  
10 is a major employer, develop a commute trip reduction program. The  
11 program shall be designed to meet the goals of the commute trip  
12 reduction plan of the county, city, or town or, if there is no local  
13 commute trip reduction plan, the state. The program shall be  
14 consistent with the policies of the state commute trip reduction plan  
15 and RCW 70.94.531. The agency shall submit a description of that  
16 program to the local jurisdiction implementing a commute trip reduction  
17 plan or, if there is no local commute trip reduction plan, to the  
18 department of general administration. The program shall be implemented  
19 not more than three months after submission to the department. Annual  
20 reports required in RCW 70.94.531(2)(c) shall be submitted to the local  
21 jurisdiction implementing a commute trip reduction plan and to the  
22 department of general administration. An agency which is not meeting  
23 the applicable commute trip reduction goals shall, to the extent  
24 possible, modify its program to comply with the recommendations of the  
25 local jurisdiction or the department of general administration.

26 (3) State agencies sharing a common location may develop and  
27 implement a joint commute trip reduction program or may delegate the  
28 development and implementation of the commute trip reduction program to  
29 the department of general administration.

30 (4) The department of general administration in consultation with  
31 the state technical assistance team shall review the initial commute  
32 trip reduction program of each state agency subject to the commute trip  
33 reduction plan for state agencies to determine if the program is likely  
34 to meet the applicable commute trip reduction goals and notify the  
35 agency of any deficiencies. If it is found that the program is not  
36 likely to meet the applicable commute trip reduction goals, the team  
37 will work with the agency to modify the program as necessary.

38 (5) For each agency subject to the state agency commute trip  
39 reduction plan, the department of general administration in

1 consultation with the technical assistance team shall annually review  
2 progress toward meeting the applicable commute trip reduction goals.  
3 If it appears an agency is not meeting or is not likely to meet the  
4 applicable commute trip reduction goals, the team shall work with the  
5 agency to make modifications to the commute trip reduction program.

6 (6) The department of general administration shall submit an annual  
7 progress report for state agencies subject to the state agency commute  
8 trip reduction plan to the commute trip reduction task force  
9 established under RCW 70.94.537. The report shall be due April 1,  
10 1993, and each April 1 through 2000. The report shall report progress  
11 in attaining the applicable commute trip reduction goals for each  
12 commute trip reduction zone and shall highlight any problems being  
13 encountered in achieving the goals. The information shall be reported  
14 in a form established by the commute trip reduction task force.

15 **Sec. 517.** RCW 70.94.960 and 1991 c 199 s 218 are each amended to  
16 read as follows:

17 The department may disburse matching grants from funds provided by  
18 the legislature from the air pollution control account, created in RCW  
19 70.94.015, to units of local government to partially offset the  
20 additional cost of purchasing "clean fuel" and/or operating "clean-fuel  
21 vehicles" provided that such vehicles are used for public transit.  
22 Publicly owned school buses are considered public transit for the  
23 purposes of this section. The department may also disburse grants to  
24 vocational-technical institutes for the purpose of establishing  
25 programs to certify clean-fuel vehicle mechanics. The department may  
26 also distribute grants to (~~the state energy office~~) Washington State  
27 University for the purpose of furthering the establishment of clean  
28 fuel refueling infrastructure.

29 **Sec. 518.** RCW 70.120.210 and 1991 c 199 s 212 are each amended to  
30 read as follows:

31 By July 1, 1992, the department shall develop, in cooperation with  
32 the departments of general administration and transportation, and (~~the~~  
33 ~~state energy office~~) Washington State University, aggressive clean-  
34 fuel performance and clean-fuel vehicle emissions specifications  
35 including clean-fuel vehicle conversion equipment. To the extent  
36 possible, such specifications shall be equivalent for all fuel types.  
37 In developing such specifications the department shall consider the

1 requirements of the clean air act and the findings of the environmental  
2 protection agency, other states, the American petroleum institute, the  
3 gas research institute, and the motor vehicles manufacturers  
4 association.

5 **Sec. 519.** RCW 70.120.220 and 1991 c 199 s 215 are each amended to  
6 read as follows:

7 The department, in cooperation with the departments of general  
8 administration and transportation, the utilities and transportation  
9 commission, and (~~the state energy office~~) Washington State  
10 University, shall biennially prepare a report to the legislature  
11 starting July 1, 1992, on:

12 (1) Progress of clean fuel and clean-fuel vehicle programs in  
13 reducing automotive emissions;

14 (2) Recommendations for enhancing clean-fuel distribution systems;

15 (3) Efforts of the state, units of local government, and the  
16 private sector to evaluate and utilize "clean fuel" or "clean-fuel  
17 vehicles"; and

18 (4) Recommendations for changes in the existing program to make it  
19 more effective and, if warranted, for expansion of the program.

