

**E2SSB 5735** - H COMM AMD

By Committee on Ecology & Parks

NOT ADOPTED 04/15/2009

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

3       "NEW SECTION.   **Sec. 1.** FINDINGS. The legislature finds that  
4 Washington should maintain its leadership on climate change by  
5 continuing Washington's participation in the development of any federal  
6 or regional programs to reduce greenhouse gas emissions.

7       The legislature finds that by continuing its participation in the  
8 development of federal and regional programs to reduce greenhouse gas  
9 emissions, Washington maximizes its ability to influence and shape  
10 those programs so that they may reflect Washington's emissions  
11 portfolio, including the state's hydroelectric system, aid Washington's  
12 forest resources and agricultural industries, reduce Washington's  
13 expenditures on imported fuels, and create a strong economy.

14       The legislature further finds that by continuing Washington's  
15 participation in the development of federal and regional programs to  
16 reduce greenhouse gas emissions, Washington has the opportunity to  
17 protect Washington families and small businesses from undue financial  
18 impacts arising from the transition to a clean energy future, to  
19 protect Washington's economy from disadvantages resulting from  
20 competition with industries that do not participate in carbon control  
21 efforts, and provide appropriate credit for those businesses that have  
22 taken early actions to reduce greenhouse gas emissions.

23       The legislature further finds that well-designed climate policies  
24 should mitigate any impacts on the cost and affordability of food,  
25 housing, energy, transportation, and other routine expenses on low and  
26 moderate-income people, and ensure that economic benefits are available  
27 to both urban and rural communities, and to traditionally underserved  
28 communities.

29       The legislature further finds the continued efforts to reduce  
30 greenhouse gases in the transportation sector through the continued

1 development of alternative fuels, improved vehicle technologies, and  
2 providing choices that reduce overall vehicle miles traveled to be  
3 critical steps in creating jobs, fostering economic growth, and  
4 reducing our reliance on foreign petroleum-based transportation fuels.

5 NEW SECTION. **Sec. 2.** NATIONAL AND REGIONAL GREENHOUSE GAS  
6 REDUCTION PROGRAMS. (1) The office of the governor and the department  
7 are directed to represent the state's interests in the development of  
8 a national program to reduce greenhouse gas emissions. As part of this  
9 effort, the department is directed to continue to participate in the  
10 western climate initiative to develop a regional program to reduce  
11 greenhouse gas emissions. This regional program must be used to  
12 influence the national program to reduce greenhouse gas emissions.

13 (2) In order to provide needed information to the legislature,  
14 government agencies, and those persons who are responsible for  
15 significant emissions of greenhouse gases so that they may effectively  
16 plan for the long-term emissions reductions under RCW 70.235.020, the  
17 department shall develop:

18 (a) Its best estimate of emissions levels in 2012 for persons that  
19 the department reasonably believes emit twenty-five thousand metric  
20 tons of carbon dioxide equivalent or greater each year; and

21 (b) The trajectory of emissions reductions necessary to meet the  
22 2020 requirement of reducing the state's greenhouse gas emissions to  
23 1990 levels.

24 (3) The department shall develop the estimated 2012 emissions  
25 levels and the 2020 reduction trajectories in consultation with  
26 business and other interested stakeholders by December 15, 2009. The  
27 reduction trajectories must reflect the department's best estimate of  
28 each person's proportionate share of the 2020 reductions and must  
29 consider each person's use of industry best practices and of fuels that  
30 are either carbon neutral or that do not emit greenhouse gases.  
31 Consideration may be given to industries whose processes are inherently  
32 energy intensive.

33 (4) The department shall provide each person with its estimate of  
34 the person's 2012 emissions levels and the 2020 reduction trajectory as  
35 soon as they are available, but no later than December 15, 2009. Each  
36 person or groups of persons representing a sector of Washington's

1 economy may recommend strategies or actions to the department that they  
2 believe would achieve the needed reductions. The recommendations must  
3 be provided to the department by June 15, 2010.

4 (5) The department shall provide a report to the legislature by  
5 December 31, 2010, that includes the 2012 emissions estimates, the 2020  
6 reduction trajectories, and the strategies and actions, including  
7 complementary policies that collectively will achieve the state's 2020  
8 emissions reduction in RCW 70.235.020. The report must also include a  
9 description of any additional authority that is needed to implement the  
10 identified strategies or actions.

