

2SHB 2815 - H AMD 1234

By Representative Upthegrove

ADOPTED 02/19/2008

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that Washington  
4 has long been a national and international leader on energy  
5 conservation and environmental stewardship, including air quality  
6 protection, renewable energy development and generation, emission  
7 standards for fossil-fuel based energy generation, energy efficiency  
8 programs, natural resource conservation, vehicle emission standards,  
9 and the use of biofuels. Washington is also unique among most states  
10 in that in addition to its commitment to reduce emissions of greenhouse  
11 gases, it has established goals to grow the clean energy sector and  
12 reduce the state's expenditures on imported fuels.

13 (2) The legislature further finds that Washington should continue  
14 its leadership on climate change policy by creating accountability for  
15 achieving the emission reductions established in section 3 of this act,  
16 participating in the design of a regional multisector market-based  
17 system to help achieve those emission reductions, assessing other  
18 market strategies to reduce emissions of greenhouse gases, and ensuring  
19 the state has a well trained workforce for our clean energy future.

20 (3) It is the intent of the legislature that the state will: (a)  
21 Limit and reduce emissions of greenhouse gas consistent with the  
22 emission reductions established in section 3 of this act; (b) minimize  
23 the potential to export pollution, jobs, and economic opportunities;  
24 and (c) reduce emissions at the lowest cost to Washington's economy,  
25 consumers, and businesses.

26 (4) In the event the state elects to participate in a regional  
27 multisector market-based system, it is the intent of the legislature  
28 that the system will become effective by January 1, 2012, after  
29 authority is provided to the department for its implementation. By  
30 acting now, Washington businesses and citizens will have adequate time

1 and opportunities to be well positioned to take advantage of the low-  
2 carbon economy and to make necessary investments in low-carbon  
3 technology.

4 (5) It is also the intent of the legislature that the regional  
5 multisector market-based system recognize Washington's unique emissions  
6 portfolio, including the state's hydroelectric system, the  
7 opportunities presented by Washington's abundant forest resources and  
8 agriculture land, and the state's leadership in energy efficiency and  
9 the actions it has already taken that have reduced its generation of  
10 greenhouse gas emissions and that entities receive appropriate credit  
11 for early actions to reduce greenhouse gases.

12 (6) If the state pursues an alternative market system using direct  
13 price signals, it is the intent of the legislature that the system  
14 preserve Washington's existing competitive advantages, recognize the  
15 state's unique emissions portfolio, and acknowledge the actions the  
16 state has already taken to reduce its generation of emissions of  
17 greenhouse gases.

18 (7) If any revenues that accrue to the state are created by a  
19 market system, they must be used to further the state's efforts to  
20 achieve the goals established in section 3 of this act, address the  
21 impacts of global warming on affected habitats, species, and  
22 communities, and increase investment in the clean energy economy  
23 particularly for communities and workers that have suffered from heavy  
24 job losses and chronic unemployment and underemployment.

25 NEW SECTION. **Sec. 2.** The definitions in this section apply  
26 throughout this chapter unless the context clearly requires otherwise.

27 (1) "Carbon dioxide equivalents" means a metric measure used to  
28 compare the emissions from various greenhouse gases based upon their  
29 global warming potential.

30 (2) "Climate advisory team" means the stakeholder group formed in  
31 response to executive order 07-02.

32 (3) "Climate impacts group" means the University of Washington's  
33 climate impacts group.

34 (4) "Department" means the department of ecology.

35 (5) "Direct emissions" means emissions of greenhouse gases from  
36 sources of emissions, including stationary combustion sources, mobile  
37 combustion emissions, process emissions, and fugitive emissions.

1 (6) "Director" means the director of the department.

2 (7) "Greenhouse gas" and "greenhouse gases" includes carbon  
3 dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons,  
4 and sulfur hexafluoride.

5 (8) "Indirect emissions" means emissions of greenhouse gases  
6 associated with the purchase of electricity, heating, cooling, or  
7 steam.

8 (9) "Person" means an individual, partnership, franchise holder,  
9 association, corporation, a state, a city, a county, or any subdivision  
10 or instrumentality of the state.

11 (10) "Program" means the department's climate change program.

12 (11) "Total emissions of greenhouse gases" means all direct  
13 emissions and all indirect emissions.

14 (12) "Western climate initiative" means the collaboration of  
15 states, Canadian provinces, Mexican states, and tribes to design a  
16 multisector market-based mechanism as directed under the western  
17 regional climate action initiative signed by the governor on February  
18 22, 2007.

19 NEW SECTION. **Sec. 3.** (1)(a) The department shall use its existing  
20 statutory authority and any additional authority granted by the  
21 legislature to limit emissions of greenhouse gases to achieve the  
22 following emission reductions for Washington state:

23 (i) By 2020, reduce overall emissions of greenhouse gases in the  
24 state to 1990 levels;

25 (ii) By 2035, reduce overall emissions of greenhouse gases in the  
26 state to twenty-five percent below 1990 levels;

27 (iii) By 2050, the state will do its part to reach global climate  
28 stabilization levels by reducing overall emissions to fifty percent  
29 below 1990 levels, or seventy percent below the state's expected  
30 emissions that year.

