SUBSTITUTE HOUSE BILL 1915

State of Washington 63rd Legislature 2013 Regular Session

By House Appropriations Subcommittee on General Government (originally sponsored by Representatives Upthegrove, Pollet, Fitzgibbon, Reykdal, Liias, Hunt, Fey, Pedersen, Freeman, and Bergquist; by request of Governor Inslee)

READ FIRST TIME 03/11/13.

1 AN ACT Relating to developing recommendations to achieve the 2 state's greenhouse gas emission limits; creating new sections; and 3 declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 <u>NEW SECTION.</u> Sec. 1. (1) The legislature finds that:

6 (a) Actions to reduce the state's greenhouse gas emissions offer 7 improve the state's energy independence the potential to and competitiveness and grow many sectors of the state's economy. 8 Many 9 climate mitigation actions will involve growing clean energy businesses 10 and technologies, as well as increasing energy efficiency in 11 manufacturing, transportation, and buildings. The state's farms and forest landowners will benefit by providing the feedstock for cleaner 12 13 energy fuels while also providing a means to offset carbon emissions. Increasing energy efficiency, with the associated benefit of reducing 14 15 carbon emissions, will benefit consumers and ratepayers while growing 16 jobs in construction and associated sectors;

(b) Action to reduce the state's greenhouse gas emissions is also needed because Washington state is particularly vulnerable to a warming climate. Higher winter temperatures are projected to reduce the winter

snow pack and decrease summer streamflows in many watersheds, which in 1 2 turn will decrease year-round water supplies for municipal and 3 individual household drinking water, farms, fish runs, power 4 generation, and many other uses. Other adverse impacts from climate disruption are likely to be many, including sea level rise, increased 5 6 frequency of severe storms, harm to shellfish and other marine life with increasing acidification of our state's marine waters, increased 7 8 forest mortality due to insect activity and increased severity of 9 forest fires, increased risk of invasive species becoming established 10 in the state, and increased human health risks from peak summer 11 temperatures and exposure to insect-transmitted diseases;

12 (c) Recognizing these threats to the state and that increased 13 emissions of greenhouse gases from human activities is the principal cause of climate change and ocean acidification, 14 in 2008 the legislature enacted a series of statewide emission limits. 15 These statewide limits begin with a return to 1990 emission levels by 2020, 16 17 a reduction to twenty-five percent below 1990 levels by 2035, and fifty percent below that level by 2050. As new assessments of climate change 18 19 science become available, the department of ecology is required to report to the legislature summarizing that science and making 20 21 recommendations regarding whether the limits need to be updated to be 22 commensurate with the state's share of emission reductions necessary 23 globally to avoid far greater climate disruption;

24 (d) Substantial progress has been made to achieve these reductions through the implementation of policies, technology advances, and the 25 26 choices made by individuals and families to reduce their carbon 27 footprint. These include increasing the energy efficiency of appliances, producing more electricity from renewable energy while 28 29 phasing out coal-powered electricity generation in the state, requiring 30 the most efficient technologies for electricity generation from other fossil fuels, and increasing fuel efficiency in our automobiles which 31 32 has the effect of reducing greenhouse gas emissions in the 33 transportation sector;

(e) While these measures, combined with recent reduced fossil fuel
demand, have lowered the trajectory of statewide emissions, recent
analyses demonstrate that the state will not meet its 2020 emission
limits. Without further reduction measures the state will likely far
exceed its 2035 and 2050 limits; and

1 (f) There are many examples of adopted programs throughout the 2 country and in other nations that may provide useful information as the 3 legislature considers the policies and mechanisms appropriate to 4 achieve the necessary remaining emission reductions.

(2) Therefore, it is the purpose of this act to commission an 5 б evaluation of existing programs and policies being implemented in other 7 jurisdictions that seek to reduce greenhouse gas emissions and to 8 analyze the costs and benefits of differing policies in the context of 9 Washington state's economy and emission sources. The governor and members of the senate and house of representatives will use this 10 11 evaluation to develop a strategy to ensure achievement of the state's 12 greenhouse gas emission limits and to recommend additional actions the 13 governor may take using existing authorities and that the legislature 14 may take through enactment of new law, as necessary to effectively 15 implement the strategy.