11 (6) For purposes of this section, emissions of carbon dioxide from  
12 industrial combustion of biomass in the form of fuel wood, wood waste,  
13 wood byproducts, including pulping liquor, and wood residuals may not  
14 be considered a greenhouse gas as long as the region's silvicultural  
15 sequestration capacity is maintained or increased.

16 NEW SECTION. **Sec. 3.** ACCOUNTABILITY. The governor shall  
17 designate a currently employed full-time equivalent person as the  
18 single point of accountability for all energy and climate change  
19 initiatives within state agencies. All agencies, councils, or work  
20 groups with energy or climate change initiatives must coordinate with  
21 this designee. This position must be funded from current full-time  
22 equivalent allocations without increasing budgets or staffing levels.  
23 If duties must be shifted in the agency, they must be shifted to  
24 current full-time equivalent allocations.

25 NEW SECTION. **Sec. 4.** FORESTRY OFFSET POLICY. The department, in  
26 consultation with the department of natural resources and the forest  
27 carbon working group, shall develop recommendations for the state's  
28 policy for forestry offset projects within Washington. The agencies  
29 and the forest carbon working group must use the 2008 report of the  
30 forest carbon working group as the starting point in developing the  
31 policy. The final policy must be submitted to the legislature by  
32 December 31, 2010. The policy recommendations must address:

33 (1) Specific standards and guidelines that will support carbon  
34 accounting in managed forests participating in an offset program;

35 (2) Recommendations on how any carbon that is reduced or

1 sequestered by a forestry offset project may be eligible for an offset  
2 credit available to coal-fired power plants under section 7 of this  
3 act, and within regional and federal climate policies;

4 (3) Recognition of management activities that increase carbon  
5 stocks including, but not limited to, thinning, lengthening rotations,  
6 increased retention of trees after harvest, fertilization, genetics,  
7 timber stand improvement, fire management, and specific site class and  
8 productivity of a managed forest;

9 (4) Specific standards and guidelines to support wood products  
10 accounting, recognizing that carbon is stored in products after trees  
11 are harvested, including the use of the one hundred year method which  
12 estimates the amount of carbon stored in the wood products that are  
13 projected to remain in use over one hundred years;

14 (5) Guidelines on how transfer of development rights or on-site  
15 cluster development projects may be used to create forestry offset  
16 projects;

17 (6) Guidelines on how forestry offset projects and forestry  
18 financial incentive programs can work together so that Washington's  
19 forest landowners will not be disadvantaged in comparison to other  
20 jurisdictions participating in a national or regional cap and trade  
21 program;

22 (7) How to verify or certify carbon stocks in a manner that will  
23 not be administratively burdensome; and

24 (8) Specific standards for how landowners who are no longer able or  
25 willing to meet their offset obligations can opt out of the program.  
26 The specific standards must require the landowner to procure other  
27 allowances or offsets equal to the offsets issued under the management  
28 plan for any offsets they have sold and surrender those offsets and any  
29 unsold offsets to the state.

30 NEW SECTION. **Sec. 5.** FINANCIAL INCENTIVES FOR FORESTRY. The  
31 department of ecology, in consultation with the department of natural  
32 resources and the forest carbon working group, shall develop and  
33 deliver to the legislature by December 31, 2010, recommendations for  
34 financial incentives for forestry and forest products that will  
35 recognize and encourage forest land management and use of forest  
36 products that will maintain or increase carbon sequestration,  
37 including, but not limited to:

1 (1) Thinning, lengthening of rotations, increased retention of  
2 trees at harvest, fertilization, genetics, timber stand improvement,  
3 and fire management;

4 (2) Production of wood products while maintaining or increasing  
5 carbon stocks on the ground; and

6 (3) Retention of high carbon stocks where there is no obligation to  
7 retain such stocks.

