

**E2SSB 5735** - H AMD **624**

By Representative Upthegrove

ADOPTED AS AMENDED 04/14/2009

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 are responsible for the emission of  
20 twenty-five thousand metric tons of carbon dioxide equivalent or  
21 greater each year; and

22 (b) The trajectory of emissions reductions necessary to meet the  
23 2020 requirement of reducing the state's greenhouse gas emissions to  
24 1990 levels.

25 (3) The department shall develop the estimated 2012 emissions  
26 levels and the 2020 reduction trajectories in consultation with  
27 business and other interested stakeholders by February 15, 2010. The  
28 reduction trajectories must reflect the department's best estimate of  
29 each person's proportionate share of the 2020 reductions.

30 (4) The department shall provide each person with its estimate of  
31 the person's 2012 emissions levels and the 2020 reduction trajectory as  
32 soon as they are available, but no later than February 15, 2010. Each  
33 person or groups of persons representing a sector of Washington's  
34 economy may recommend strategies or actions to the department that they  
35 believe would achieve the needed reductions. The recommendations must  
36 be provided to the department by July 15, 2010.

1 (5) The department shall provide a report to the legislature by  
2 December 31, 2010, that includes the 2012 emissions estimates, the 2020  
3 reduction trajectories, and the strategies and actions, including  
4 complementary policies that collectively will achieve the state's 2020  
5 emissions reduction in RCW 70.235.020. The 2020 reduction trajectories  
6 must consider each person's use of industry best practices and of fuels  
7 that are either carbon neutral or that do not emit greenhouse gases.  
8 Consideration may be given to industries whose processes are inherently  
9 energy intensive. The report must include a description of any  
10 additional authority that is needed to implement the identified  
11 strategies or actions. The report must also include an assessment of  
12 the state's emission sources and sectors where emissions reductions  
13 cannot be realized and the sources or sectors are necessary to ensure  
14 the economic viability of the state.

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

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

28 NEW SECTION. **Sec. 4.** STATE OFFSET POLICIES. (1) The state shall  
29 begin to develop policy criteria for offset projects that will  
30 recognize the role of forestry and agriculture in sequestering and  
31 storing carbon dioxide. These policy criteria may only be implemented  
32 in the context of a national or regional climate change program that  
33 establishes an enforceable cap on emissions of greenhouse gases. The  
34 final policy recommendations required under this section must be  
35 submitted to the legislature by December 31, 2010.

36 (2) The department shall develop state policies for:

1 (a) Forestry offset projects within Washington in consultation with  
2 the department of natural resources and the forest carbon working  
3 group; and

4 (b) Agriculture offset projects in consultation with Washington  
5 State University, the department of agriculture, and the agriculture  
6 carbon working group.

7 (3) In developing the forestry offset project policy under  
8 subsection (2)(a) of this section, the agencies and the forest carbon  
9 working group shall use the 2008 report of the forest carbon working  
10 group as the starting point and should consider:

11 (a) Specific standards and guidelines that will support carbon  
12 accounting in managed forests participating in an offset program;

13 (b) Recognition of management activities that increase carbon  
14 stocks including, but not limited to, thinning, lengthening rotations,  
15 increased retention of trees after harvest, fertilization, genetics,  
16 timber stand improvement, fire management, and specific site class and  
17 productivity of a managed forest;

18 (c) Specific standards and guidelines to support wood products  
19 accounting, recognizing that carbon is stored in products after trees  
20 are harvested, including the use of the one hundred year method which  
21 estimates the amount of carbon stored in the wood products that are  
22 projected to remain in use after one hundred years;

23 (d) Guidelines on how transfer of development right projects and  
24 other land use and urban forestry techniques that reduce the loss of  
25 forests may be used to create forestry offset projects;

26 (e) Guidelines on how forestry offset projects and forestry  
27 financial incentive programs can work together so that Washington's  
28 forest landowners will not be disadvantaged in comparison to other  
29 jurisdictions participating in a national or regional cap and trade  
30 program;

31 (f) How to verify or certify carbon stocks in a manner that will  
32 not be administratively burdensome; and

33 (g) Specific standards for how landowners that are no longer able  
34 or willing to meet their offset obligations may opt out of the program.  
35 Such a mechanism must require the landowner to procure other allowances  
36 or offsets equal to the offsets issued under the management plan for  
37 any offsets they have sold and surrender those offsets, and any unsold  
38 offsets, to the state.