20 **Sec. 520.** RCW 80.28.260 and 1990 c 2 s 9 are each amended to read  
21 as follows:

22 (1) The commission shall adopt a policy allowing an incentive rate  
23 of return on investment (a) for payments made under RCW 19.27A.035 and  
24 (b) for programs that improve the efficiency of energy end use if  
25 priority is given to senior citizens and low-income citizens in the  
26 course of carrying out such programs. The incentive rate of return on  
27 investments set forth in this subsection is established by adding an  
28 increment of two percent to the rate of return on common equity  
29 permitted on the company's other investments.

30 (2) The commission shall consider and may adopt a policy allowing  
31 an incentive rate of return on investment in additional programs to  
32 improve the efficiency of energy end use or other incentive policies to  
33 encourage utility investment in such programs.

34 (3) The commission shall consider and may adopt other policies to  
35 protect a company from a reduction of short-term earnings that may be  
36 a direct result of utility programs to increase the efficiency of  
37 energy use. These policies may include allowing a periodic rate

1 adjustment for investments in end use efficiency or allowing changes in  
2 price structure designed to produce additional new revenue.

3 ~~((4) The commission may adopt a policy allowing the recovery of a  
4 utility's expenses incurred under RCW 19.27A.055.))~~

5 **Sec. 521.** RCW 82.35.020 and 1979 ex.s. c 191 s 2 are each amended  
6 to read as follows:

7 As used in this chapter, the following terms have the meanings  
8 indicated unless the context clearly requires otherwise.

9 (1) "Cogeneration" means the sequential generation of electrical or  
10 mechanical power and useful heat from the same primary energy source or  
11 fuel.

12 (2) "Cogeneration facility" means any machinery, equipment,  
13 structure, process, or property, or any part thereof, installed or  
14 acquired for the primary purpose of cogeneration by a person or  
15 corporation other than an electric utility.

16 (3) "Certificate" means a cogeneration tax credit certificate  
17 granted by the department.

18 (4) "Cost" means only the cost of a cogeneration facility which is  
19 in addition to the cost that the applicant otherwise would incur to  
20 meet the applicant's demands for useful heat. "Cost" does not include  
21 expenditures which are offset by cost savings, including but not  
22 limited to savings resulting from early retirement of existing  
23 equipment.

24 (5) "Department" means the department of revenue.

25 (6) "Electric utility" means any person, corporation, or  
26 governmental subdivision authorized and operating under the  
27 Constitution and laws of the state of Washington which is primarily  
28 engaged in the generation or sale of electric energy.

29 ~~((7) "Office" means the state energy office.))~~

30 **Sec. 522.** RCW 82.35.080 and 1979 ex.s. c 191 s 8 are each amended  
31 to read as follows:

32 (1) Except as provided in subsection (2) of this section, the  
33 department shall revoke any certificate issued under this chapter if it  
34 finds that any of the following have occurred with respect to the  
35 certificate:

36 (a) The certificate was obtained by fraud or deliberate  
37 misrepresentation;

1 (b) The certificate was obtained through the use of inaccurate data  
2 but without any intention to commit fraud or misrepresentation;

3 (c) The facility was constructed or operated in violation of any  
4 provision of this chapter or provision imposed by the department as a  
5 condition of certification; or

6 (d) The cogeneration facility is no longer capable of being  
7 operated for the primary purpose of cogeneration.

8 (2) If the department finds that there are few inaccuracies under  
9 subsection (1)(b) of this section and that cumulatively they are  
10 insignificant in terms of the cost or operation of the facility or that  
11 the inaccurate data is not attributable to carelessness or negligence  
12 and its inclusion was reasonable under the circumstances, then the  
13 department may provide for the continuance of the certificate and  
14 whatever modification it considers in the public interest.

15 (3) Any person, firm, corporation, or organization that obtains a  
16 certificate revoked under this section shall be liable for the total  
17 amount of money saved by claiming the credits and exemptions provided  
18 under this chapter and RCW 84.36.485. The total amount of the credits  
19 shall be collected as delinquent business and occupation taxes, and the  
20 total of the exemptions shall be collected and distributed as  
21 delinquent property taxes. Interest shall accrue on the amounts of the  
22 credits and exemptions from the date the taxes were otherwise due.

23 (4) The ((office)) department of community, trade, and economic  
24 development shall provide technical assistance to the department in  
25 carrying out its responsibilities under this section.