31 (b) Consistent with this directive, the department shall take the  
32 following actions:

33 (i) Develop and implement a system for monitoring and reporting  
34 emissions of greenhouse gases as required under RCW 70.94.151; and

35 (ii) Track progress toward meeting the emission reductions  
36 established in this subsection, including the results from policies

1 currently in effect that have been previously adopted by the state and  
2 policies adopted in the future, and report on that progress.

3 (2) By December 31st of each even-numbered year beginning in 2010,  
4 the department and the department of community, trade, and economic  
5 development shall report to the governor and the appropriate committees  
6 of the senate and house of representatives the total emissions of  
7 greenhouse gases for the preceding two years, and totals in each major  
8 source sector. The department shall ensure the reporting rules adopted  
9 under RCW 70.94.151 allow it to develop a comprehensive inventory of  
10 emissions of greenhouse gases from all significant sectors of the  
11 Washington economy.

12 (3) Except for purposes of reporting, emissions of carbon dioxide  
13 from industrial combustion of biomass in the form of fuel wood, wood  
14 waste, wood byproducts, and wood residuals shall not be considered a  
15 greenhouse gas as long as the region's silvicultural sequestration  
16 capacity is maintained or increased.

17 NEW SECTION. **Sec. 4.** (1)(a) The director shall develop, in  
18 coordination with the western climate initiative, a design for a  
19 regional multisector market-based system to limit and reduce emissions  
20 of greenhouse gas consistent with the emission reductions established  
21 in section 3(1) of this act.

22 (b) By December 1, 2008, the director and the director of the  
23 department of community, trade, and economic development shall deliver  
24 to the legislature specific recommendations for approval and request  
25 for authority to implement the preferred design of a regional  
26 multisector market-based system in (a) of this subsection. These  
27 recommendations must include:

28 (i) Proposed legislation, necessary funding, and the schedule  
29 necessary to implement the preferred design by January 1, 2012;

30 (ii) Any changes determined necessary to the reporting requirements  
31 established under RCW 70.94.151; and

32 (iii) Actions that the state should take to prevent manipulation of  
33 the multisector market-based system designed under this section.

34 (2) In developing the design for the regional multisector market-  
35 based system under subsections (1) and (3) of this section, the  
36 department shall consult with the affected state agencies, and provide  
37 opportunity for public review and comment.

1 (3) In addition to the requirements of section 3(1) of this act,  
2 the department and the department of revenue shall provide by December  
3 1, 2008, a report to the legislature on the potential design and  
4 implementation of other strategies to achieve the greenhouse gas  
5 emissions reductions required in section 3 of this act. Strategies  
6 must include, but not be limited to, direct price signals that may be  
7 implemented in ways that are integrated with the program developed  
8 under section 3(1) of this act. The report shall address the point at  
9 which the direct price signal should be applied, how businesses and  
10 consumers would be affected, how strategies could be designed and  
11 implemented to maximize efficiency and simplicity, and how strategies  
12 using direct price signals could be implemented with a similar regional  
13 or national direct price signal should one be authorized.

14 (4) In addition to the information required under subsection (1)(b)  
15 of this section, the director and the director of the department of  
16 community, trade, and economic development shall submit the following  
17 to the legislature by December 1, 2008:

18 (a) Information on progress to date in achieving the requirements  
19 of this act;

20 (b) The final recommendations of the climate advisory team,  
21 including recommended most promising actions to reduce emissions of  
22 greenhouse gases or otherwise respond to climate change. These  
23 recommendations must include strategies to reduce the quantity of  
24 emissions of greenhouse gases per distance traveled in the  
25 transportation sector;

26 (c) A request for additional resources and statutory authority  
27 needed to limit and reduce emissions of greenhouse gas consistent with  
28 this act including implementation of the most promising recommendations  
29 of the climate advisory team;

30 (d) Recommendations on how local governments could participate in  
31 the multisector market-based system designed under subsection (1) of  
32 this section;

33 (e) Recommendations regarding the circumstances under which  
34 generation of electricity or alternative fuel from landfill gas and gas  
35 from anaerobic digesters may receive an offset or credit in the  
36 regional multisector market-based system or other strategies developed  
37 by the department; and

1 (f) Recommendations developed in consultation with the department  
2 of natural resources and the department of agriculture with the climate  
3 advisory team and the college of forest resources at the University of  
4 Washington and a nonprofit consortium involved in research on renewable  
5 industrial materials, regarding how forestry and agricultural lands and  
6 practices may participate voluntarily as an offset or other credit  
7 program in the regional multisector market-based system. The  
8 recommendations must ensure that the baseline for this offset or credit  
9 program does not disadvantage this state in relation to another state  
10 or states. These recommendations shall address:

11 (i) Commercial and other working forests, including accounting for  
12 site-class specific forest management practices;

13 (ii) Agricultural and forest products, including accounting for  
14 substitution of wood for fossil intensive substitutes;

15 (iii) Agricultural land and practices;

16 (iv) Forest and agricultural lands set aside or managed for  
17 conservation as of, or after, the effective date of this section; and

18 (v) Reforestation and afforestation projects.

19 **Sec. 5.** RCW 70.94.151 and 2005 c 138 s 1 are each amended to read  
20 as follows:

21 (1) The board of any activated authority or the department, may  
22 classify air contaminant sources, by ordinance, resolution, rule or  
23 regulation, which in its judgment may cause or contribute to air  
24 pollution, according to levels and types of emissions and other  
25 characteristics which cause or contribute to air pollution, and may  
26 require registration or reporting or both for any such class or  
27 classes. Classifications made pursuant to this section may be for  
28 application to the area of jurisdiction of such authority, or the state  
29 as a whole or to any designated area within the jurisdiction, and shall  
30 be made with special reference to effects on health, economic and  
31 social factors, and physical effects on property.