1 (4) In developing the agricultural offset project policy under  
2 subsection (2)(b) of this section, the agencies and the agriculture  
3 carbon working group should consider:

4 (a) A process and timeline to survey, catalog, and map Washington  
5 soils in a manner that describes the carbon soil sequestration level of  
6 the soils; and

7 (b) Activities that would increase carbon sequestration in soils  
8 and therefore potentially qualify as offset projects.

9 NEW SECTION. **Sec. 5.** FINANCIAL INCENTIVES FOR FORESTRY. The  
10 department of ecology, in consultation with the department of natural  
11 resources and the forest carbon working group, shall develop and  
12 deliver to the legislature by December 31, 2010, recommendations for  
13 financial incentives for forestry and forest products that will  
14 recognize and encourage forest land management and use of forest  
15 products that will maintain or increase carbon sequestration,  
16 including, but not limited to:

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

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

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

24 NEW SECTION. **Sec. 6.** A new section is added to chapter 70.94 RCW  
25 to read as follows:

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

29 (2) Coal-fired power plants must meet the greenhouse gas emissions  
30 performance standards under RCW 80.80.040(1) by December 31, 2025.

31 (3) The state shall not require early or additional reductions of  
32 greenhouse gas emissions for coal-fired power plants except as may be  
33 required for these plants under a federal program or unless they become  
34 the subject of long-term financial commitments as provided in RCW  
35 80.80.040(2).

1 (4) If a coal-fired power plant reduces its total annual greenhouse  
2 gas emissions below the plant's baseline emissions before the effective  
3 date of any future requirement to reduce emissions, including the  
4 requirement in subsection (2) of this section, the state shall advocate  
5 for appropriate early action credit under future climate change  
6 programs that require reductions in greenhouse gas emissions from the  
7 plants.

8 (5) For purposes of subsection (4) of this section, the baseline  
9 emissions for a coal-fired power plant is the plant's total annual  
10 emissions of greenhouse gases in calendar year 2005. The baseline  
11 emissions established in this subsection does not set nor otherwise  
12 create a precedent for establishing baseline emissions for any other  
13 sector or person subject to any future requirement to reduce greenhouse  
14 gas emissions.

15 NEW SECTION. **Sec. 7.** A new section is added to chapter 47.38 RCW  
16 to read as follows:

17 ALTERNATIVE FUELS CORRIDOR PILOT. (1) As a necessary and desirable  
18 step to encourage public and private investment in both electric  
19 vehicle infrastructure and alternative fuel distribution  
20 infrastructure, the legislature authorizes an alternative fuels  
21 corridor pilot project capable of supporting electric vehicle charging  
22 and battery exchange technologies, and providing alternative fuel  
23 distribution sites.

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

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

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

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

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

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

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

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

18 (3) The department of transportation is not responsible for  
19 providing capital equipment or operating refueling or recharging  
20 services. The department of transportation must provide periodic  
21 status reports on the pilot project to the office of financial  
22 management and the relevant standing committees of the legislature at  
23 least every biennium.

24 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.19 RCW  
25 to read as follows:

26 ELECTRIFICATION OF THE WEST COAST INTERSTATE. (1) The office of  
27 the governor, in consultation with the department of community, trade,  
28 and economic development, the department of ecology, the department of  
29 general administration, the department of transportation, and  
30 Washington State University, shall develop a project for the  
31 electrification of the west coast interstate and associated  
32 metropolitan centers.

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

36 (3) The state shall seek federal funds for purchasing electric  
37 vehicles and the installation of public infrastructure for electric and

1 other high-efficiency, zero or low-carbon vehicles. The department of  
2 ecology shall also seek funds to expand the network of truck stop  
3 electrification facilities and port electrification facilities.

4 **Sec. 9.** RCW 47.80.030 and 2005 c 328 s 2 are each amended to read  
5 as follows:

6 (1) Each regional transportation planning organization shall  
7 develop in cooperation with the department of transportation, providers  
8 of public transportation and high capacity transportation, ports, and  
9 local governments within the region, adopt, and periodically update a  
10 regional transportation plan that:

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

13 (b) Identifies existing or planned transportation facilities,  
14 services, and programs, including but not limited to major roadways  
15 including state highways and regional arterials, transit and  
16 nonmotorized services and facilities, multimodal and intermodal  
17 facilities, marine ports and airports, railroads, and noncapital  
18 programs including transportation demand management that should  
19 function as an integrated regional transportation system, giving  
20 emphasis to those facilities, services, and programs that exhibit one  
21 or more of the following characteristics:

22 (i) Crosses member county lines;

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

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

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

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

34 (vi) Provides for system continuity;