8 NEW SECTION. **Sec. 6.** AGRICULTURAL OFFSET POLICY. The department,  
9 in consultation with Washington State University, the department of  
10 agriculture, and the agriculture carbon working group shall develop  
11 recommendations for agricultural offset projects within Washington.  
12 The agencies and the agricultural carbon working group must use the  
13 2008 report of the agricultural carbon working group as the starting  
14 point in developing the policy. The final recommendations of the  
15 agriculture carbon working group must be submitted to the legislature  
16 by December 31, 2010. The policy recommendations must address:

17 (1) A process and timeline to survey, catalog, and map Washington  
18 soils in a manner that describes the carbon soil sequestration level of  
19 the soils;

20 (2) Activities that would increase carbon sequestration in soils  
21 and therefore potentially qualify as offset projects; and

22 (3) Recommendations on how any carbon that is reduced or  
23 sequestered by an agricultural offset project may be eligible for an  
24 offset credit available to coal-fired power plants under section 7 of  
25 this act, and within regional and federal climate policies.

26 NEW SECTION. **Sec. 7.** A new section is added to chapter 70.94 RCW  
27 to read as follows:

28 STANDARDS FOR COAL-FIRED POWER PLANTS. (1) This section only  
29 applies to coal-fired power plants within Washington that burn over one  
30 million tons of coal per year.

31 (2) By 2015, coal-fired power plants must reduce emissions of  
32 greenhouse gases by one million metric tons unless the state is  
33 participating in a national or regional cap and trade program by or  
34 during 2012 that covers the emissions from these plants.

35 (3) The department shall negotiate and implement a compliance  
36 agreement with the coal-fired power plants covered by this section that

1 describes how the required emissions reduction will be accomplished.  
2 The compliance agreement may include, but is not limited to, measures  
3 such as the substitution of biomass and other renewable resources for  
4 more carbon-intensive fuels as well as the limited use of offset  
5 projects. No more than forty-nine percent of the total emissions  
6 reductions from the coal-fired power plants covered by this section may  
7 be satisfied with offsets. The department shall report to the  
8 legislature on the status and content of the compliance agreement by  
9 December 31, 2010.

10 (4)(a) If an order or approval is required as a result of the  
11 reductions required under subsection (2) of this section, the  
12 department shall issue the order or approval within sixty days of  
13 receipt of a complete application that demonstrates to the department's  
14 satisfaction that the coal-fired power plant will achieve the emissions  
15 reduction required by this section.

16 (b) Within thirty days after issuing an order or approval, the  
17 department must submit to the legislature notice of the issuance of an  
18 order or approval and the findings that led to the issuance of the  
19 order or approval. The department must also post the notice of the  
20 issuance of an order or approval and the findings that led to the  
21 issuance of the order or approval on their department web site.

22 (5) If a coal-fired power plant subject to this section has begun  
23 to reduce its emissions as a result of this requirement and the state  
24 subsequently participates in a national or regional cap and trade  
25 program, the state shall advocate for appropriate credit to be given  
26 for these early reductions.

27 (6) If the compliance agreement under this section requires  
28 substitution of biomass or other renewable resources for more carbon  
29 intensive fuels, the substitution does not constitute an upgrade as  
30 defined in RCW 80.80.010.

31 NEW SECTION. **Sec. 8.** A new section is added to chapter 47.38 RCW  
32 to read as follows:

33 ALTERNATIVE FUELS CORRIDOR PILOT. (1) As a necessary and desirable  
34 step to encourage public and private investment in both electric  
35 vehicle infrastructure and alternative fuel distribution  
36 infrastructure, the legislature authorizes an alternative fuels

1 corridor pilot project capable of supporting electric vehicle charging  
2 and battery exchange technologies, and providing alternative fuel  
3 distribution sites.

4 (2) To the extent permitted under federal programs, rules, or law,  
5 the department of transportation shall pursue partnership agreements  
6 with other public and private entities for the use of land and  
7 facilities along state routes and within interstate highway rights-of-  
8 way for an alternative fuels corridor pilot project. The department of  
9 transportation shall strive to have the partnership agreement in place  
10 by June 30, 2010. At a minimum, the pilot project must:

11 (a) Limit renewable fuel and vehicle technology offerings to those  
12 with a forecasted demand over the next fifteen years and approved by  
13 the department of transportation;

14 (b) Ensure that a pilot project site does not compete with existing  
15 retail businesses in the same geographic area for the provision of the  
16 same refueling services, recharging technologies, or other retail  
17 commercial activities;