32 (2) Except as provided in subsection (3) of this section, any  
33 person operating or responsible for the operation of air contaminant  
34 sources of any class for which the ordinances, resolutions, rules or  
35 regulations of the department or board of the authority, require  
36 registration (~~and~~) or reporting shall register therewith and make  
37 reports containing information as may be required by such department or

1 board concerning location, size and height of contaminant outlets,  
2 processes employed, nature of the contaminant emission and such other  
3 information as is relevant to air pollution and available or reasonably  
4 capable of being assembled. In the case of emissions of greenhouse  
5 gases as defined in section 2 of this act the department shall adopt  
6 rules requiring reporting of those emissions. The department or board  
7 may require that such registration or reporting be accompanied by a  
8 fee, and may determine the amount of such fee for such class or  
9 classes: PROVIDED, That the amount of the fee shall only be to  
10 compensate for the costs of administering such registration or  
11 reporting program which shall be defined as initial registration and  
12 annual or other periodic reports from the source owner providing  
13 information directly related to air pollution registration, on-site  
14 inspections necessary to verify compliance with registration  
15 requirements, data storage and retrieval systems necessary for support  
16 of the registration program, emission inventory reports and emission  
17 reduction credits computed from information provided by sources  
18 pursuant to registration program requirements, staff review, including  
19 engineering or other reliable analysis for accuracy and currentness, of  
20 information provided by sources pursuant to registration program  
21 requirements, clerical and other office support provided in direct  
22 furtherance of the registration program, and administrative support  
23 provided in directly carrying out the registration program: PROVIDED  
24 FURTHER, That any such registration made with either the board or the  
25 department shall preclude a further registration and reporting with any  
26 other board or the department, except that emissions of greenhouse  
27 gases as defined in section 2 of this act must be reported as required  
28 under subsection (5) of this section.

29 All registration program and reporting fees collected by the  
30 department shall be deposited in the air pollution control account.  
31 All registration program fees collected by the local air authorities  
32 shall be deposited in their respective treasuries.

33 (3) If a registration or report has been filed for a grain  
34 warehouse or grain elevator as required under this section,  
35 registration, reporting, or a registration program fee shall not, after  
36 January 1, 1997, again be required under this section for the warehouse  
37 or elevator unless the capacity of the warehouse or elevator as listed  
38 as part of the license issued for the facility has been increased since

1 the date the registration or reporting was last made. If the capacity  
2 of the warehouse or elevator listed as part of the license is  
3 increased, any registration or reporting required for the warehouse or  
4 elevator under this section must be made by the date the warehouse or  
5 elevator receives grain from the first harvest season that occurs after  
6 the increase in its capacity is listed in the license.

7 This subsection does not apply to a grain warehouse or grain  
8 elevator if the warehouse or elevator handles more than ten million  
9 bushels of grain annually.

10 (4) For the purposes of subsection (3) of this section:

11 (a) A "grain warehouse" or "grain elevator" is an establishment  
12 classified in standard industrial classification (SIC) code 5153 for  
13 wholesale trade for which a license is required and includes, but is  
14 not limited to, such a licensed facility that also conducts cleaning  
15 operations for grain;

16 (b) A "license" is a license issued by the department of  
17 agriculture licensing a facility as a grain warehouse or grain elevator  
18 under chapter 22.09 RCW or a license issued by the federal government  
19 licensing a facility as a grain warehouse or grain elevator for  
20 purposes similar to those of licensure for the facility under chapter  
21 22.09 RCW; and

22 (c) "Grain" means a grain or a pulse.

23 (5)(a) The department shall adopt rules requiring the reporting of  
24 emissions of greenhouse gases as defined in section 2 of this act. The  
25 rules must include a de minimis amount of emissions below which  
26 reporting will not be required for both indirect and direct emissions.  
27 The rules must require that emissions of greenhouse gases resulting  
28 from the burning of fossil fuels be reported separately from emissions  
29 of greenhouse gases resulting from the burning of biomass. Except as  
30 provided in (b) of this subsection, the department shall, under the  
31 authority granted in subsection (1) of this section, adopt rules  
32 requiring any owner or operator: (i) Of a fleet of on-road motor  
33 vehicles that as a fleet emit at least twenty-five hundred metric tons  
34 of greenhouse gas annually in the state to report the emissions of  
35 greenhouse gases generated from or emitted by that fleet; or (ii) of a  
36 source or combination of sources that emit at least ten thousand metric  
37 tons of greenhouse gas annually in the state to report their total  
38 annual emissions of greenhouse gases. In calculating emissions of



1 greenhouse gases for purposes of determining whether or not reporting  
2 is required, only direct emissions shall be included. For purposes of  
3 reporting emissions of greenhouse gases in this act, "source" means any  
4 stationary source as defined in RCW 70.94.030, or mobile source used  
5 for transportation of people or cargo. The emissions of greenhouse  
6 gases must be reported as carbon dioxide equivalents. The rules must  
7 require that persons report 2009 emissions starting in 2010. The rules  
8 must establish an annual reporting schedule that takes into account the  
9 time needed to allow the owner or operator reporting emissions of  
10 greenhouse gases to gather the information needed and to verify the  
11 emissions being reported. However, in no event may reports be  
12 submitted later than October 31st of the year in which the report is  
13 due. The department may phase in the reporting requirements for  
14 sources or combinations of sources under (a)(ii) of this subsection  
15 until the reporting threshold is met, which must be met by January 1,  
16 2012. The department may from time to time amend the rules to include  
17 other persons that emit less than the annual greenhouse gas emissions  
18 levels set out in this subsection if necessary to comply with any  
19 federal reporting requirements for emissions of greenhouse gases.