26 **Sec. 523.** RCW 90.03.247 and 1994 c 264 s 82 are each amended to  
27 read as follows:

28 Whenever an application for a permit to make beneficial use of  
29 public waters is approved relating to a stream or other water body for  
30 which minimum flows or levels have been adopted and are in effect at  
31 the time of approval, the permit shall be conditioned to protect the  
32 levels or flows. No agency may establish minimum flows and levels or  
33 similar water flow or level restrictions for any stream or lake of the  
34 state other than the department of ecology whose authority to establish  
35 is exclusive, as provided in chapter 90.03 RCW and RCW 90.22.010 and  
36 90.54.040. The provisions of other statutes, including but not limited  
37 to RCW 75.20.100 and chapter 43.21C RCW, may not be interpreted in a  
38 manner that is inconsistent with this section. In establishing such

1 minimum flows, levels, or similar restrictions, the department shall,  
2 during all stages of development by the department of ecology of  
3 minimum flow proposals, consult with, and carefully consider the  
4 recommendations of, the department of fish and wildlife, the ((state  
5 energy office)) department of community, trade, and economic  
6 development, the department of agriculture, and representatives of the  
7 affected Indian tribes. Nothing herein shall preclude the department  
8 of fish and wildlife, the ((energy office)) department of community,  
9 trade, and economic development, or the department of agriculture from  
10 presenting its views on minimum flow needs at any public hearing or to  
11 any person or agency, and the department of fish and wildlife, the  
12 ((energy office)) department of community, trade, and economic  
13 development, and the department of agriculture are each empowered to  
14 participate in proceedings of the federal energy regulatory commission  
15 and other agencies to present its views on minimum flow needs.

16 NEW SECTION. **Sec. 524.** The following acts or parts of acts are  
17 each repealed:

- 18 (1) RCW 43.21F.035 and 1990 c 12 s 1 & 1981 c 295 s 3;
- 19 (2) RCW 43.21F.065 and 1987 c 330 s 502 & 1981 c 295 s 8;
- 20 (3) RCW 39.35C.120 and 1991 c 201 s 13;
- 21 (4) RCW 41.06.081 and 1981 c 295 s 10;
- 22 (5) RCW 43.41.175 and 1986 c 325 s 4; and
- 23 (6) RCW 19.27A.055 and 1990 c 2 s 6.

24 **PART VI**  
25 **MISCELLANEOUS**

26 NEW SECTION. **Sec. 601.** The state shall offer the following  
27 services to state employees affected by the elimination of the  
28 Washington state energy office:

- 29 (1) Placement in the reduction in force transition pool;
- 30 (2) Payment of one hundred fifty dollars per month per employee for  
31 health benefits purchased under the federal consolidated omnibus budget  
32 reconciliation act (COBRA) for a period not to exceed one year;
- 33 (3) Placement in the Washington management services clearinghouse  
34 register for employees in the Washington management service;
- 35 (4) Career transition services through the department of personnel;



1 (5) Up to thirty weeks of unemployment benefits for qualifying  
2 employees; and

3 (6) Dislocated worker training for employees in positions unique to  
4 the energy industry.

5 NEW SECTION. **Sec. 602.** Part headings used in this act do not  
6 constitute part of the law.

7 NEW SECTION. **Sec. 603.** This act shall take effect July 1, 1996."

8 **4SHB 2009** - S COMM AMD

9 By Committee on Energy, Telecommunications & Utilities

10

11 On page 1, line 1 of the title, after "office;" strike the  
12 remainder of the title and insert "amending RCW 43.21F.025, 43.21F.045,  
13 43.21F.055, 43.21F.060, 43.21F.090, 43.140.050, 41.06.070, 39.35.030,  
14 39.35.050, 39.35.060, 39.35C.010, 39.35C.020, 39.35C.030, 39.35C.040,  
15 39.35C.050, 39.35C.060, 39.35C.070, 39.35C.080, 39.35C.090, 39.35C.100,  
16 39.35C.110, 39.35C.130, 19.27.190, 19.27A.020, 28A.515.320, 43.06.115,  
17 43.19.680, 43.21G.010, 43.31.621, 43.88.195, 43.140.040, 43.140.050,  
18 47.06.110, 70.94.527, 70.94.537, 70.94.541, 70.94.551, 70.94.960,  
19 70.120.210, 70.120.220, 80.28.260, 82.35.020, 82.35.080, and 90.03.247;  
20 reenacting and amending RCW 80.50.030 and 42.17.2401; adding a new  
21 section to chapter 43.330 RCW; adding new sections to chapter 28B.30  
22 RCW; adding a new section to chapter 47.01 RCW; adding a new section to  
23 chapter 43.19 RCW; creating new sections; repealing RCW 43.21F.035,  
24 43.21F.065, 39.35C.120, 41.06.081, 43.41.175, and 19.27A.055; and  
25 providing an effective date."

--- END ---