18 (c) Provide existing truck stop operators and retail truck  
19 refueling businesses with an absolute right of first refusal over the  
20 offering of refueling and recharging services to class six trucks with  
21 a maximum gross vehicle weight of twenty-six thousand pounds within the  
22 same geographic area identified for a possible pilot project site;

23 (d) Reach agreement with the department of services for the blind  
24 ensuring that any activities at host sites do not materially affect the  
25 revenues forecasted from their vending operations at each site;

26 (e) Regulate the internal rate of return from the partnership,  
27 including provisions to reduce or eliminate the level of state support  
28 once the partnership attains economic self-sufficiency;

29 (f) Be limited to not more than five locations on state-owned land  
30 within federal interstate rights-of-way or state highway rights-of-way  
31 in Washington; and

32 (g) Be limited in duration to a term of years reasonably necessary  
33 for the partnership to recover the cost of capital investments, plus  
34 the regulated internal rate of return.

35 (3) The department of transportation is not responsible for  
36 providing capital equipment or operating refueling or recharging  
37 services. The department of transportation must provide periodic

1 status reports on the pilot project to the office of financial  
2 management and the relevant standing committees of the legislature at  
3 least every biennium.

4 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.19 RCW  
5 to read as follows:

6 ELECTRIFICATION OF THE WEST COAST INTERSTATE. (1) The office of  
7 the governor, in consultation with the department of community, trade,  
8 and economic development, the department of ecology, the department of  
9 general administration, the department of transportation, and  
10 Washington State University, shall develop a project for the  
11 electrification of the west coast interstate and associated  
12 metropolitan centers.

13 (2) The project should be developed in collaboration with  
14 representatives of Oregon and California, the federal government, and  
15 the private sector, as appropriate.

16 (3) The state shall seek federal funds for purchasing electric  
17 vehicles and the installation of public infrastructure for electric and  
18 other high-efficiency, zero or low-carbon vehicles. The department of  
19 ecology shall also seek funds to expand the network of truck stop  
20 electrification facilities and port electrification facilities.

21 **Sec. 10.** RCW 47.80.030 and 2005 c 328 s 2 are each amended to read  
22 as follows:

23 (1) Each regional transportation planning organization shall  
24 develop in cooperation with the department of transportation, providers  
25 of public transportation and high capacity transportation, ports, and  
26 local governments within the region, adopt, and periodically update a  
27 regional transportation plan that:

28 (a) Is based on a least cost planning methodology that identifies  
29 the most cost-effective facilities, services, and programs;

30 (b) Identifies existing or planned transportation facilities,  
31 services, and programs, including but not limited to major roadways  
32 including state highways and regional arterials, transit and  
33 nonmotorized services and facilities, multimodal and intermodal  
34 facilities, marine ports and airports, railroads, and noncapital  
35 programs including transportation demand management that should



1 function as an integrated regional transportation system, giving  
2 emphasis to those facilities, services, and programs that exhibit one  
3 or more of the following characteristics:

4 (i) Crosses member county lines;

5 (ii) Is or will be used by a significant number of people who live  
6 or work outside the county in which the facility, service, or project  
7 is located;

8 (iii) Significant impacts are expected to be felt in more than one  
9 county;

10 (iv) Potentially adverse impacts of the facility, service, program,  
11 or project can be better avoided or mitigated through adherence to  
12 regional policies;

13 (v) Transportation needs addressed by a project have been  
14 identified by the regional transportation planning process and the  
15 remedy is deemed to have regional significance; and

16 (vi) Provides for system continuity;

17 (c) Establishes level of service standards for state highways and  
18 state ferry routes, with the exception of transportation facilities of  
19 statewide significance as defined in RCW 47.06.140. These regionally  
20 established level of service standards for state highways and state  
21 ferries shall be developed jointly with the department of  
22 transportation, to encourage consistency across jurisdictions. In  
23 establishing level of service standards for state highways and state  
24 ferries, consideration shall be given for the necessary balance between  
25 providing for the free interjurisdictional movement of people and goods  
26 and the needs of local commuters using state facilities;

27 (d) Includes a financial plan demonstrating how the regional  
28 transportation plan can be implemented, indicating resources from  
29 public and private sources that are reasonably expected to be made  
30 available to carry out the plan, and recommending any innovative  
31 financing techniques to finance needed facilities, services, and  
32 programs;