20 (b) In its rules, the department may defer the reporting  
21 requirement under (a) of this subsection for emissions associated with  
22 interstate and international commercial aircraft, rail, or marine  
23 vessels until (i) there is a federal requirement to report these  
24 emissions; or (ii) the department finds that there is a generally  
25 accepted reporting protocol for determining interstate emissions from  
26 these sources.

27 (c) The department shall share any reporting information reported  
28 to it with the local air authority in which the owner or operator  
29 reporting under the rules adopted by the department operates.

30 (d) The fee provisions in subsection (2) of this section apply to  
31 reporting of emissions of greenhouse gases. Owners and operators  
32 required to report under (a) of this subsection who fail to report or  
33 pay the fee required in subsection (2) of this section are subject to  
34 enforcement penalties under this chapter. The department shall enforce  
35 the reporting rule requirements unless it approves a local air  
36 authority's request to enforce the requirements for sources operating  
37 within the authority's jurisdiction.

1       (e) The energy facility site evaluation council shall,  
2 simultaneously with the department, adopt rules that impose greenhouse  
3 gas reporting requirements in site certifications on owners or  
4 operators of a facility permitted by the energy facility site  
5 evaluation council. The greenhouse gas reporting requirements imposed  
6 by the energy facility site evaluation council must be the same as the  
7 greenhouse gas reporting requirements imposed by the department. The  
8 department shall share any information reported to it from facilities  
9 permitted by the energy facility site evaluation council with the  
10 council, including notice of a facility that has failed to report as  
11 required. The energy facility site evaluation council shall contract  
12 with the department to monitor the reporting requirements adopted under  
13 this section.

14       (f) In developing its rules, the department shall, with the  
15 assistance of the department of transportation, identify a mechanism to  
16 report an aggregate estimate of the annual emissions of greenhouse  
17 gases generated from or emitted by otherwise unreported on-road motor  
18 vehicles.

19       (g) The inclusion or failure to include any person, source, classes  
20 of persons or sources, or types of emissions of greenhouse gases into  
21 the department's rules for reporting under this section does not  
22 indicate whether such a person, source, or category is appropriate for  
23 inclusion in the multisector market-based system designed under section  
24 3 of this act.

25       (h) Should the federal government adopt rules sufficient to track  
26 progress toward the emissions reductions required by this act governing  
27 the reporting of greenhouse gases, the department shall amend its  
28 rules, as necessary, to seek consistency with the federal rules to  
29 ensure duplicate reporting is not required. Nothing in this section  
30 requires the department to increase the reporting threshold established  
31 in (a) of this subsection or otherwise require the department's rules  
32 be identical to the federal rules in scope.

33       (i) The definitions in section 2 of this act apply throughout this  
34 subsection (5) unless the context clearly requires otherwise.

35       **Sec. 6.** RCW 70.94.161 and 1993 c 252 s 5 are each amended to read  
36 as follows:

1 The department of ecology, or board of an authority, shall require  
2 renewable permits for the operation of air contaminant sources subject  
3 to the following conditions and limitations:

4 (1) Permits shall be issued for a term of five years. A permit may  
5 be modified or amended during its term at the request of the permittee,  
6 or for any reason allowed by the federal clean air act. The rules  
7 adopted pursuant to subsection (2) of this section shall include rules  
8 for permit amendments and modifications. The terms and conditions of  
9 a permit shall remain in effect after the permit itself expires if the  
10 permittee submits a timely and complete application for permit renewal.

11 (2)(a) Rules establishing the elements for a statewide operating  
12 permit program and the process for permit application and renewal  
13 consistent with federal requirements shall be established by the  
14 department by January 1, 1993. The rules shall provide that every  
15 proposed permit must be reviewed prior to issuance by a professional  
16 engineer or staff under the direct supervision of a professional  
17 engineer in the employ of the permitting authority. The permit program  
18 established by these rules shall be administered by the department and  
19 delegated local air authorities. Rules developed under this subsection  
20 shall not preclude a delegated local air authority from including in a  
21 permit its own more stringent emission standards and operating  
22 restrictions.

23 (b) The board of any local air pollution control authority may  
24 apply to the department of ecology for a delegation order authorizing  
25 the local authority to administer the operating permit program for  
26 sources under that authority's jurisdiction. The department shall, by  
27 order, approve such delegation, if the department finds that the local  
28 authority has the technical and financial resources, to discharge the  
29 responsibilities of a permitting authority under the federal clean air  
30 act. A delegation request shall include adequate information about the  
31 local authority's resources to enable the department to make the  
32 findings required by this subsection(~~(if provided)~~). However, any  
33 delegation order issued under this subsection shall take effect ninety  
34 days after the environmental protection agency authorizes the local  
35 authority to issue operating permits under the federal clean air act.