(1) The office of the governor shall 16 NEW SECTION. Sec. 2. 17 contract with an independent and objective organization to prepare a 18 credible evaluation of approaches to reducing greenhouse gas emissions, as outlined in this section. The evaluation must be provided in a 19 20 final report by October 15, 2013, to the governor for use by the 21 climate legislative and executive work group created in section 3 of 22 this act, and prior to that date may provide selective analyses, 23 drafts, or portions of the report to the work group.

(2) The evaluation shall include a review of comprehensive greenhouse gas emission reduction programs being implemented in other states and countries, including a review of reduction strategies being implemented in the Pacific Northwest, on the west coast, in neighboring provinces in Canada, and in other regions of the country. For each program, the report must include available information about:

30 (a) The effectiveness in achieving the jurisdiction's emission31 reduction objectives, including the cost per ton of emission reduction;

32 (b) The relative impact upon different sectors of the 33 jurisdiction's economy, including power rates;

34 (c) The impacts upon household consumption and spending, including 35 fuel, food, and housing costs, and program measures to mitigate impacts 36 to low-income populations;

(d) Displacement of emission sources from the jurisdiction due to
 the program; and

3 (e) Any significant cobenefits to the jurisdiction, such as to4 public health, from implementing the program.

5 (3) The evaluation must also analyze Washington's emissions and 6 related energy consumption profile, including:

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(a) Total expenditures for energy by fuel category;

8 (b) The sources of the fuels, including imports of oil and other 9 fossil fuels; and

10 (c) An evaluation of the options for an emissions reduction 11 approach that would increase expenditures upon energy sources produced 12 in state relative to expenditures upon imported energy sources, and how 13 that increase would affect job growth and economic performance.

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(4) The evaluation must also examine and summarize:

(a) Opportunities for new manufacturing infrastructure and other
 job producing investments in Washington relating to cleaner energy and
 greater energy efficiency;

(b) How other states and countries have created opportunities inthese sectors;

20 (c) How other jurisdictions have achieved greater independence from 21 fossil fuels and the costs and benefits to their economy of doing so; 22 and

(d) Existing studies of the potential costs to Washington consumersand businesses of unmitigated climate change.

25 <u>NEW SECTION.</u> Sec. 3. (1) The climate legislative and executive 26 work group is created. The work group consists of ten members and 27 includes:

28 (a)(i) The governor, or the governor's designee, and another 29 representative of the executive branch appointed by the governor;

30 (ii) Four members and two alternates from the house of 31 representatives, appointed by the speaker of the house of representatives, consisting of two members and an alternate from each 32 major caucus in the house of representatives; and 33

(iii) Four members and two alternates from the senate, appointed by
 the president of the senate, consisting of two members and an alternate
 from each major caucus in the senate.

(b) An alternate may serve as a member at a work group meeting only
 when a member from that caucus is unable to attend the meeting.

3 (2) The governor or the governor's designee is the chair of the4 work group.

(3) The purpose of the work group is to recommend a state program 5 of actions and policies to reduce greenhouse gas emissions, that if 6 7 implemented would ensure achievement of the state's emission limits in 8 RCW 70.235.020, including consideration of current best science, the effectiveness of the program and policies in terms of costs, benefits, 9 10 and results, and how best to administer the program and policies. The work group recommendations must include a timeline for actions and 11 12 funding needed to implement the recommendations.

(4) The members and alternates of the work group must be appointed
by July 15, 2013. The work group must meet not less than twice per
month and its first meeting held by August 1, 2013.

(5) The work group shall use the report provided under section 2 of this act to inform the work group regarding experiences in other jurisdictions, and may call on the author of the report to respond to questions. All state agencies shall also cooperate with the work group in providing information regarding previous and current climate action reports and analyses.

(6) The work group shall schedule one or more meetings or portions of meetings at which the views of the public may be provided to the work group.

25 (7) The report of the work group must be provided to the 26 appropriate policy and fiscal committees of the senate and house of 27 representatives by December 31, 2013.

28 <u>NEW SECTION.</u> **Sec. 4.** Nothing in this act may be construed to 29 enhance or diminish any existing authority regarding greenhouse gas 30 emissions.

31 <u>NEW SECTION.</u> Sec. 5. Sections 2 and 3 of this act are necessary 32 for the immediate preservation of the public peace, health, or safety, 33 or support of the state government and its existing public 34 institutions, and take effect immediately.

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