35 (c) Establishes level of service standards for state highways and  
36 state ferry routes, with the exception of transportation facilities of  
37 statewide significance as defined in RCW 47.06.140. These regionally



1 established level of service standards for state highways and state  
2 ferries shall be developed jointly with the department of  
3 transportation, to encourage consistency across jurisdictions. In  
4 establishing level of service standards for state highways and state  
5 ferries, consideration shall be given for the necessary balance between  
6 providing for the free interjurisdictional movement of people and goods  
7 and the needs of local commuters using state facilities;

8 (d) Includes a financial plan demonstrating how the regional  
9 transportation plan can be implemented, indicating resources from  
10 public and private sources that are reasonably expected to be made  
11 available to carry out the plan, and recommending any innovative  
12 financing techniques to finance needed facilities, services, and  
13 programs;

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

16 (i) Ensure the preservation of the existing regional transportation  
17 system, including requirements for operational improvements,  
18 resurfacing, restoration, and rehabilitation of existing and future  
19 major roadways, as well as operations, maintenance, modernization, and  
20 rehabilitation of existing and future transit, railroad systems and  
21 corridors, and nonmotorized facilities; and

22 (ii) Make the most efficient use of existing transportation  
23 facilities to relieve vehicular congestion and maximize the mobility of  
24 people and goods;

25 (f) Sets forth a proposed regional transportation approach,  
26 including capital investments, service improvements, programs, and  
27 transportation demand management measures to guide the development of  
28 the integrated, multimodal regional transportation system. For  
29 regional growth centers, the approach must address transportation  
30 concurrency strategies required under RCW 36.70A.070 and include a  
31 measurement of vehicle level of service for off-peak periods and total  
32 multimodal capacity for peak periods; and

33 (g) Where appropriate, sets forth the relationship of high capacity  
34 transportation providers and other public transit providers with regard  
35 to responsibility for, and the coordination between, services and  
36 facilities.

37 (2) Beginning December 1, 2011, regional transportation planning  
38 organizations that encompass at least one county planning under RCW

1 36.70A.040 with a population greater than two hundred forty-five  
2 thousand must adopt a regional transportation plan that, when  
3 implemented, reduces greenhouse gas emissions, including achieving the  
4 benchmarks under RCW 47.01.440 to reduce annual per capita vehicle  
5 miles traveled in those counties. In the case of a county with a  
6 population greater than two hundred forty-five thousand that is a  
7 member of more than one regional transportation planning organization,  
8 the regional transportation planning organization with the larger  
9 overall population must carry out the requirements of this subsection.

10 (3) The organization shall review the regional transportation plan  
11 biennially for currency and forward the adopted plan along with  
12 documentation of the biennial review to the state department of  
13 transportation.

14 ~~((3))~~ (4) All transportation projects, programs, and  
15 transportation demand management measures within the region that have  
16 an impact upon regional facilities or services must be consistent with  
17 the plan and with the adopted regional growth and transportation  
18 strategies.

19 (5) The department shall submit a report on progress made under RCW  
20 47.01.440 to the appropriate committees of the legislature by December  
21 1, 2011.

22 **Sec. 10.** RCW 43.19.648 and 2007 c 348 s 202 are each amended to  
23 read as follows:

24 (1) ~~((Effective))~~ By June 1, 2015, all state agencies and local  
25 government subdivisions of the state, to the extent determined  
26 practicable by the rules adopted by the department of community, trade,  
27 and economic development pursuant to RCW 43.325.080, are required to  
28 satisfy one hundred percent of their fuel usage for operating publicly  
29 owned vessels, vehicles, and construction equipment from electricity or  
30 biofuel.

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

35 (3) Except for cars owned or operated by the Washington state  
36 patrol, when tires on vehicles in the state's motor vehicle fleet are

1 replaced, they must be replaced with tires that have the same or better  
2 rolling resistance as the original tires.

3 NEW SECTION. **Sec. 11.** TRIBAL GOVERNMENTS. (1) The department  
4 must consult with tribal governments upon request on elements of the  
5 state's climate change program that may impact tribal governments, such  
6 as their voluntary development of offset projects.

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

9 NEW SECTION. **Sec. 12.** Captions used in this act are not any part  
10 of the law.

11 NEW SECTION. **Sec. 13.** Sections 1 through 4 and 11 of this act are  
12 each added to chapter 70.235 RCW.

13 NEW SECTION. **Sec. 14.** If any provision of this act or its  
14 application to any person or circumstance is held invalid, the  
15 remainder of the act or the application of the provision to other  
16 persons or circumstances is not affected."

17 Correct the title.

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