36 (c) Except for the authority granted the energy facility site  
37 evaluation council to issue permits for the new construction,  
38 reconstruction, or enlargement or operation of new energy facilities

1 under chapter 80.50 RCW, the department may exercise the authority, as  
2 delegated by the environmental protection agency, to administer Title  
3 IV of the federal clean air act as amended and to delegate such  
4 administration to local authorities as applicable pursuant to (b) of  
5 this subsection.

6 (3) In establishing technical standards, defined in RCW 70.94.030,  
7 the permitting authority shall consider and, if found to be  
8 appropriate, give credit for waste reduction within the process.

9 (4) Operating permits shall apply to all sources (a) where required  
10 by the federal clean air act, and (b) for any source that may cause or  
11 contribute to air pollution in such quantity as to create a threat to  
12 the public health or welfare. Subsection (b) of this subsection is not  
13 intended to apply to small businesses except when both of the following  
14 limitations are satisfied: (i) The source is in an area exceeding or  
15 threatening to exceed federal or state air quality standards; and (ii)  
16 the department provides a reasonable justification that requiring a  
17 source to have a permit is necessary to meet a federal or state air  
18 quality standard, or to prevent exceeding a standard in an area  
19 threatening to exceed the standard. For purposes of this subsection  
20 "areas threatening to exceed air quality standards" shall mean areas  
21 projected by the department to exceed such standards within five years.  
22 Prior to identifying threatened areas the department shall hold a  
23 public hearing or hearings within the proposed areas.

24 (5) Sources operated by government agencies are not exempt under  
25 this section.

26 (6) Within one hundred eighty days after the United States  
27 environmental protection agency approves the state operating permit  
28 program, a person required to have a permit shall submit to the  
29 permitting authority a compliance plan and permit application, signed  
30 by a responsible official, certifying the accuracy of the information  
31 submitted. Until permits are issued, existing sources shall be allowed  
32 to operate under presently applicable standards and conditions provided  
33 that such sources submit complete and timely permit applications.

34 (7) All draft permits shall be subject to public notice and  
35 comment. The rules adopted pursuant to subsection (2) of this section  
36 shall specify procedures for public notice and comment. Such  
37 procedures shall provide the permitting agency with an opportunity to  
38 respond to comments received from interested parties prior to the time

1 that the proposed permit is submitted to the environmental protection  
2 agency for review pursuant to section 505(a) of the federal clean air  
3 act. In the event that the environmental protection agency objects to  
4 a proposed permit pursuant to section 505(b) of the federal clean air  
5 act, the permitting authority shall not issue the permit, unless the  
6 permittee consents to the changes required by the environmental  
7 protection agency.

8 (8) The procedures contained in chapter 43.21B RCW shall apply to  
9 permit appeals. The pollution control hearings board may stay the  
10 effectiveness of any permit issued under this section during the  
11 pendency of an appeal filed by the permittee, if the permittee  
12 demonstrates that compliance with the permit during the pendency of the  
13 appeal would require significant expenditures that would not be  
14 necessary in the event that the permittee prevailed on the merits of  
15 the appeal.

16 (9) After the effective date of any permit program promulgated  
17 under this section, it shall be unlawful for any person to: (a)  
18 Operate a permitted source in violation of any requirement of a permit  
19 issued under this section; or (b) fail to submit a permit application  
20 at the time required by rules adopted under subsection (2) of this  
21 section.

22 (10) Each air operating permit shall state the origin of and  
23 specific legal authority for each requirement included therein. Every  
24 requirement in an operating permit shall be based upon the most  
25 stringent of the following requirements:

26 (a) The federal clean air act and rules implementing that act,  
27 including provision of the approved state implementation plan;

28 (b) This chapter and rules adopted thereunder;

29 (c) In permits issued by a local air pollution control authority,  
30 the requirements of any order or regulation adopted by that authority;

31 (d) Chapter 70.98 RCW and rules adopted thereunder; and

32 (e) Chapter 80.50 RCW and rules adopted thereunder.

33 (11) Consistent with the provisions of the federal clean air act,  
34 the permitting authority may issue general permits covering categories  
35 of permitted sources, and temporary permits authorizing emissions from  
36 similar operations at multiple temporary locations.

37 (12) Permit program sources within the territorial jurisdiction of  
38 an authority delegated the operating permit program shall file their

1 permit applications with that authority, except that permit  
2 applications for sources regulated on a statewide basis pursuant to RCW  
3 70.94.395 shall be filed with the department. Permit program sources  
4 outside the territorial jurisdiction of a delegated authority shall  
5 file their applications with the department. Permit program sources  
6 subject to chapter 80.50 RCW shall, irrespective of their location,  
7 file their applications with the energy facility site evaluation  
8 council.

9 (13) When issuing operating permits to coal fired electric  
10 generating plants, the permitting authority shall establish  
11 requirements consistent with Title IV of the federal clean air act.

12 (14)(a) The department and the local air authorities are authorized  
13 to assess and to collect, and each source emitting one hundred tons or  
14 more per year of a regulated pollutant shall pay an interim assessment  
15 to fund the development of the operating permit program during fiscal  
16 year 1994.

17 (b) The department shall conduct a workload analysis and prepare an  
18 operating permit program development budget for fiscal year 1994. The  
19 department shall allocate among all sources emitting one hundred tons  
20 or more per year of a regulated pollutant during calendar year 1992 the  
21 costs identified in its program development budget according to a  
22 three-tiered model, with each of the three tiers being equally  
23 weighted, based upon:

24 (i) The number of sources;

25 (ii) The complexity of sources; and

26 (iii) The size of sources, as measured by the quantity of each  
27 regulated pollutant emitted by the source.