33 (e) Assesses regional development patterns, capital investment and  
34 other measures necessary to:

35 (i) Ensure the preservation of the existing regional transportation  
36 system, including requirements for operational improvements,  
37 resurfacing, restoration, and rehabilitation of existing and future

1 major roadways, as well as operations, maintenance, modernization, and  
2 rehabilitation of existing and future transit, railroad systems and  
3 corridors, and nonmotorized facilities; and

4 (ii) Make the most efficient use of existing transportation  
5 facilities to relieve vehicular congestion and maximize the mobility of  
6 people and goods;

7 (f) Sets forth a proposed regional transportation approach,  
8 including capital investments, service improvements, programs, and  
9 transportation demand management measures to guide the development of  
10 the integrated, multimodal regional transportation system. For  
11 regional growth centers, the approach must address transportation  
12 concurrency strategies required under RCW 36.70A.070 and include a  
13 measurement of vehicle level of service for off-peak periods and total  
14 multimodal capacity for peak periods; and

15 (g) Where appropriate, sets forth the relationship of high capacity  
16 transportation providers and other public transit providers with regard  
17 to responsibility for, and the coordination between, services and  
18 facilities.

19 (2) Regional transportation planning organizations encompassing at  
20 least one county planning under RCW 36.70A.040 with a population  
21 greater than two hundred forty-five thousand must adopt a regional  
22 transportation plan for those counties that implement the goals to  
23 reduce annual per capita vehicle miles traveled under RCW 47.01.440.

24 (3) The organization shall review the regional transportation plan  
25 biennially for currency and forward the adopted plan along with  
26 documentation of the biennial review to the state department of  
27 transportation.

28 ~~((+3))~~ (4) All transportation projects, programs, and  
29 transportation demand management measures within the region that have  
30 an impact upon regional facilities or services must be consistent with  
31 the plan and with the adopted regional growth and transportation  
32 strategies.

33 (5) In satisfying the requirements of subsections (2) and (3) of  
34 this section, the organization shall review and document consistency  
35 with locally adopted comprehensive plans of all jurisdictions fully  
36 planning under chapter 36.70A RCW within the boundary of the  
37 organization and shall identify any potential conflicts between the

1 locally adopted comprehensive plans and regional efforts to reduce per  
2 capital vehicle miles.

3 **Sec. 11.** RCW 43.19.648 and 2007 c 348 s 202 are each amended to  
4 read as follows:

5 AGGREGATE PURCHASING OF ELECTRIC VEHICLES. (1) Effective June 1,  
6 2015, all state agencies and local government subdivisions of the  
7 state, to the extent determined practicable by the rules adopted by the  
8 department of community, trade, and economic development pursuant to  
9 RCW 43.325.080, are required to satisfy one hundred percent of their  
10 fuel usage for operating publicly owned vessels, vehicles, and  
11 construction equipment from electricity or biofuel.

12 (2) The department of general administration is directed to work  
13 with California, Oregon, other states, federal agencies, local  
14 governments, and private fleet owners to encourage aggregate purchasing  
15 of electric vehicles to the maximum extent possible.

16 (3) Except for cars owned or operated by the Washington state  
17 patrol, when tires on vehicles in the state's motor vehicle fleet are  
18 replaced, they must be replaced with tires that have the same or better  
19 rolling resistance as the original tires.

20 NEW SECTION. **Sec. 12.** TRIBAL GOVERNMENTS. (1) The department  
21 must consult with tribal governments upon request on elements of the  
22 state's climate change program that may impact tribal governments, such  
23 as their voluntary development of offset projects.

24 (2) Nothing in this chapter is intended to expand state authority  
25 over Indian country as that term is defined in 18 U.S.C. Sec. 1151.

26 NEW SECTION. **Sec. 13.** Captions used in this act are not any part  
27 of the law.

28 NEW SECTION. **Sec. 14.** Sections 1 through 4 and 6 of this act are  
29 each added to chapter 70.235 RCW.

30 NEW SECTION. **Sec. 15.** If any provision of this act or its  
31 application to any person or circumstance is held invalid, the  
32 remainder of the act or the application of the provision to other  
33 persons or circumstances is not affected."

1 Correct the title.

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