

# HOUSE BILL REPORT

## ESB 5669

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**As Reported by House Committee On:**  
Technology, Energy & Communications

**Title:** An act relating to implementing renewable fuel standards.

**Brief Description:** Requiring agencies to expedite decisions regarding the implementation of renewable fuel standards.

**Sponsors:** Senators Holmquist, Poulsen, Rasmussen, Pflug, Oemig, Swecker, Clements, Schoesler, Roach, Rockefeller and Kilmer.

**Brief History:**

**Committee Activity:**

Technology, Energy & Communications: 3/27/07, 3/28/07 [DPA].

**Brief Summary of Engrossed Bill**  
**(As Amended by House Committee)**

- Requires state agencies to expedite application and permit decisions for infrastructure improvements or activities necessary to implement renewable fuel standards.

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### HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

**Majority Report:** Do pass as amended. Signed by 11 members: Representatives Morris, Chair; McCoy, Vice Chair; Crouse, Ranking Minority Member; McCune, Assistant Ranking Minority Member; Eddy, Ericksen, Hankins, Hudgins, Hurst, Takko and VanDeWege.

**Staff:** Kara Durbin (786-7133).

**Background:**

**Renewable Fuel Standards**

In 2006, the Legislature enacted renewable fuel standards for certain special fuel licensees and state agencies.

**Special Fuel Licensees**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Special fuel licensees, other than international fuel tax agreement licensees, dyed special fuel users, and special fuel distributors, must show that at least 2 percent of their total annual diesel fuel sales are biodiesel fuel by the earlier of November 30, 2008, or upon determination by the Department of Agriculture that enough feedstock is being grown in the state to satisfy the 2 percent requirement. Once the 2 percent requirement has been triggered, these special fuel licensees must provide evidence to the Department of Licensing that they are meeting the requirement. If the Director of the Department of Agriculture determines that in-state oil seed crushing capacity and feedstocks can satisfy a 3 percent requirement, these special fuel licensees must provide evidence that at least 5 percent of the total annual diesel fuel sold in the state is biodiesel.

#### State Agencies

State agencies are encouraged, but not required, to use a fuel blend of 20 percent biodiesel and 80 percent petroleum diesel for use in diesel-powered vehicles and equipment.

Starting June 1, 2009, state agencies must use a minimum of 20 percent biodiesel as compared to total volume of all diesel purchases made by the agencies for the operation of the agencies' diesel-powered vessels, vehicles, and construction equipment.

In addition, state agencies that are complying with the U.S. Environmental Protection Agency's ultra-low sulfur mandate must use biodiesel as an additive to ultra-low sulfur diesel for lubricity, so long as: (1) the use of a lubricity additive is warranted; and (2) the use of biodiesel is comparable in performance and cost with other available lubricity additives. The amount of biodiesel added to ultra-low sulfur diesel fuel must be at least 2 percent.

#### **State Environmental Policy Act**

The State Environmental Policy Act (SEPA) requires state and local governments to prepare an environmental impact statement (EIS) if proposed legislation or other major action may have a probable significant, adverse impact on the environment. The SEPA also requires state and local governments to systemically consider environmental values and consequences along with economic and technical considerations when promulgating regulations and making permit decisions.

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#### **Summary of Amended Bill:**

Agencies processing applications and decisions relating to infrastructure improvements or activities necessary to implement renewable fuel standards must do so in a defined and efficient manner in order to minimize processing and review times. Applications and decisions may be processed prior to other competing applications and decisions, to the extent that this is appropriate under current law. Pertinent processing information, including review requirements and turnaround times, must be made accessible to the public.

The authority to expedite applications and decisions applies to any attendant and nonexempt requirements under the State Environmental Policy Act (SEPA), or other license, permit, or approval requirements for the following types of projects:

- installing new storage tanks and pumps;
- increasing refining and blending capacity;
- adding efficiency improvements for refiners, blenders, or bulk plant operators;
- modifying off-loading or on-loading racks;
- adding heating or other equipment to biodiesel storage tanks or tanks holding blended fuel; and
- replacing underground and above-ground fuel storage tanks, pumps, and large bulk tanks.

The provisions related to expediting applications and decisions do not apply to biodiesel or ethanol production facilities. The provisions expire on December 31, 2009.

**Amended Bill Compared to Original Bill:**

The amended bill makes a technical correction.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) In light of the renewable fuel standards that we will soon be embarking upon in Washington, the state needs a "kick start" to ensure that the renewable fuel standards are implemented efficiently. This will ensure that gas station owners who want to offer homegrown fuel will be able to get the tanks and infrastructure in place in a timely manner.

(Opposed) None.

**Persons Testifying:** Senator Holmquist, prime sponsor.

**Persons Signed In To Testify But Not Testifying:** None.