28 (c) Each local authority and the department shall collect from  
29 sources under their respective jurisdictions the interim fee determined  
30 by the department and shall remit the fee to the department.

31 (d) Each local authority may, in addition, allocate its fiscal year  
32 1994 operating permit program development costs among the sources under  
33 its jurisdiction emitting one hundred tons or more per year of a  
34 regulated pollutant during calendar year 1992 and may collect an  
35 interim fee from these sources. A fee assessed pursuant to this  
36 subsection (14)(d) shall be collected at the same time as the fee  
37 assessed pursuant to (c) of this subsection.

1 (e) The fees assessed to a source under this subsection shall be  
2 limited to the first seven thousand five hundred tons for each  
3 regulated pollutant per year.

4 (15)(a) The department shall determine the persons liable for the  
5 fee imposed by subsection (14) of this section, compute the fee, and  
6 provide by November 1 ((of)) 1993, the identity of the fee payer with  
7 the computation of the fee to each local authority and to the  
8 department of revenue for collection. The department of revenue shall  
9 collect the fee computed by the department from the fee payers under  
10 the jurisdiction of the department. The administrative, collection,  
11 and penalty provisions of chapter 82.32 RCW shall apply to the  
12 collection of the fee by the department of revenue. The department  
13 shall provide technical assistance to the department of revenue for  
14 decisions made by the department of revenue pursuant to RCW 82.32.160  
15 and 82.32.170. All interim fees collected by the department of revenue  
16 on behalf of the department and all interim fees collected by local  
17 authorities on behalf of the department shall be deposited in the air  
18 operating permit account. The interim fees collected by the local air  
19 authorities to cover their permit program development costs under  
20 subsection (14)(d) of this section shall be deposited in the dedicated  
21 accounts of their respective treasuries.

22 (b) All fees identified in this section shall be due and payable on  
23 March 1 ((of)) 1994, except that the local air pollution control  
24 authorities may adopt by rule an earlier date on which fees are to be  
25 due and payable. The section 5, chapter 252, Laws of 1993 amendments  
26 to RCW 70.94.161 do not have the effect of terminating, or in any way  
27 modifying, any liability, civil or criminal, incurred pursuant to the  
28 provisions of RCW 70.94.161 (15) and (17) as they existed prior to July  
29 25, 1993.

30 (16) For sources or source categories not required to obtain  
31 permits under subsection (4) of this section, the department or local  
32 authority may establish by rule control technology requirements. If  
33 control technology rule revisions are made by the department or local  
34 authority under this subsection, the department or local authority  
35 shall consider the remaining useful life of control equipment  
36 previously installed on existing sources before requiring technology  
37 changes. The department or any local air authority may issue a general

1 permit, as authorized under the federal clean air act, for such  
2 sources.

3 (17) Emissions of greenhouse gases as defined in section 2 of this  
4 act must be reported as required by RCW 70.94.151. The reporting  
5 provisions of RCW 70.94.151 shall not apply to any other emissions from  
6 any permit program source after the effective date of United States  
7 environmental protection agency approval of the state operating permit  
8 program.

9 NEW SECTION. Sec. 7. Within eighteen months of the next and each  
10 successive global or national assessment of climate change science, the  
11 department shall consult with the climate impacts group at the  
12 University of Washington regarding the science on human-caused climate  
13 change and provide a report to the legislature summarizing that science  
14 and make recommendations regarding whether the greenhouse gas emissions  
15 reductions required under section 3 of this act need to be updated.

16 NEW SECTION. Sec. 8. A new section is added to chapter 47.01 RCW  
17 to read as follows:

18 To support the implementation of RCW 47.04.280 and 47.01.078(4),  
19 the department shall adopt broad statewide goals to reduce annual per  
20 capita vehicle miles traveled by 2050 consistent with the stated goals  
21 of executive order 07-02. Consistent with these goals, the department  
22 shall:

23 (1) Establish the following benchmarks using a statewide baseline  
24 of seventy-five billion vehicle miles traveled less the vehicle miles  
25 traveled attributable to vehicles licensed under RCW 46.16.070 and  
26 weighing ten thousand pounds or more, which are exempt from this  
27 section:

28 (a) Decrease the annual per capita vehicle miles traveled by  
29 eighteen percent by 2020;

30 (b) Decrease the annual per capita vehicle miles traveled by thirty  
31 percent by 2035; and

32 (c) Decrease the annual per capita vehicle miles traveled by fifty  
33 percent by 2050;

34 (2) By July 1, 2008, establish and convene a collaborative process  
35 to develop a set of tools and best practices to assist state, regional,  
36 and local entities in making progress towards the benchmarks



1 established in subsection (1) of this section. The collaborative  
2 process must provide an opportunity for public review and comment and  
3 must:

4 (a) Be jointly facilitated by the department, the department of  
5 ecology, and the department of community, trade, and economic  
6 development;

7 (b) Provide for participation from regional transportation planning  
8 organizations, the Washington state transit association, the Puget  
9 Sound clean air agency, a statewide business organization representing  
10 the sale of motor vehicles, at least one major private employer that  
11 participates in the commute trip reduction program, and other  
12 interested parties, including but not limited to parties representing  
13 diverse perspectives on issues relating to growth, development, and  
14 transportation;

15 (c) Identify current strategies to reduce vehicle miles traveled in  
16 the state as well as successful strategies in other jurisdictions that  
17 may be applicable in the state;

18 (d) Identify potential new revenue options for local and regional  
19 governments to authorize to finance vehicle miles traveled reduction  
20 efforts;

21 (e) Provide for the development of measurement tools that can, with  
22 a high level of confidence, measure annual progress toward the  
23 benchmarks at the local, regional, and state levels, measure the  
24 effects of strategies implemented to reduce vehicle miles traveled and  
25 adequately distinguish between common travel purposes, such as moving  
26 freight or commuting to work, and measure trends of vehicle miles  
27 traveled per capita on a five-year basis;

28 (f) Establish a process for the department to periodically evaluate  
29 progress toward the vehicle miles traveled benchmarks, measure achieved  
30 and projected emissions reductions, and recommend whether the  
31 benchmarks should be adjusted to meet the state's overall goals for the  
32 reduction of greenhouse gas emissions;

33 (g) Estimate the projected reductions in greenhouse gas emissions  
34 if the benchmarks are achieved, taking into account the expected  
35 implementation of existing state and federal mandates for vehicle  
36 technology and fuels, as well as expected growth in population and  
37 vehicle travel;

1 (h) Examine access to public transportation for people living in  
2 areas with affordable housing to and from employment centers, and make  
3 recommendations for steps necessary to ensure that areas with  
4 affordable housing are served by adequate levels of public  
5 transportation; and

6 (i) By December 1, 2008, provide a report to the transportation  
7 committees of the legislature on the collaborative process and  
8 resulting recommended tools and best practices to achieve the reduction  
9 in annual per capita vehicle miles traveled goals.

10 (3) Included in the December 1, 2008, report to the transportation  
11 committees of the legislature, the department shall identify strategies  
12 to reduce vehicle miles traveled in the state as well as successful  
13 strategies in other jurisdictions that may be applicable in the state  
14 that recognize the differing urban and rural transportation  
15 requirements.

16 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.330 RCW  
17 to read as follows:

18 (1) The legislature establishes a comprehensive green economy jobs  
19 growth initiative based on the goal of, by 2020, increasing the number  
20 of green economy jobs to twenty-five thousand from the eight thousand  
21 four hundred green economy jobs the state had in 2004.

22 (2) The department, in consultation with the employment security  
23 department, the state workforce training and education coordinating  
24 board, the state board of community and technical colleges, and the  
25 higher education coordinating board, shall develop a defined list of  
26 terms, consistent with current workforce and economic development  
27 terms, associated with green economy industries and jobs.

28 (3)(a) The employment security department, in consultation with the  
29 department, the state workforce training and education coordinating  
30 board, the state board for community and technical colleges, the higher  
31 education coordinating board, and the Washington State University  
32 extension energy program, shall conduct labor market research to  
33 analyze the current labor market and projected job growth in the green  
34 economy, the current and projected recruitment and skill requirement of  
35 green economy industry employers, the wage and benefits ranges of jobs  
36 within green economy industries, and the education and training  
37 requirements of entry-level and incumbent workers in those industries.

1 (b) The University of Washington business and economic development  
2 center shall: Analyze the current opportunities for and participation  
3 in the green economy by minority and women-owned business enterprises  
4 in Washington; identify existing barriers to their successful  
5 participation in the green economy; and develop strategies with  
6 specific policy recommendations to improve their successful  
7 participation in the green economy. The research may be informed by  
8 the research of the Puget Sound regional council prosperity  
9 partnership, as well as other entities. The University of Washington  
10 business and economic development center shall report to the  
11 appropriate committees of the house of representatives and the senate  
12 on their research, analysis, and recommendations by December 1, 2008.

13 (4) Based on the findings from subsection (3) of this section, the  
14 employment security department, in consultation with the department and  
15 taking into account the requirements and goals of this act and other  
16 state clean energy and energy efficiency policies, shall propose which  
17 industries will be considered high-demand green industries, based on  
18 current and projected job creation and their strategic importance to  
19 the development of the state's green economy. The employment security  
20 department and the department shall take into account which jobs within  
21 green economy industries will be considered high-wage occupations and  
22 occupations that are part of career pathways to the same, based on  
23 family-sustaining wage and benefits ranges. These designations, and  
24 the results of the employment security department's broader labor  
25 market research, shall inform the planning and strategic direction of  
26 the department, the state workforce training and education coordinating  
27 board, the state board for community and technical colleges, and the  
28 higher education coordinating board.

29 (5) The department shall identify emerging technologies and  
30 innovations that are likely to contribute to advancements in the green  
31 economy, including the activities in designated innovation partnership  
32 zones established in RCW 43.330.270.

33 (6) The department, consistent with the priorities established by  
34 the state economic development commission, shall:

35 (a) Develop targeting criteria for existing investments, and make  
36 recommendations for new or expanded financial incentives and  
37 comprehensive strategies, to recruit, retain, and expand green economy  
38 industries; and

1 (b) Make recommendations for new or expanded financial incentives  
2 and comprehensive strategies to stimulate research and development of  
3 green technology and innovation, including designating innovation  
4 partnership zones linked to the green economy.

5 (7) For the purposes of this section, "target populations" means  
6 (a) entry-level or incumbent workers in high-demand green industries  
7 who are in, or are preparing for, high-wage occupations; (b) dislocated  
8 workers in declining industries who may be retrained for high-wage  
9 occupations in high-demand green industries; (c) dislocated  
10 agriculture, timber, or energy sector workers who may be retrained for  
11 high-wage occupations in high-demand green industries; (d) eligible  
12 veterans or national guard members; (e) disadvantaged populations; or  
13 (f) anyone eligible to participate in the state opportunity grant  
14 program under RCW 28B.50.271.

15 (8) The legislature directs the state workforce training and  
16 education coordinating board to create and pilot green industry skill  
17 panels. These panels shall consist of business representatives from  
18 industry sectors related to clean energy, labor unions representing  
19 workers in those industries or labor affiliates administering state-  
20 approved, joint apprenticeship programs or labor-management partnership  
21 programs that train workers for these industries, state and local  
22 veterans agencies, employer associations, educational institutions, and  
23 local workforce development councils within the region that the panels  
24 propose to operate, and other key stakeholders as determined by the  
25 applicant. Any of these stakeholder organizations are eligible to  
26 receive grants under this section and serve as the intermediary that  
27 convenes and leads the panel. Panel applicants must provide labor  
28 market and industry analysis that demonstrates high demand, or demand  
29 of strategic importance to the development of the state's clean energy  
30 economy as identified in this section, for high-wage occupations, or  
31 occupations that are part of career pathways to the same, within the  
32 relevant industry sector. The panel shall:

33 (a) Conduct labor market and industry analyses, in consultation  
34 with the employment security department, and drawing on the findings of  
35 its research when available;

36 (b) Plan strategies to meet the recruitment and training needs of  
37 the industry; and

38 (c) Leverage and align other public and private funding sources.

1 (9) The green industries jobs training account is created in the  
2 state treasury. Moneys from the account must be utilized to supplement  
3 the state opportunity grant program established under RCW 28B.50.271.  
4 All receipts from appropriations directed to the account must be  
5 deposited into the account. Expenditures from the account may be used  
6 only for the activities identified in this subsection. The state board  
7 for community and technical colleges, in consultation with the state  
8 workforce training and education coordinating board, informed by the  
9 research of the employment security department and the strategies  
10 developed in this section, may authorize expenditures from the account.  
11 The state board for community and technical colleges must distribute  
12 grants from the account on a competitive basis.

13 (a)(i) Allowable uses of these grant funds, which should be used  
14 when other public or private funds are insufficient or unavailable, may  
15 include:

16 (A) Curriculum development;

17 (B) Transitional jobs strategies for dislocated workers in  
18 declining industries who may be retrained for high-wage occupations in  
19 green industries;

20 (C) Workforce education to target populations; and

21 (D) Adult basic and remedial education as necessary linked to  
22 occupation skills training.

23 (ii) Allowable uses of these grant funds do not include student  
24 assistance and support services available through the state opportunity  
25 grant program under RCW 28B.50.271.

26 (b) Applicants eligible to receive these grants may be any  
27 organization or a partnership of organizations that has demonstrated  
28 expertise in:

29 (i) Implementing effective education and training programs that  
30 meet industry demand; and

31 (ii) Recruiting and supporting, to successful completion of those  
32 training programs carried out under these grants, the target  
33 populations of workers.

34 (c) In awarding grants from the green industries jobs training  
35 account, the state board for community and technical colleges shall  
36 give priority to applicants that demonstrate the ability to:

37 (i) Use labor market and industry analysis developed by the

1 employment security department and green industry skill panels in the  
2 design and delivery of the relevant education and training program, and  
3 otherwise utilize strategies developed by green industry skills panels;  
4 (ii) Leverage and align existing public programs and resources and  
5 private resources toward the goal of recruiting, supporting, educating,  
6 and training target populations of workers;  
7 (iii) Work collaboratively with other relevant stakeholders in the  
8 regional economy;  
9 (iv) Link adult basic and remedial education, where necessary, with  
10 occupation skills training;  
11 (v) Involve employers and, where applicable, labor unions in the  
12 determination of relevant skills and competencies and, where relevant,  
13 the validation of career pathways; and  
14 (vi) Ensure that supportive services, where necessary, are  
15 integrated with education and training and are delivered by  
16 organizations with direct access to and experience with the targeted  
17 population of workers.

18 **Sec. 10.** RCW 28B.50.273 and 2007 c 277 s 201 are each amended to  
19 read as follows:

20 The college board, in partnership with business, labor, and the  
21 workforce training and education coordinating board, shall:

22 (1) Identify job-specific training programs offered by qualified  
23 postsecondary institutions that lead to a credential, certificate, or  
24 degree in green industry occupations as established in this act, and  
25 other high demand occupations, which are occupations where data show  
26 that employer demand for workers exceeds the supply of qualified job  
27 applicants throughout the state or in a specific region, and where  
28 training capacity is underutilized;

29 (2) Gain recognition of the credentials, certificates, and degrees  
30 by Washington's employers and labor organizations. The college board  
31 shall designate these recognized credentials, certificates, and degrees  
32 as "opportunity grant-eligible programs of study"; and

33 (3) Market the credentials, certificates, and degrees to potential  
34 students, businesses, and apprenticeship programs as a way for  
35 individuals to advance in their careers and to better meet the needs of  
36 industry.

